

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, 2016



BOROUGH OF SOUTH PLAINFIELD

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BOROUGH OF SOUTH PLAINFIELD

PART I

INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES AND DATA

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2016



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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of South Plainfield, as of December 31, 2016 and 2015, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and the statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

SUPLEE, CLOONEY & COMPANY

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough of South Plainfield as of December 31, 2016 and 2015, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2016.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2016 and 2015, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2016 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of South Plainfield's regulatory financial statements. The supplementary information, data and schedules of expenditures of federal awards and state financial assistance listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

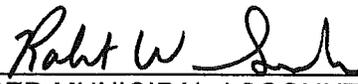
The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and data listed in the table of contents and the schedule of expenditures of federal awards, and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2017 on our consideration of the Borough of South Plainfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of South Plainfield's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

June 30, 2017

CURRENT FUND

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>
<u>ASSETS</u>			
Cash	A-4	\$ 4,366,375.91	\$ 4,766,414.99
Change Fund	A-6	675.00	675.00
		<u>\$ 4,367,050.91</u>	<u>\$ 4,767,089.99</u>
Receivables and other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 1,013,061.82	\$ 893,720.00
Tax Title Liens Receivable	A-9	116,361.69	110,993.67
Revenue Accounts Receivable	A-13	68,465.42	55,462.15
Interfunds Receivable	A-12	53,866.91	30,066.30
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>\$ 6,285,255.84</u>	<u>\$ 6,123,742.12</u>
Deferred Charges	A-19	\$ 9,200.00	\$ 11,500.00
		<u>\$ 10,661,506.75</u>	<u>\$ 10,902,332.11</u>
Grant Fund:			
Cash	A-4	\$ 205,634.53	\$ 207,776.14
Grants Receivable	A-26	100,901.20	138,952.06
		<u>\$ 306,535.73</u>	<u>\$ 346,728.20</u>
		<u>\$ 10,968,042.48</u>	<u>\$ 11,249,060.31</u>

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

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves	A-3:A-14	\$ 959,835.37	\$ 965,180.78
Prepaid Taxes	A-18	871,582.87	677,833.84
Accounts Payable	A-11	241,362.12	242,083.43
Tax Overpayments	A-17	39,118.79	18,502.55
Due State of New Jersey - Senior Citizens and Veterans	A-7	16,837.10	27,565.80
Interfunds Payable	A-12	13,444.16	15,129.97
School Taxes Payable	A-21		645,543.98
County Taxes Payable	A-25		1,382.26
Reserve For:			
Tax Appeals	A-15	119,965.49	15,103.38
Revision of Planning/Zoning Code	A-29	6,831.51	6,831.51
Sale of Municipal Assets	A-28	3,000.00	108,000.00
Accumulated Absences	A-27	16,500.00	16,500.00
Length of Service Awards Program	A-20	41,903.04	34,828.15
		\$ 2,330,380.45	\$ 2,774,485.65
Reserve for Receivables and other Assets	A	6,285,255.84	6,123,742.12
Fund Balance	A-1	2,045,870.46	2,004,104.34
		\$ 10,661,506.75	\$ 10,902,332.11
Grant Fund:			
Reserve for Grants - Unappropriated	A-24	\$ 32,989.49	\$ 15,307.10
Reserve for Grants - Appropriated	A-23	248,961.98	324,789.21
Due General Capital Fund	A-30	19,705.69	
Reserve for Accounts Payable	A-16	4,878.57	6,631.89
		\$ 306,535.73	\$ 346,728.20
		\$ 10,968,042.48	\$ 11,249,060.31

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 - REGULATORY BASIS

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>REF.</u>	YEAR ENDED DECEMBER 31, 2016	YEAR ENDED DECEMBER 31, 2015
Fund Balance Utilized	A-1:A-2	\$ 1,740,000.00	\$ 1,585,000.00
Miscellaneous Revenue Anticipated	A-2	7,089,749.58	7,115,915.24
Receipts From Delinquent Taxes	A-2	893,720.00	733,390.62
Receipts From Current Taxes	A-2	80,354,188.12	78,842,737.76
Non-Budget Revenue	A-2	72,298.94	94,361.27
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	380,763.03	275,431.45
Other Cancellations and Additions to Income	A-11:A-25	6,477.41	
<u>TOTAL REVENUE AND OTHER INCOME</u>		<u>\$ 90,537,197.08</u>	<u>\$ 88,646,836.34</u>
 <u>EXPENDITURES</u> 			
Budget and Emergency Appropriations:			
Operations within "CAPS"	A-3	\$ 19,725,451.00	\$ 19,441,952.00
Deferred Charges and Regulatory Expenditures	A-3	2,333,020.00	2,253,520.00
Other Operations Excluded from "CAPS"	A-3	3,207,519.06	2,995,982.45
Judgments	A-3	35,000.00	30,000.00
Municipal Debt Service	A-3	1,475,211.83	1,459,886.45
Capital Improvements	A-3	155,000.00	100,000.00
Deferred Charges	A-3	7,300.00	5,000.00
County Tax	A-25	14,824,111.49	14,990,432.38
County Share of Added Taxes	A-25	72,002.97	94,889.26
Local District School Tax	A-21	46,897,014.00	45,515,106.00
Prior Accounts Payable			22,498.85
Interfunds Advanced		23,800.61	20,887.83
<u>TOTAL EXPENDITURES</u>		<u>\$ 88,755,430.96</u>	<u>\$ 86,930,155.22</u>
Excess in Revenue		<u>\$ 1,781,766.12</u>	<u>\$ 1,716,681.12</u>
Adjustments to Income before Fund Balance:			
Expenditures Included above which are by Statute			
Deferred Charges to Budget of Succeeding Year		\$ _____	\$ 11,500.00
Statutory Excess to Fund Balance		<u>\$ 1,781,766.12</u>	<u>\$ 1,728,181.12</u>
Fund Balance, January 1	A	<u>\$ 2,004,104.34</u>	<u>\$ 1,860,923.22</u>
		\$ 3,785,870.46	\$ 3,589,104.34
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>1,740,000.00</u>	<u>1,585,000.00</u>
Fund Balance, December 31	A	<u>\$ 2,045,870.46</u>	<u>\$ 2,004,104.34</u>

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

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2016

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	NJS 40A: 4-87		
Fund Balance Anticipated	A-1	\$ 1,740,000.00		\$ 1,740,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-13	\$ 48,000.00	\$	\$ 45,459.00	\$ (2,541.00)
Other	A-2	77,356.00		94,115.00	16,759.00
Fees and Permits:					
Construction Code Official	A-13	846,500.00		992,334.00	145,834.00
Other	A-2	102,000.00		83,771.20	(18,228.80)
Municipal Court:					
Fines and Costs	A-13	649,500.00		742,164.74	92,664.74
Interest and Costs on Taxes	A-13	160,000.00		171,700.89	11,700.89
Interest on Investments and Deposits	A-13	8,000.00		26,527.33	18,527.33
Consolidated Municipal Property Tax Relief Aid	A-13	142,500.00		142,500.00	
Energy Receipts Tax	A-13	2,572,791.00		2,572,791.00	
SP Urban Renewal Pilot	A-13	37,000.00		43,992.45	6,992.45
Office on Aging Building Rental	A-13	16,000.00		20,975.00	4,975.00
Reserve for Parade Contributions	A-13	7,500.00		7,500.00	
General Capital Fund Surplus	A-13	15,000.00		15,000.00	
Police Off-Duty Admin Fee	A-13	95,000.00		95,000.00	
State Hotel Tax	A-13	300,000.00		317,592.81	17,592.81
Uniform Fire Safety Act	A-13	320,000.00		325,557.73	5,557.73
Utility Operating Surplus	A-13	660,000.00		660,000.00	
Host Benefits-Recycling Tonnage	A-13	82,000.00		113,461.86	31,461.86
Cable TV Fees	A-13	294,000.00		300,044.51	6,044.51
Bail Forfeitures	A-13	15,000.00		13,092.00	(1,908.00)
Sale of Land	A-27	105,000.00		105,000.00	
Senior Title III B Grant	A-26	6,617.00		6,617.00	
Senior Citizens Coordinator	A-26	12,500.00		12,500.00	
Senior Assistance Grant	A-26	2,222.00		2,222.00	
Improvements to Senior Center	A-26		6,325.00	6,325.00	
Body Armor Grant	A-26	4,878.10		4,878.10	
Recycling Tonnage Grant	A-26	106,811.21		106,811.21	
Drunk Driving Enforcement Fund	A-26	2,035.00		2,035.00	
Clean Communities	A-26		56,456.75	56,456.75	
Click It or Ticket	A-26	3,325.00		3,325.00	
<u>Total Miscellaneous Revenues</u>	A-1	\$ 6,691,535.31	\$ 62,781.75	\$ 7,089,749.58	\$ 335,432.52
Receipts From Delinquent Taxes	A-1:A-8	\$ 865,000.00	\$	\$ 893,720.00	\$ 28,720.00
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-8	\$ 17,977,795.52	\$	\$ 18,920,631.66	\$ 942,836.14
Local Tax for Municipal Library	A-2:A-8	1,256,928.00		1,256,928.00	
BUDGET TOTALS		\$ 28,531,258.83	\$ 62,781.75	\$ 29,901,029.24	\$ 1,369,770.41
Non-Budget Revenues	A-2	\$	\$	\$ 72,298.94	\$ 72,298.94
		\$ 28,531,258.83	\$ 62,781.75	\$ 29,973,328.18	\$ 1,442,069.35
	REF.	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 - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2016

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:		
Revenue From Collections	A-1:A:8	\$ 80,354,188.12
Allocated To:		
County Taxes	A-8	\$ 14,896,114.46
Local District School Taxes	A-8	46,897,014.00
Minimum Library Tax	A-8	<u>1,256,928.00</u>
Balance for Support of Municipal Budget Appropriations		\$ 17,304,131.66
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,616,500.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 18,920,631.66</u>
Licenses - Other:		
Registrar and Board of Health	A-13	\$ 82,750.00
Clerk	A-13	<u>11,365.00</u>
	A-2	<u>\$ 94,115.00</u>
Other - Fees and Permits:		
Clerk	A-13	\$ 5,169.00
Board of Adjustment/Planning/Zoning	A-13	40,531.40
Board of Health/Registrar	A-13	15,200.00
Police Records/Burglar Alarm Permits	A-13	<u>22,870.80</u>
	A-2	<u>\$ 83,771.20</u>

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

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2016

REF.

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
Inspection Fines	\$	11,150.00
Miscellaneous		32,749.79
Restitution		500.00
Auction and Scrap		2,656.75
Zumba		7,745.00
Court		1,151.01
Senior Citizens and Veterans Administrative Fee		4,005.04
Tax Collector		6,548.22
Swim Pool Operating-Appropriation Reserves Lapsed		4,912.13
Clerk		651.00
Zoning Administration		230.00
		<hr/>
<u>Total Non-Budget Revenue</u>	A-1:A-2:A-4	\$ <u>72,298.94</u>

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

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2016

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>GENERAL GOVERNMENT:</u>					
Administrative and Purchasing:					
Salaries and Wages	\$ 166,360.00	\$ 164,360.00	\$ 157,740.68	\$ 6,619.32	\$
Other Expenses	3,000.00	3,000.00	1,330.11	1,669.89	
Mayor & Council					
Salaries and Wages	55,719.00	55,719.00	51,454.07	4,264.93	
Other Expenses	3,500.00	4,500.00	2,136.44	2,363.56	
Borough Clerk:					
Salaries and Wages	120,033.00	120,033.00	116,898.68	3,134.32	
Other Expenses	21,500.00	21,500.00	20,020.46	1,479.54	
Financial Administration:					
Salaries and Wages	76,543.00	79,543.00	78,381.25	1,161.75	
Other Expenses	40,000.00	40,000.00	36,629.86	3,370.14	
Annual Audit	62,000.00	62,000.00		62,000.00	
Computer:					
Salaries and Wages	54,058.00	54,058.00	49,118.01	4,939.99	
Other Expenses	125,000.00	135,000.00	124,446.38	10,553.62	
Data Processing:					
Other Expenses	4,500.00	4,500.00	32.83	4,467.17	
Collection of Taxes:					
Salaries and Wages	56,854.00	61,854.00	61,404.11	449.89	
Other Expenses	18,500.00	18,500.00	16,959.96	1,540.04	
Assessment of Taxes:					
Salaries and Wages	109,955.00	114,955.00	114,955.00		
Other Expenses	68,000.00	53,000.00	24,504.50	28,495.50	
Legal Services and Costs:					
Salaries and Wages	45,006.00	47,006.00	41,606.00	5,400.00	
Other Expenses	150,000.00	140,000.00	131,608.39	8,391.61	
Engineering Services:					
Salaries and Wages	60,000.00	60,000.00	60,000.00		
Other Expenses	86,000.00	76,000.00	56,403.49	19,596.51	
Economic Development:					
Other Expenses	1,000.00	1,000.00		1,000.00	
Planning Board:					
Salaries and Wages					
Other Expenses	8,000.00	8,000.00	5,348.24	2,651.76	
Zoning Board of Adjustment:					
Salaries and Wages					
Other Expenses	8,000.00	8,000.00	3,152.77	4,847.23	
Environmental Commission:					
Salaries and Wages	72,000.00	72,000.00	71,658.64	341.36	
Other Expenses	1,200.00	1,200.00	505.99	694.01	
Green Brook Flood Committee:					
Other Expenses	2,000.00	2,000.00	1,654.81	345.19	
Municipal Court:					
Salaries and Wages	310,650.00	313,650.00	309,504.06	4,145.94	
Other Expenses	145,000.00	145,000.00	143,589.83	1,410.17	
Municipal Support:					
Other Expenses	45,000.00	50,000.00	49,756.63	243.37	
Insurance:					
Other	515,000.00	535,000.00	504,455.81	30,544.19	
Health Benefits	4,230,000.00	3,960,000.00	3,858,041.38	71,958.62	30,000.00
Health Benefit Waiver	45,000.00	45,000.00		45,000.00	
<u>PUBLIC SAFETY:</u>					
Police:					
Salaries and Wages	6,653,688.00	6,624,688.00	6,597,011.17	27,676.83	
Other Expenses	195,000.00	241,000.00	240,895.60	104.40	
Traffic Safety:					
Salaries and Wages	750.00	750.00	687.50	62.50	
Other Expenses	200.00	200.00		200.00	

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2016

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>PUBLIC SAFETY (CONTINUED):</u>					
School Crossing Guards:					
Other Expenses	\$ 299,000.00	\$ 299,000.00	\$ 281,209.43	\$ 17,790.57	\$
Emergency Management Services:					
Salaries and Wages	17,500.00	17,500.00	16,216.75	1,283.25	
Other Expenses	25,000.00	25,000.00	15,051.72	9,948.28	
First Aid Org. and Maint. Contract:					
Salaries and Wages	25,000.00	25,000.00	23,999.58	1,000.42	
Other Expenses	27,500.00	42,500.00	16,638.65	25,861.35	
Fire Department:					
Salaries and Wages	42,000.00	45,000.00	43,830.00	1,170.00	
Other Expenses	146,000.00	149,000.00	142,396.05	6,603.95	
Fire Official:					
Salaries and Wages	419,974.00	429,974.00	424,389.52	5,584.48	
Other Expenses	167,875.00	167,875.00	157,980.03	9,894.97	
Fire Service Charge	599,500.00	599,500.00	597,268.11	2,231.89	
Juvenile Conference:					
Salaries and Wages	750.00	750.00		750.00	
<u>STREETS AND ROADS:</u>					
Public Works Director:					
Salaries and Wages	221,090.00	178,090.00	171,840.86	6,249.14	
Other Expenses	5,000.00	8,000.00	6,714.23	1,285.77	
Road Repairs and Maintenance:					
Salaries and Wages	346,338.00	407,338.00	405,799.52	1,538.48	
Other Expenses	200,000.00	200,000.00	151,920.15	48,079.85	
Snow Removal:					
Salaries and Wages	55,000.00	57,000.00	43,566.54	13,433.46	
Other Expenses	81,000.00	91,000.00	71,830.31	19,169.69	
Solid Waste:					
Salaries and Wages	500.00	500.00		500.00	
Other Expenses	1,500.00	1,500.00	992.94	507.06	
Recycling:					
Salaries and Wages	121,039.00	125,039.00	123,595.46	1,443.54	
Other Expenses	203,000.00	216,000.00	183,124.39	32,875.61	
Compactor:					
Salaries and Wages	1,500.00	1,500.00		1,500.00	
Other Expenses	1,500.00	1,500.00		1,500.00	
Public Building and Grounds:					
Salaries and Wages	383,335.00	383,335.00	376,078.67	7,256.33	
Other Expenses	65,000.00	84,000.00	77,383.64	6,616.36	
Vehicle Maintenance:					
Salaries and Wages	155,496.00	135,496.00	131,006.87	4,489.13	
Other Expenses	115,000.00	123,000.00	115,810.44	7,189.56	
<u>HEALTH AND WELFARE:</u>					
Board of Health:					
Salaries and Wages	71,972.00	71,972.00	70,381.37	1,590.63	
Other Expenses	125,000.00	125,000.00	121,280.18	3,719.82	
Youth Aid:					
Salaries and Wages	12,000.00	12,000.00	11,506.58	493.42	
Other Expenses	1,250.00	1,250.00	394.79	855.21	
Public Assistance:					
Salaries and Wages	10,000.00	10,000.00	9,615.94	384.06	
Other Expenses	1,000.00	1,000.00	288.49	711.51	
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	299,700.00	311,700.00	308,462.10	3,237.90	
Other Expenses	40,000.00	56,000.00	50,084.90	5,915.10	

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2016

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>RECREATION AND EDUCATION (CONTINUED):</u>					
Office of Aging:					
Salaries and Wages	\$ 212,181.00	\$ 219,181.00	\$ 213,144.15	\$ 6,036.85	\$
Other Expenses	20,000.00	25,000.00	21,547.06	3,452.94	
Cultural Arts:					
Salaries and Wages	750.00	750.00	687.50	62.50	
Other Expenses	7,500.00	7,500.00	3,558.75	3,941.25	
Celebration of Public Events:					
Other Expenses	32,000.00	32,000.00	23,751.55	8,248.45	
<u>UNIFORM CONSTRUCTION CODE:</u>					
Construction Code Official:					
Salaries and Wages	353,285.00	357,285.00	351,958.03	5,326.97	
Other Expenses	165,000.00	170,000.00	166,132.97	3,867.03	
<u>UNCLASSIFIED:</u>					
Utilities:					
Electricity	221,000.00	220,000.00	189,874.65	30,125.35	
Salary and Wage Adjustment	10,000.00				
Street Lights	440,500.00	446,500.00	364,412.43	82,087.57	
Telephones	119,000.00	132,000.00	127,187.56	4,812.44	
Water	45,000.00	47,000.00	45,007.43	1,992.57	
Gas	3,000.00	3,000.00		3,000.00	
Fuel Oil	5,000.00	5,000.00		5,000.00	
Telecommunications	2,000.00	2,000.00		2,000.00	
Gasoline	107,000.00	107,000.00	96,838.20	10,161.80	
Landfill Costs	82,000.00	104,000.00	86,219.11	17,780.89	
Accumulated Leave Compensation	99,000.00	145,000.00	117,436.93	27,563.07	
TOTAL OPERATIONS WITHIN "CAPS"	\$ 19,771,451.00	\$ 19,750,451.00	\$ 18,891,207.18	\$ 829,243.82	\$ 30,000.00
Contingent	\$ 5,000.00	\$ 5,000.00	\$ 2,497.50	\$ 2,502.50	\$
TOTAL OPERATIONS INCL. CONTINGENT WITHIN "CAPS"	\$ 19,776,451.00	\$ 19,755,451.00	\$ 18,893,704.68	\$ 831,746.32	\$ 30,000.00
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS":</u>					
Statutory Expenditures:					
Anticipated Deficit in Pool Utility Budget	\$ 130,000.00	\$ 130,000.00	\$ 130,000.00	\$	\$
Contribution to:					
Social Security System (O.A.S.I)	368,000.00	352,000.00	351,739.72	260.28	
Police and Firemen's Retirement System of NJ	1,350,410.00	1,350,410.00	1,350,000.00	410.00	
Public Employees' Retirement System	500,610.00	500,610.00	495,000.00	5,610.00	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS"	\$ 2,349,020.00	\$ 2,333,020.00	\$ 2,326,739.72	\$ 6,280.28	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSE WITHIN 'CAPS'	\$ 22,125,471.00	\$ 22,088,471.00	\$ 21,220,444.40	\$ 838,026.60	\$ 30,000.00
<u>MANDATED EXPENDITURES PER N.J.S. 40A: 4-45.3g EXCLUDED FROM "CAPS":</u>					
Public Library: Direct Maintenance	\$ 1,256,928.00	\$ 1,256,928.00	\$ 1,256,928.00	\$	\$
Police System 911: Salaries	666,921.00	669,921.00	657,355.56	12,565.44	
Police System 911: OE	365,000.00	379,000.00	376,034.62	2,965.38	
LOSAP: Deferred Contributions	64,000.00	69,000.00		69,000.00	
Tax Appeals	620,500.00	625,500.00	604,080.05	21,419.95	
<u>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES:</u>					
Local / Match Grants	6,000.00	6,000.00		6,000.00	
Senior Title 111 B Grant	6,617.00	6,617.00	6,617.00		
Senior Citizens Coordinator	12,500.00	12,500.00	12,500.00		

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2016

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>GENERAL GOVERNMENT:</u>					
Administrative and Purchasing:					
Salaries and Wages	\$ 166,360.00	\$ 164,360.00	\$ 157,740.68	\$ 6,619.32	\$
Other Expenses	3,000.00	3,000.00	1,330.11	1,669.89	
Mayor & Council					
Salaries and Wages	55,719.00	55,719.00	51,454.07	4,264.93	
Other Expenses	3,500.00	4,500.00	2,136.44	2,363.56	
Borough Clerk:					
Salaries and Wages	120,033.00	120,033.00	116,898.68	3,134.32	
Other Expenses	21,500.00	21,500.00	20,020.46	1,479.54	
Financial Administration:					
Salaries and Wages	76,543.00	79,543.00	78,381.25	1,161.75	
Other Expenses	40,000.00	40,000.00	36,629.86	3,370.14	
Annual Audit	62,000.00	62,000.00		62,000.00	
Computer:					
Salaries and Wages	54,058.00	54,058.00	49,118.01	4,939.99	
Other Expenses	125,000.00	135,000.00	124,446.38	10,553.62	
Data Processing:					
Other Expenses	4,500.00	4,500.00	32.83	4,467.17	
Collection of Taxes:					
Salaries and Wages	56,854.00	61,854.00	61,404.11	449.89	
Other Expenses	18,500.00	18,500.00	16,959.96	1,540.04	
Assessment of Taxes:					
Salaries and Wages	109,955.00	114,955.00	114,955.00		
Other Expenses	68,000.00	53,000.00	24,504.50	28,495.50	
Legal Services and Costs:					
Salaries and Wages	45,006.00	47,008.00	41,606.00	5,400.00	
Other Expenses	150,000.00	140,000.00	131,608.39	8,391.61	
Engineering Services:					
Salaries and Wages	60,000.00	60,000.00	60,000.00		
Other Expenses	86,000.00	76,000.00	56,403.49	19,596.51	
Economic Development:					
Other Expenses	1,000.00	1,000.00		1,000.00	
Planning Board:					
Salaries and Wages					
Other Expenses	8,000.00	8,000.00	5,348.24	2,651.76	
Zoning Board of Adjustment:					
Salaries and Wages					
Other Expenses	8,000.00	8,000.00	3,152.77	4,847.23	
Environmental Commission:					
Salaries and Wages	72,000.00	72,000.00	71,658.64	341.36	
Other Expenses	1,200.00	1,200.00	505.99	694.01	
Green Brook Flood Committee:					
Other Expenses	2,000.00	2,000.00	1,654.81	345.19	
Municipal Court:					
Salaries and Wages	310,650.00	313,650.00	309,504.06	4,145.94	
Other Expenses	145,000.00	145,000.00	143,589.83	1,410.17	
Municipal Support:					
Other Expenses	45,000.00	50,000.00	49,756.63	243.37	
Insurance:					
Other	515,000.00	535,000.00	504,455.81	30,544.19	
Health Benefits	4,230,000.00	3,960,000.00	3,858,041.38	71,958.62	30,000.00
Health Benefit Waiver	45,000.00	45,000.00		45,000.00	
<u>PUBLIC SAFETY:</u>					
Police:					
Salaries and Wages	6,653,688.00	6,624,688.00	6,597,011.17	27,676.83	
Other Expenses	195,000.00	241,000.00	240,895.60	104.40	
Traffic Safety:					
Salaries and Wages	750.00	750.00	687.50	62.50	
Other Expenses	200.00	200.00		200.00	

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

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2016

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>PUBLIC SAFETY (CONTINUED):</u>					
School Crossing Guards:					
Other Expenses	\$ 299,000.00	\$ 299,000.00	\$ 281,209.43	\$ 17,790.57	\$
Emergency Management Services:					
Salaries and Wages	17,500.00	17,500.00	16,216.75	1,283.25	
Other Expenses	25,000.00	25,000.00	15,051.72	9,948.28	
First Aid Org. and Maint. Contract:					
Salaries and Wages	25,000.00	25,000.00	23,999.58	1,000.42	
Other Expenses	27,500.00	42,500.00	16,638.65	25,861.35	
Fire Department:					
Salaries and Wages	42,000.00	45,000.00	43,830.00	1,170.00	
Other Expenses	146,000.00	149,000.00	142,396.05	6,603.95	
Fire Official:					
Salaries and Wages	419,974.00	429,974.00	424,389.52	5,584.48	
Other Expenses	167,875.00	167,875.00	157,980.03	9,894.97	
Fire Service Charge	599,500.00	599,500.00	597,268.11	2,231.89	
Juvenile Conference:					
Salaries and Wages	750.00	750.00		750.00	
<u>STREETS AND ROADS:</u>					
Public Works Director:					
Salaries and Wages	221,090.00	178,090.00	171,840.86	6,249.14	
Other Expenses	5,000.00	8,000.00	6,714.23	1,285.77	
Road Repairs and Maintenance:					
Salaries and Wages	346,338.00	407,338.00	405,799.52	1,538.48	
Other Expenses	200,000.00	200,000.00	151,920.15	48,079.85	
Snow Removal:					
Salaries and Wages	55,000.00	57,000.00	43,566.54	13,433.46	
Other Expenses	81,000.00	91,000.00	71,830.31	19,169.69	
Solid Waste:					
Salaries and Wages	500.00	500.00		500.00	
Other Expenses	1,500.00	1,500.00	992.94	507.06	
Recycling:					
Salaries and Wages	121,039.00	125,039.00	123,595.46	1,443.54	
Other Expenses	203,000.00	216,000.00	183,124.39	32,875.61	
Compactor:					
Salaries and Wages	1,500.00	1,500.00		1,500.00	
Other Expenses	1,500.00	1,500.00		1,500.00	
Public Building and Grounds:					
Salaries and Wages	383,335.00	383,335.00	376,078.67	7,256.33	
Other Expenses	65,000.00	84,000.00	77,383.64	6,616.36	
Vehicle Maintenance:					
Salaries and Wages	155,496.00	135,496.00	131,006.87	4,489.13	
Other Expenses	115,000.00	123,000.00	115,810.44	7,189.56	
<u>HEALTH AND WELFARE:</u>					
Board of Health:					
Salaries and Wages	71,972.00	71,972.00	70,381.37	1,590.63	
Other Expenses	125,000.00	125,000.00	121,280.18	3,719.82	
Youth Aid:					
Salaries and Wages	12,000.00	12,000.00	11,506.58	493.42	
Other Expenses	1,250.00	1,250.00	394.79	855.21	
Public Assistance:					
Salaries and Wages	10,000.00	10,000.00	9,615.94	384.06	
Other Expenses	1,000.00	1,000.00	288.49	711.51	
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	299,700.00	311,700.00	308,462.10	3,237.90	
Other Expenses	40,000.00	56,000.00	50,084.90	5,915.10	

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

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2016

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>RECREATION AND EDUCATION (CONTINUED):</u>					
Office of Aging:					
Salaries and Wages	\$ 212,181.00	\$ 219,181.00	\$ 213,144.15	\$ 6,036.85	\$
Other Expenses	20,000.00	25,000.00	21,547.06	3,452.94	
Cultural Arts:					
Salaries and Wages	750.00	750.00	687.50	62.50	
Other Expenses	7,500.00	7,500.00	3,558.75	3,941.25	
Celebration of Public Events:					
Other Expenses	32,000.00	32,000.00	23,751.55	8,248.45	
<u>UNIFORM CONSTRUCTION CODE:</u>					
Construction Code Official:					
Salaries and Wages	353,285.00	357,285.00	351,958.03	5,326.97	
Other Expenses	165,000.00	170,000.00	166,132.97	3,867.03	
<u>UNCLASSIFIED:</u>					
Utilities:					
Electricity	221,000.00	220,000.00	189,874.65	30,125.35	
Salary and Wage Adjustment	10,000.00				
Street Lights	440,500.00	446,500.00	364,412.43	82,087.57	
Telephones	119,000.00	132,000.00	127,187.56	4,812.44	
Water	45,000.00	47,000.00	45,007.43	1,992.57	
Gas	3,000.00	3,000.00		3,000.00	
Fuel Oil	5,000.00	5,000.00		5,000.00	
Telecommunications	2,000.00	2,000.00		2,000.00	
Gasoline	107,000.00	107,000.00	96,838.20	10,161.80	
Landfill Costs	82,000.00	104,000.00	86,219.11	17,780.89	
Accumulated Leave Compensation	99,000.00	145,000.00	117,436.93	27,563.07	
TOTAL OPERATIONS WITHIN "CAPS"	\$ 19,771,451.00	\$ 19,750,451.00	\$ 18,891,207.18	\$ 829,243.82	\$ 30,000.00
Contingent	\$ 5,000.00	\$ 5,000.00	\$ 2,497.50	\$ 2,502.50	\$
TOTAL OPERATIONS INCL. CONTINGENT WITHIN "CAPS"	\$ 19,776,451.00	\$ 19,755,451.00	\$ 18,893,704.68	\$ 831,746.32	\$ 30,000.00
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS":</u>					
Statutory Expenditures:					
Anticipated Deficit in Pool Utility Budget	\$ 130,000.00	\$ 130,000.00	\$ 130,000.00	\$	\$
Contribution to:					
Social Security System (O.A.S.I)	368,000.00	352,000.00	351,739.72	260.28	
Police and Firemen's Retirement System of NJ	1,350,410.00	1,350,410.00	1,350,000.00	410.00	
Public Employees' Retirement System	500,610.00	500,610.00	495,000.00	5,610.00	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS"	\$ 2,349,020.00	\$ 2,333,020.00	\$ 2,326,739.72	\$ 6,280.28	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSE WITHIN 'CAPS'	\$ 22,125,471.00	\$ 22,088,471.00	\$ 21,220,444.40	\$ 838,026.60	\$ 30,000.00
<u>MANDATED EXPENDITURES PER N.J.S. 40A: 4-45.3g EXCLUDED FROM "CAPS":</u>					
Public Library: Direct Maintenance	\$ 1,256,928.00	\$ 1,256,928.00	\$ 1,256,928.00	\$	\$
Police System 911: Salaries	666,921.00	669,921.00	657,355.56	12,565.44	
Police System 911: OE	365,000.00	379,000.00	376,034.62	2,965.38	
LOSAP: Deferred Contributions	64,000.00	69,000.00		69,000.00	
Tax Appeals	620,500.00	625,500.00	604,080.05	21,419.95	
<u>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES:</u>					
Local / Match Grants	6,000.00	6,000.00		6,000.00	
Senior Title 111 B Grant	6,617.00	6,617.00	6,617.00		
Senior Citizens Coordinator	12,500.00	12,500.00	12,500.00		

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

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2016

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES</u> <u>(CONTINUED):</u>					
Senior Citizens Assistance	\$ 2,222.00	\$ 2,222.00	\$ 2,222.00	\$	\$
Improvements to Senior Center (40A:4-87 + \$6,325.00)		6,325.00	6,325.00		
Recycling Tonnage Grant	106,811.21	106,811.21	106,811.21		
Drunk Driving Enforcement	2,035.00	2,035.00	2,035.00		
Body Armor Grant	4,878.10	4,878.10	4,878.10		
Clean Communities (40A:4-87 + \$56,456.75)		56,456.75	56,456.75		
Click It or Ticket	3,325.00	3,325.00	3,325.00		
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	\$ 3,117,737.31	\$ 3,207,519.06	\$ 3,095,568.29	\$ 111,950.77	\$
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":</u>					
Capital Improvement Fund	\$ 150,000.00	\$ 155,000.00	\$ 155,000.00	\$	\$
TOTAL CAPITAL IMPROVEMENTS - EXCL. FROM "CAPS"	\$ 150,000.00	\$ 155,000.00	\$ 155,000.00	\$	\$
<u>MUNICIPAL DEBT SERVICES - EXCLUDED FROM "CAPS":</u>					
Payment of Bond Principal	\$ 432,300.00	\$ 432,300.00	\$ 432,300.00	\$	\$
Payment of Bond Anticipation Notes and Capital Notes	585,000.00	585,000.00	577,918.00		7,082.00
Interest on Bonds	420,279.52	420,279.52	420,279.52		
Interest on Notes	36,000.00		34,043.51		1,956.49
Green Trust Loan Program	10,671.00	10,671.00	10,670.80		0.20
TOTAL DEBT SERVICE	\$ 1,484,250.52	\$ 1,484,250.52	\$ 1,475,211.83	\$	\$ 9,038.69
<u>DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS":</u>					
Deferred Charges to Future Taxation Unfunded:					
Special Emergency Authorization - 5 Years	\$ 2,300.00	\$ 2,300.00	\$ 2,300.00	\$	\$
Ordinance 1324	5,000.00	5,000.00	5,000.00		
TOTAL DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"	\$ 7,300.00	\$ 7,300.00	\$ 7,300.00	\$	\$
JUDGEMENTS	\$ 30,000.00	\$ 35,000.00	\$ 25,142.00	\$ 9,858.00	\$
SUBTOTAL GENERAL APPROPRIATIONS	\$ 28,914,758.83	\$ 26,977,540.58	\$ 25,978,666.52	\$ 959,835.37	\$ 39,038.69
RESERVE FOR UNCOLLECTED TAXES	1,616,500.00	1,616,500.00	1,616,500.00		
<u>TOTAL GENERAL APPROPRIATIONS</u>	\$ 28,531,258.83	\$ 28,594,040.58	\$ 27,595,166.52	\$ 959,835.37	\$ 39,038.69
	REF.	A-2:A-3	A-1:A-3	A:A-1	
Budget	A-3	\$ 28,531,258.83			
Amendment - NJSA 40A: 4-87	A-2	62,781.75			
		\$ 28,594,040.58			
Reserve for Accounts Payable	A-11		\$ 201,723.94		
Reserve for Grants Appropriated	A-23		201,170.06		
Deferred Charges	A-19		2,300.00		
Reserve for Uncollected Taxes	A-2		1,616,500.00		
Refunds	A-4		(1,544,250.94)		
Disbursement	A-4		27,117,723.46		
	A-3		\$ 27,595,166.52		

TRUST FUND

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>BALANCE DECEMBER 31, 2015</u>
Assessment Fund:			
Cash	B-2:B-4	\$ 285.94	\$ 285.94
Assessments Receivable	B-3	3,121.04	3,121.04
Prospective Assessments Funded	B-7	152,170.08	152,170.08
	B	<u>\$ 155,577.06</u>	<u>\$ 155,577.06</u>
Animal Control Fund:			
Due Trust Other Fund	B-6	\$ 12,207.82	\$ 5,292.34
	B	<u>\$ 12,207.82</u>	<u>\$ 5,292.34</u>
Other Funds:			
Cash	B-2	\$ 5,405,927.04	\$ 4,665,308.98
Due Federal Forfeiture Trust-Intrafund	B-24	1,358.17	1,358.17
	B	<u>\$ 5,407,285.21</u>	<u>\$ 4,666,667.15</u>
		<u>\$ 5,575,070.09</u>	<u>\$ 4,827,536.55</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Fund:			
Reserve for Assessments	B-5	\$ 155,291.12	\$ 155,291.12
Fund Balance	B-1	285.94	285.94
	B	<u>\$ 155,577.06</u>	<u>\$ 155,577.06</u>
Animal Control Fund:			
Due State of New Jersey	B-13	\$ 2.40	\$ 1.20
Reserve for Animal Control Expenditures	B-12	12,205.42	5,291.14
	B	<u>\$ 12,207.82</u>	<u>\$ 5,292.34</u>
Other Funds:			
Due Animal Control Trust Fund	B-9	\$ 12,207.82	\$ 5,292.34
Due Treasurers Trust-Intrafund	B-24	1,358.17	1,358.17
Due Current Fund	B-11	53,190.28	9,783.78
Due Swimming Pool Capital Fund	B-10	2,000.00	2,000.00
Reserve For:			
Accounts Payable	B-8		44,676.49
State Unemployment Insurance	B-14	169,384.40	195,248.91
Federal Forfeiture	B-15	339.72	338.99
Various Deposits	B-17	1,069,168.11	922,318.04
Law Enforcement	B-16	38,652.28	36,503.19
Recreation	B-18	23,598.93	24,335.95
Health Benefits	B-19	2,659.06	224,889.12
Escrow Deposits	B-20	2,524,987.47	1,996,431.23
Affordable Housing	B-21	242,328.09	165,648.43
Payroll	B-23	124,497.71	131,841.19
Tax Redemptions	B-22	1,142,913.17	906,001.32
	B	<u>\$ 5,407,285.21</u>	<u>\$ 4,666,667.15</u>
		<u>\$ 5,575,070.09</u>	<u>\$ 4,827,536.55</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 - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED DECEMBER 31, <u>2016</u>	YEAR ENDED DECEMBER 31, <u>2015</u>
Balance, January 1	B	\$ <u>285.94</u>	\$ <u>285.94</u>
Balance, December 31	B	\$ <u><u>285.94</u></u>	\$ <u><u>285.94</u></u>

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

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GENERAL CAPITAL FUND

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BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2016</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2015</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 2,587,302.32	\$ 1,147,700.71
Accounts Receivable	C-4	693,406.81	306,945.37
Interfunds	C-5	30,075.98	33,664.28
Deferred Charges to Future Taxation:			
Funded	C-7	10,390,370.00	10,833,182.85
Unfunded	C-8	8,563,413.04	5,516,331.57
		<u>\$ 22,264,568.15</u>	<u>\$ 17,837,824.78</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-10	\$ 10,390,370.00	\$ 10,822,670.00
Bond Anticipation Notes Payable	C-13	8,339,200.00	5,287,118.00
Green Acres Loans Payable	C-15		10,512.85
Due to South Plainfield Senior Citizens			
Housing Project	C-6	148,124.34	148,124.34
Capital Improvement Fund	C-11	57,058.77	30,058.77
Improvement Authorizations:			
Funded	C-9	451,774.60	452,056.17
Unfunded	C-9	937,930.23	819,734.58
Reserve for:			
Various Reserves	C-14	140,369.38	100,394.38
Contracts Payable	C-12	1,780,100.59	138,538.81
Fund Balance	C-1	19,640.24	28,616.88
		<u>\$ 22,264,568.15</u>	<u>\$ 17,837,824.78</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 - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED</u> <u>DECEMBER 31,</u> <u>2016</u>	<u>YEAR ENDED</u> <u>DECEMBER 31,</u> <u>2015</u>
Balance, January 1	C	\$ 28,616.88	\$ 153,616.88
Increased by:			
Improvement Authorizations Canceled	C-9	<u>66,023.36</u>	<u>153,616.88</u>
		\$ 94,640.24	\$ 153,616.88
Decreased by:			
Funding for Improvement Authorizations	C-9	60,000.00	
Disbursed-Current Fund MRA	C-2	<u>15,000.00</u>	<u>125,000.00</u>
Balance, December 31	C	<u>\$ 19,640.24</u>	<u>\$ 28,616.88</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 - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER 31, <u>2016</u>	BALANCE DECEMBER 31, <u>2015</u>
<u>OPERATING FUND:</u>			
Cash and Investments	D-5	\$ 1,187,782.55	\$ 1,109,733.45
Cash- Change Fund		<u>150.00</u>	<u>150.00</u>
		\$ <u>1,187,932.55</u>	\$ <u>1,109,883.45</u>
Receivables with Full Reserves:			
Sewer Use Charges Receivable	D:D-7	\$ 226,021.67	\$ 236,629.83
Sewer Use Liens Receivable	D:D-8	<u>3,953.30</u>	<u>3,778.30</u>
	D	\$ <u>229,974.97</u>	\$ <u>240,408.13</u>
<u>TOTAL OPERATING FUND</u>	D	\$ <u>1,417,907.52</u>	\$ <u>1,350,291.58</u>
<u>CAPITAL FUND:</u>			
Cash and Investments	D-5:D-6	\$ 653,431.91	\$ 555,450.18
Fixed Capital	D-13	13,557,821.21	13,557,821.21
Fixed Capital Authorized and Uncompleted	D-14	742,200.00	725,000.00
Interfunds Receivable	D-22	<u>44.00</u>	<u>44.00</u>
<u>TOTAL CAPITAL FUND</u>	D	\$ <u>14,953,453.12</u>	\$ <u>14,838,315.39</u>
		<u>\$ 16,371,360.64</u>	<u>\$ 16,188,606.97</u>

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

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER 31, <u>2016</u>	BALANCE DECEMBER 31, <u>2015</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>OPERATING FUND:</u>			
Liabilities:			
Appropriation Reserves	D-4:D-9	\$ 216,372.60	\$ 131,788.84
Interfunds Payable	D-18	638.90	44.00
Reserve for Accounts Payable	D-10	49,943.67	40,198.08
Sewer Overpayments	D-11	18,027.08	13,785.99
Accrued Interest Payable	D-12	20,371.00	18,971.00
		<u>\$ 305,353.25</u>	<u>\$ 204,787.91</u>
Reserve for Receivables	D	229,974.97	240,408.13
Fund Balance	D-1	<u>882,579.30</u>	<u>905,095.54</u>
<u>TOTAL OPERATING FUND</u>	D	<u>\$ 1,417,907.52</u>	<u>\$ 1,350,291.58</u>
 <u>CAPITAL FUND:</u>			
Serial Bonds Payable	D-15	\$ 60,000.00	\$ 120,000.00
Improvement Authorizations:			
Funded	D-16	14,811.18	3,275.42
Unfunded	D-16	58,607.00	70,042.76
Interfunds Payable	D-22	37.73	
Capital Improvement Fund	D-17	666,369.00	608,569.00
Reserve for Amortization	D-19	13,497,821.21	13,437,821.21
Deferred Reserve for Amortization	D-20	650,807.00	593,607.00
		<u>\$ 14,948,453.12</u>	<u>\$ 14,833,315.39</u>
Fund Balance	D-2	<u>5,000.00</u>	<u>5,000.00</u>
<u>TOTAL CAPITAL FUND</u>	D	<u>\$ 14,953,453.12</u>	<u>\$ 14,838,315.39</u>
		<u>\$ 16,371,360.64</u>	<u>\$ 16,188,606.97</u>

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

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED DECEMBER 31, <u>2016</u>	YEAR ENDED DECEMBER 31, <u>2015</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-3	\$ 95,000.00	\$ 275,000.00
Sewer Use Charges	D-3	6,663,404.71	6,670,936.49
Sewer Connection Fees	D-3:D-5	147,500.00	107,500.00
Interest and Costs	D-3:D-5	45,751.87	49,851.59
Interest on Investments and Deposits	D-3:D-5	3,939.11	1,607.39
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-9	<u>89,888.07</u>	<u>185,351.64</u>
<u>TOTAL INCOME</u>		<u>\$ 7,045,483.76</u>	<u>\$ 7,290,247.11</u>
<u>EXPENDITURES</u>			
Operating	D-4	\$ 5,987,000.00	\$ 5,882,708.00
Capital Improvement Fund	D-4	75,000.00	250,000.00
Debt Service	D-4	65,000.00	70,000.00
Deferred Charges and Statutory Expenditures	D-4	<u>186,000.00</u>	<u>185,107.00</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 6,313,000.00</u>	<u>\$ 6,387,815.00</u>
Excess in Revenue		\$ 732,483.76	\$ 902,432.11
Fund Balance, Beginning	D	<u>905,095.54</u>	<u>942,663.43</u>
		\$ 1,637,579.30	\$ 1,845,095.54
Decreased by:			
Utilization as Anticipated Revenue:			
Sewer Utility Operating Budget	D-3	95,000.00	275,000.00
Current Fund Budget	D-5	<u>660,000.00</u>	<u>665,000.00</u>
Fund Balance, Ending	D	<u>\$ 882,579.30</u>	<u>\$ 905,095.54</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-REGULATORY BASIS

REF.

Balance, December 31, 2015
and December 31, 2016

D

\$ 5,000.00

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

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2016

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS (OR DEFICIT)</u>
Fund Balance Utilized	D-1	\$ 95,000.00	\$ 95,000.00	\$
Sewer Use Charges	D-1	6,125,000.00	6,663,404.71	538,404.71
Connection Fees	D-1:D-5	95,000.00	147,500.00	52,500.00
Interest and Costs on Sewer Charges	D-1:D-5	47,000.00	45,751.87	(1,248.13)
Interest on Investments and Deposits	D-1:D-5	1,000.00	3,939.11	2,939.11
<u>BUDGET TOTALS</u>	D-4	\$ 6,363,000.00	\$ 6,955,595.69	\$ 592,595.69

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

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2016

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET			PAID OR CHARGED	RESERVED	
OPERATING:						
Salaries and Wages	\$ 692,030.00	\$	701,030.00	\$ 688,221.30	\$ 12,808.70	\$
Other Expenses	5,350,970.00		5,335,970.00	5,093,106.10	192,863.90	50,000.00
	\$ 6,043,000.00	\$	6,037,000.00	\$ 5,781,327.40	\$ 205,672.60	\$ 50,000.00
CAPITAL IMPROVEMENTS:						
Capital Improvement Fund	\$ 75,000.00	\$	75,000.00	\$ 75,000.00	\$	\$
	\$ 75,000.00	\$	75,000.00	\$ 75,000.00	\$	\$
DEBT SERVICE:						
Payment of Bond Principal	\$ 60,000.00	\$	60,000.00	\$ 60,000.00	\$	\$
Interest on Bonds	5,000.00		5,000.00	5,000.00		
	\$ 65,000.00	\$	65,000.00	\$ 65,000.00	\$	\$
DEFERRED CHARGES:						
Paydown Deferred Charges-Unfunded	\$ 40,000.00	\$	40,000.00	\$ 40,000.00	\$	\$
	\$ 40,000.00	\$	40,000.00	\$ 40,000.00	\$	\$
STATUTORY EXPENDITURES:						
Public Employee Retirement System	\$ 75,000.00	\$	75,000.00	\$ 68,300.00	\$ 6,700.00	\$
Social Security System (O.A.S.I.)	65,000.00		71,000.00	67,000.00	4,000.00	\$
	\$ 140,000.00	\$	146,000.00	\$ 135,300.00	\$ 10,700.00	\$
	\$ 6,363,000.00	\$	6,363,000.00	\$ 6,096,627.40	\$ 216,372.60	\$ 50,000.00

REF.	D-3	D-1	D	D-1
Disbursements			\$ 6,041,683.73	
Accrued Interest			5,000.00	
Reserve for Accounts Payable			49,943.67	
			\$ 6,096,627.40	

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 - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER 31, <u>2016</u>	BALANCE DECEMBER 31, <u>2015</u>
<u>OPERATING FUND:</u>			
Cash and Investments	E-4	\$ 4,701.11	\$ 11,814.59
Interfunds Receivable	E-7	5,087.87	1,500.00
Deferred Charges	E-9	<u>4,721.88</u>	<u>18,218.57</u>
<u>TOTAL OPERATING FUND</u>	E	<u>\$ 14,510.86</u>	<u>\$ 31,533.16</u>
<u>CAPITAL FUND:</u>			
Cash and Investments	E-4:E-6	\$ 28,466.68	\$ 31,486.99
Fixed Capital	E-12	773,173.14	773,173.14
Fixed Capital Authorized and Uncompleted	E-15	489,000.00	489,000.00
Interfunds Receivable	E-13	<u>2,000.00</u>	<u>2,000.00</u>
<u>TOTAL CAPITAL FUND</u>	E	<u>\$ 1,292,639.82</u>	<u>\$ 1,295,660.13</u>
	E	<u>\$ 1,307,150.68</u>	<u>\$ 1,327,193.29</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>OPERATING FUND:</u>			
Liabilities:			
Appropriation Reserves	E-3:E-8	\$ 10,352.84	\$ 7,862.13
Interfunds Payable	E-7		20,042.53
Accrued Interest Payable	E-10	<u>3,158.02</u>	<u>2,628.50</u>
		\$ 13,510.86	\$ 30,533.16
Fund Balance	E-1	<u>1,000.00</u>	<u>1,000.00</u>
<u>TOTAL OPERATING FUND</u>	E	<u>\$ 14,510.86</u>	<u>\$ 31,533.16</u>
<u>CAPITAL FUND:</u>			
Improvement Authorizations:			
Funded	E-17	\$ 605.00	\$ 605.00
Unfunded	E-17	547.68	547.68
Interfunds Payable	E-13	2,014.00	20,034.31
Bonds Payable	E-5	184,630.00	192,330.00
Bond Anticipation Notes Payable	E-19	380,000.00	380,000.00
Capital Improvement Fund	E-16	29,500.00	14,500.00
Reserve for Amortization	E-14	664,001.74	659,535.74
Deferred Reserve for Amortization	E-11	<u>31,341.40</u>	<u>28,107.40</u>
<u>TOTAL CAPITAL FUND</u>	E	<u>\$ 1,292,639.82</u>	<u>\$ 1,295,660.13</u>
	E	<u>\$ 1,307,150.68</u>	<u>\$ 1,327,193.29</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 - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED DECEMBER 31, 2016</u>	<u>YEAR ENDED DECEMBER 31, 2015</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	E-1	\$	\$
Membership Fees	E-2	154,356.00	162,673.00
Miscellaneous	E-2	10,439.69	7,608.43
		<u>\$ 164,795.69</u>	<u>\$ 171,281.43</u>
<u>EXPENDITURES</u>			
Operating	E-3	\$ 244,085.00	\$ 238,050.00
Capital Improvement Fund	E-3	15,000.00	32,500.00
Debt Service	E-3	17,214.00	13,450.00
Deferred Charges and Regulatory Expenditures	E-3	<u>23,218.57</u>	<u>2,000.00</u>
		<u>\$ 299,517.57</u>	<u>\$ 286,000.00</u>
Adjustment to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			
Operating Deficit	E-2:E-9	\$ 4,721.88	\$ 13,218.57
Realized from General Budget for Anticipated Deficit	E-2	<u>130,000.00</u>	<u>101,500.00</u>
		<u>\$ 134,721.88</u>	<u>\$ 114,718.57</u>
Excess in Revenue		\$ - 0 -	\$ - 0 -
Fund Balance, January 1	E	<u>1,000.00</u>	<u>2,000.00</u>
		\$ 1,000.00	\$ 2,000.00
Decreased by:			
Utilization as Anticipated Revenue:			
Swimming Pool Utility Operating Budget	E-1	<u></u>	<u>1,000.00</u>
Fund Balance, December 31	E	<u>\$ 1,000.00</u>	<u>\$ 1,000.00</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 - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS/ (DEFICIT)</u>
Membership Fees	E-1: E-4	\$ 162,000.00	\$ 154,356.00	\$ (7,644.00)
Miscellaneous	E-1: E-4	7,600.00	10,439.69	2,839.69
Deficit (General Budget)	E-1: E-4	<u>130,000.00</u>	<u>130,000.00</u>	<u></u>
		\$ <u>299,600.00</u>	\$ <u>294,795.69</u>	\$ <u>(4,804.31)</u>
	<u>REF.</u>	E-3		E-1:E-9

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

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PUBLIC ASSISTANCE TRUST FUND

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

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>
<u>ASSETS</u>			
Cash:			
Public Assistance Trust Fund I	F-1	\$ <u>19,808.69</u>	\$ <u>19,355.71</u>
		\$ <u>19,808.69</u>	\$ <u>19,355.71</u>
<u>LIABILITIES</u>			
Reserve for Public Assistance Trust Fund I	F-2	\$ <u>19,808.69</u>	\$ <u>19,355.71</u>
		\$ <u>19,808.69</u>	\$ <u>19,355.71</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

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

	BALANCE DECEMBER <u>31, 2016</u>	BALANCE DECEMBER <u>31, 2015</u>
<u>FIXED ASSETS:</u>		
Land	\$ 17,058,200.00	\$ 17,058,200.00
Buildings	9,001,500.00	9,001,500.00
Machinery and Equipment	<u>11,717,008.00</u>	<u>11,592,160.00</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 37,776,708.00</u>	<u>\$ 37,651,860.00</u>
 <u>RESERVE:</u>		
Investments in General Fixed Assets	<u>\$ 37,776,708.00</u>	<u>\$ 37,651,860.00</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, 2016 AND 2015

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 31st, are reported as a cash liability in the financial statements and constitute part of the Borough's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st 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 31st, 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 - 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 \$500.00 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.

Accounting and Financial Reporting for Pensions - The Governmental Accounting Standards Board (GASB) approved Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers. This Statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

In November of 2013, GASB approved Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events.

At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C.5:30 6.1(c) (2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

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, 2016:

<u>Fund</u>	<u>Cash In Bank</u>	<u>Reconciling Items</u>	<u>Total</u>
Current Fund	\$4,458,074.58	(\$91,698.67)	\$4,366,375.91
Grant Fund	205,634.53		205,634.53
Assessment Trust Fund	285.94		285.94
Trust Other Fund	6,761,576.63	(1,355,649.59)	5,405,927.04
General Capital Fund	2,587,302.32		2,587,302.32
Sewer Operating Fund	1,187,782.55		1,187,782.55
Sewer Capital Fund	653,431.91		653,431.91
Pool Operating Fund	4,701.11		4,701.11
Pool Capital Fund	28,466.68		28,466.68
Public Assistance Trust Fund	19,808.69		19,808.69
	<u>\$15,907,064.94</u>	<u>(\$1,447,348.26)</u>	<u>\$14,459,716.68</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, 2016, 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, \$750,000.00 was covered by Federal Depository Insurance and \$15,157,064.94 was covered by NJGUDPA.

B. Investments

The purchase of investments by the Borough is 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;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

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 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 Local Government Services of the Department of Community Affairs 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

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

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.

Based upon the limitation set forth by New Jersey Statutes 40A:55.1 and existing investment practices, 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: MUNICIPAL 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 regulatory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough.

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 0.514%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$ 5,455,000.00	\$ 5,455,000.00	\$
Utility Debt	718,223.00	373,943.00	344,280.00
General Debt	<u>18,976,977.71</u>	<u>23,194.67</u>	<u>18,953,783.04</u>
	<u>\$ 25,150,200.71</u>	<u>\$ 5,852,137.67</u>	<u>\$ 19,298,063.04</u>

NET DEBT \$19,298,063.04 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, \$3,754,759,363.67 EQUALS 0.514%.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

Issued:	<u>2016</u>	<u>2015</u>	<u>2014</u>
Bonds, Loans, and Notes:			
General	\$ 18,734,570.00	\$ 16,120,300.85	\$ 15,687,196.27
Sewer Utility	60,000.00	120,000.00	180,000.00
Swimming Pool Utility	<u>564,630.00</u>	<u>572,330.00</u>	<u>198,280.00</u>
Total Issued	\$ <u>19,359,200.00</u>	\$ <u>16,812,630.85</u>	\$ <u>16,065,476.27</u>
Authorized But Not Issued:			
Bonds, Loans, and Notes:			
General	\$ 242,407.71	\$ 252,407.71	\$ 642,407.71
Sewer Utility	91,393.00	131,393.00	190,000.00
Swimming Pool Utility	<u>2,200.00</u>	<u>2,200.00</u>	<u>2,200.00</u>
	\$ <u>336,000.71</u>	\$ <u>386,000.71</u>	\$ <u>834,607.71</u>
Bonds and Notes Issued and Authorized But Not Issued	\$ <u><u>19,695,200.71</u></u>	\$ <u><u>17,198,631.56</u></u>	\$ <u><u>16,900,083.98</u></u>

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

Equalized Valuation Basis* - December 31, 2016	\$ <u><u>3,754,759,363.67</u></u>
3-1/2 of Equalized Valuation Basis (Municipal)	\$ 131,416,577.73
Net Debt	<u>19,298,063.04</u>
Remaining Borrowing Power	\$ <u><u>112,118,514.69</u></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: MUNICIPAL DEBT (CONTINUED)

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

Revenue from Fees, Rents, and Other Charges for Year and Fund Balance	\$6,960,595.69
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Deductions:	
Operating and Maintenance Cost	\$5,987,000.00
Debt Service per Sewer Account	<u>65,000.00</u>
Total Deductions	<u>6,052,000.00</u>

Excess in Revenue - Self-Liquidating	<u>\$ 908,595.69</u>
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CALCULATION OF "SELF-LIQUIDATING PURPOSE"
SWIMMING POOL UTILITY PER N.J.S.A. 40A:2-45

Revenue from Fees, Rents, and Other Charges for Year and Fund Balance	\$ 164,795.69
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Deductions:	
Operating and Maintenance Cost	\$249,085.00
Debt Service per Swimming Account	<u>17,214.00</u>
Total Deductions	<u>266,299.00</u>

Deficit in Revenues (Not Self-Liquidating)	<u>\$ (101,503.31)</u>
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LONG-TERM DEBT

General Capital - Bonds:

\$11,438,700.00 Bonds of 2012 due in annual installments of \$140,500.00 to \$771,695.00 at a variable interest rate	<u>\$10,390,370.00</u>
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Sewer Utility Capital – Bonds:

\$300,000.00 Bonds of 2012 due in annual installments of \$60,000.00 at a variable interest rate	<u>\$ 60,000.00</u>
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Pool Utility Capital – Bonds:

\$203,300 Bonds of 2012 due in annual installments of \$2,500.00 to \$13,305.00 at a variable interest rate	<u>\$ 184,630.00</u>
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NOTE 3: MUNICIPAL DEBT (CONTINUED)

Bonds and Notes Authorized But Not Issued

At December 31, 2016, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	\$ 247,407.71
Sewer Utility Capital Fund	91,393.00
Swimming Pool Utility Capital Fund	<u>2,200.00</u>
	<u>\$ 336,000.71</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2016

Year	General		Sewer Utility		Swimming Pool Utility	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$432,300.00	\$402,987.52	\$60,000.00	\$1,200.00	\$7,700.00	\$7,162.48
2018	540,375.00	380,832.14			9,625.00	6,767.86
2019	540,375.00	353,813.39			9,625.00	6,286.61
2020	589,500.00	325,566.52			10,500.00	5,783.48
2021	589,500.00	296,091.52			10,500.00	5,258.48
2022	638,625.00	265,388.39			11,375.00	4,711.61
2023	638,625.00	233,457.14			11,375.00	4,142.86
2024	638,625.00	201,525.89			11,375.00	3,574.11
2025	687,750.00	175,243.01			12,250.00	3,105.99
2026	687,750.00	154,610.51			12,250.00	2,738.49
2027	687,750.00	133,549.17			12,250.00	2,363.33
2028	736,875.00	111,289.41			13,125.00	1,966.84
2029	736,875.00	87,801.52			13,125.00	1,548.48
2030	736,875.00	63,853.08			13,125.00	1,121.92
2031	736,875.00	39,444.09			13,125.00	687.16
2032	771,695.00	13,504.66			13,305.00	232.84
	<u>\$10,390,370.00</u>	<u>\$3,238,957.96</u>	<u>\$60,000.00</u>	<u>\$1,200.00</u>	<u>\$184,630.00</u>	<u>\$57,452.54</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SHORT-TERM DEBT

In accordance with NJSA 40A:2-8.1, a local unit may, in anticipation of the issuance of bonds, borrow money and issue notes if the bond ordinance or subsequent resolution so provides. Any such note shall be designated as a "bond anticipation note" and shall be subject to the following provisions:

- (1) every note shall contain a recital that it is issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year;
- (2) all such notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes; and
- (3) no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which those notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations.

The Borough had the following outstanding note(s) at year end:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital	1.21%	10/27/17	\$ 772,500.00
	0.95%	7/21/17	2,936,700.00
	1.00%	4/28/17	<u>4,630,000.00</u>
			<u>\$ 8,339,200.00</u>
Swimming Pool Capital	1.00%	4/28/17	\$ <u>380,000.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2016, which were appropriated and included as anticipated revenue in their own respective funds for the budget year ending December 31, 2017, were as follows:

Current Fund	\$ 1,816,200.00
Sewer Utility Operating Fund	\$ 75,305.00
Swimming Pool Utility Operating Fund	\$ - 0 -

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 DECEMBER <u>31, 2016</u>	BALANCE DECEMBER <u>31, 2015</u>
Prepaid Taxes	\$ <u>871,582.87</u>	\$ <u>677,833.84</u>

NOTE 6: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrpts.shtml.

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

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

NOTE 6: PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. Effective July 2016 PERS provides for employee contributions of 7.20% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

NOTE 6: PENSION PLANS (CONTINUED)

The contribution policy for PFRS is set by N.J.S.A. 43: 16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2016, members contributed at a uniform rate of 10.00% of base salary.

Certain Borough employees are also covered by the Federal Insurance Contribution Act. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$1,913,000.00 for 2016, \$1,795,020.00 for 2015 and \$1,672,365.65 for 2014.

All contributions were equal to the required contributions for each of the three years, respectively.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" and is effective for fiscal years beginning after June 15, 2014. This statement requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2016. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2016.

Public Employees Retirement System (PERS)

At June 30, 2016, the State reported a net pension liability of \$18,712,834.00 for the Borough of South Plainfield's proportionate share of the total net pension liability. The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Borough's proportion was 0.0631824658 percent, which was an decrease of 0.0029899146 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the State recognized an actuarially determined pension expense of \$1,868,392.00 for the Borough of South Plainfield's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statement based on the April 1, 2016 billing was \$568,905.00.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2016, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	-	\$348,002.00
Changes of assumptions		3,876,300.00
Net difference between projected and actual earnings on pension plan investments		713,537.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>\$487,256.00</u>	<u>663,618.00</u>
	<u>\$487,256.00</u>	<u>\$5,601,457.00</u>

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2017	\$1,195,262.00
2018	1,195,262.00
2019	1,375,309.00
2020	1,073,393.00
2021	<u>274,975.00</u>
	<u>\$5,114,201.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. These actuarial valuations used the following assumptions:

	<u>June 30, 2015</u>	<u>June 30, 2016</u>
Inflation	3.04 Percent	3.08 Percent
Salary Increases (based on age)		
Though 2026	2.15-4.40 Percent	1.65-4.15 Percent
Thereafter	3.15-5.40 Percent	2.65-5.15 Percent
Investment Rate of Return	7.90 Percent	7.65 percent

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA.

In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2016 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2016		
	1% Decrease <u>2.98%</u>	At Current Discount Rate <u>3.98%</u>	1% Increase <u>4.98%</u>
Borough's proportionate share of the pension liability	\$22,930,394.00	\$18,712,834.00	\$15,230,873.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS)

At June 30, 2016, the State reported a net pension liability of \$33,038,423.00 for the Borough of South Plainfield's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Borough's proportion was 0.1729528754 percent, which was an increase of 0.0068928891 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the State recognized an actuarially determined pension expense of \$3,706,937.00. The pension expense recognized in the Borough's financial statement based on the April 1, 2016 billing was \$1,349,820.00

At June 30, 2016, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	\$216,572.00	
Changes of assumptions		\$4,576,093.00
Net difference between projected and actual earnings on pension plan investments		2,314,936.00
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>600,444.00</u>	<u>1,328,341.00</u>
	<u>\$817,016.00</u>	<u>\$8,219,370.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

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

Year Ended	
<u>June 30</u>	<u>Amount</u>
2017	\$1,760,539.00
2018	1,760,539.00
2019	2,315,990.00
2020	1,391,600.00
2021	<u>173,685.00</u>
	<u>\$7,402,353.00</u>

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. This actuarial valuation used the following assumptions:

	<u>2016</u>	<u>2015</u>
Inflation	3.08 Percent	3.04 Percent
Salary Increases (based on age)		
Through 2026	2.10-8.98 Percent	2.60-9.48 Percent
Thereafter	3.10-9.98 Percent	3.60-10.48 Percent
Investment Rate of Return	7.65 Percent	7.90 Percent

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Post- retirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Actuarial Assumptions

Disability mortality rates were based on special mortality tables used for the period after disability retirement. The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS s target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
US Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond

Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2016 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	1% Decrease <u>4.55%</u>	At Current Discount Rate <u>5.55%</u>	1% Increase <u>6.55%</u>
Borough's proportionate share of the PFRS pension liability	\$42,600,624.00	\$33,038,423.00	\$25,241,024.00

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Borough under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the Borough does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Borough related to this legislation.

At December 31, 2016 and 2015, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,774,408.00 and \$2,425,672.00 respectively.

At December 31, 2016, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$33,038,423.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>2,774,408.00</u>
	<u>\$35,812,831.00</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

NOTE 7: 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, 2016 is \$262,511.86 and \$16,500.00 in the Current Fund.

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, 2016, 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 2016 and prior. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of a reserve or by the issuance of refunding bonds per N.J.S. 40A:2-51. In addition, the Borough has a reserved balance of \$119,965.49 at December 31, 2016 to assist in the payment of these claims.

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. 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>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 453.57	\$ 26,318.08	\$ 169,384.40
2015	488.67	2,349.85	195,248.91
2014	487.44	2,080.42	197,110.09

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 53,866.91	\$ 13,444.16
Grant Fund		19,705.69
Animal Control Trust Fund	12,207.82	
Trust Other Fund		67,398.10
General Capital Fund	30,075.98	
Sewer Utility Operating Fund	37.73	676.63
Sewer Utility Capital Fund		37.73
Swimming Pool Operating Fund	5,087.87	
Swimming Pool Capital Fund	2,000.00	2,014.00
	<u>\$ 103,276.31</u>	<u>\$ 103,276.31</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.

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, 2016, the following deferred charges are shown:

	Balance December 31, <u>2016</u>	Raised 2017 <u>Budget</u>
Current Fund	\$ 9,200.00	\$ 2,300.00
Swimming Pool Operating Fund	\$ 4,721.88	\$ 4,721.88

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 \$64,000.00 for the program in 2016.

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.

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, 2015 through December 31, 2018):

- 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)

Summary of Retiree Welfare Benefits (Continued)

PBA Local #100 Superior Officers (effective January 1, 2016 through December 31, 2016):

- 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

South Plainfield Professional Managers Association (effective January 1, 2015 through December 31, 2018):

- 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, 2015 through December 31, 2018):

- 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, 2015 through December 31, 2018):

- 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 Horizon Blue Cross/Blue Shield.

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

Summary Of Retiree Welfare Benefits (Continued)

C. Retiree Prescription Drug Benefits

Prescription drug benefits are provided to eligible retirees and their dependents and self-insured through Express Scripts.

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

Retirees Prior to 1999:

<u>Retail</u>	
34 day supply	20% (up to \$100 maximum) per generic/brand
<u>Mail Order</u>	
90 day supply	20% (up to \$100 maximum) per generic/brand

Retirees during or after 1999:

All PBA Local 100 & Teamsters Local:

	<u>Teamsters</u>	<u>PBA</u>
<u>Retail</u>		
34 day supply	\$8 generic/\$20 brand	\$8 generic/\$15 brand
<u>Mail Order</u>		
90 day supply	\$20 generic/\$30 brand	\$15 generic/\$25 brand
<u>All Others:</u>		

Professional Managers prior to 2015

<u>Retail</u>	
34 day supply	\$2 generic/\$5 brand
<u>Mail Order</u>	
90 day supply	\$0 generic/\$0 brand

Professional Managers beginning 1/1/15

<u>Retail</u>	
34 day supply	\$8 generic/\$15 brand
<u>Mail Order</u>	
90 day supply	\$25 generic/\$25 brand

AFSCME prior to 2015

<u>Retail</u>	
34 day supply	\$8 generic/\$20 brand

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

Summary Of Retiree Welfare Benefits (Continued)

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 teamsters local individuals, and \$2,200 for PBA 100 and Professional Managers individuals. The lifetime orthodontic maximum is \$1,200 per teamsters and AFSCME individuals and \$1,500 for PBA 100 individuals.

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 \$300 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.

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

Summary Of Retiree Welfare Benefits (Continued)

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 except for retiree contribution required under Chapter 78. An employee who retires after satisfying the eligibility requirements who had less than 20 years of PERS or PFRS service as of June 28, 2011, shall be required to contribute toward the cost of postretirement healthcare benefits. The retirement contributions are based on a percentage of the postretirement healthcare cost and vary based on coverage tier and amount of PERS or PFRS pension amounts based on tables presented in the Borough's plan document, ranging from 3.5% to 35%.

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.

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

Assumptions and Actuarial Methods (Continued)

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 December 31, 2016 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. Other factors include the assumptions of salary increases of 3% per year, social security taxable wage base increases of 3% per year, and CPI inflation rate of 2.5% per year.

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.

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

Assumptions and Actuarial Methods (Continued)

Demographic Assumptions

Mortality

Sex-distinct RP-2014 Employees, Healthy Annuitant and Disabled Retiree Tables (headcount-weighted) and projected with scale MP-2016. This assumption differs from that used in the July 1, 2015 SHBP valuation to reflect the updated mortality projection scales published by the Society of Actuaries in 2016.

Retirement Rates

Police Officers with 25 or more years of service are assumed to retire at varying rates as stated in the Borough's December 31, 2016 report on file. 100% of Police Officers are assumed to retire at age 65 (which is mandated under New Jersey State law), regardless of service. Civilians with 25 or more years of service are assumed to retire according at varying rates as stated in the Borough's December 31, 2016 report on file. 100% of Civilians are assumed to retire at age 70, regardless of service.

Other Factors

Turnover rates vary by age and service as illustrated in the Borough's December 31, 2016 report on file. 100% of future retirees will participate in the retiree medical plan upon retirement. 75% of future retirees are assumed to have spousal/dependent coverage upon retirement. Current retiree spousal/dependent coverage information was provided by the Borough. Decrement timing is mid-year. The Cadillac tax determination is based on retiree premium-equivalent rates for medical and prescription drug coverage.

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, 2015 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.

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

Methods (Continued)

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 30 years.

Summary of Valuation Results

The Present Value of Future Benefits ("PVFB") as of December 31, 2016 is \$113,386,000 based upon a discount rate of 4.50% per annum and the plan provisions in effect on December 31, 2016.

The Actuarial Accrued Liability ("AAL") as of December 31, 2016 is \$85,770,000 based upon a discount rate of 4.50% per annum and the plan provisions in effect on December 31, 2016.

The Unfunded Actuarial Accrued Liability is \$86,136,000 as of December 31, 2016, which is calculated by subtracting the Assets and Normal Cost and adding Benefit Payments with interest to the Actuarial Accrued Liability to account for the end of year valuation date.

NOTE 17: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through June 30, 2017 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that there are no subsequent events needed to be disclosed.

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BOROUGH OF SOUTH PLAINFIELD
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2016

BOROUGH OF SOUTH PLAINFIELDCURRENT FUNDSCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2015	A	\$ 4,766,414.99	\$ 207,776.14
Increased by Receipts:			
Taxes Receivable	A-8	\$ 80,359,093.53	\$
State of New Jersey-Senior Citizens and Veterans Deductions	A-7	200,252.05	
Interfunds	A-12:A-30	66,056.37	19,705.69
Reserve for Tax Appeals	A-15	632,926.05	
Reserve for LOSAP	A-20	7,074.89	
Revenue Accounts Receivable	A-13	6,783,579.52	
Miscellaneous Revenue not Anticipated	A-2	72,298.94	
Tax Overpayments	A-17	37,017.69	
Prepaid Taxes	A-18	871,582.87	
Appropriation Refunds	A-3	1,544,250.94	
Reserve for Grants-Unappropriated	A-24		32,989.49
Grants Receivable	A-26		223,913.82
Petty Cash	A-5	<u>800.00</u>	
		<u>90,574,932.85</u>	<u>276,609.00</u>
		\$ 95,341,347.84	\$ 484,385.14
Decreased by Disbursements:			
Appropriations	A-3	\$ 27,117,723.46	\$
Appropriation Reserves	A-14	715,567.17	
Interfunds	A-12	91,542.79	
Tax Overpayments	A-17	16,401.45	
Local District School Taxes Payable	A-21	47,542,557.98	
County Taxes Payable	A-25	14,896,114.46	
Reserve for Tax Appeals	A-15	528,063.94	
Petty Cash	A-5	800.00	
Reserve for Accounts Payable	A-11	66,200.68	
Reserve for Grants-Appropriated	A-23		278,750.61
		<u>90,974,971.93</u>	<u>278,750.61</u>
Balance, December 31, 2016	A	\$ <u>4,366,375.91</u>	\$ <u>205,634.53</u>

"A-5"

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF PETTY CASH

OFFICE

Finance Department
Public Works Department
Police Department
Office of Aging

INCREASED

DECREASED

\$	200.00	\$	200.00
	100.00		100.00
	300.00		300.00
	200.00		200.00
	<u>800.00</u>		<u>800.00</u>
\$	<u>800.00</u>	\$	<u>800.00</u>

REF.

A-4

A-4

"A-6"

SCHEDULE OF CHANGE FUND

BALANCE
DECEMBER 31,
2016 AND 2015

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

\$	300.00
	150.00
	100.00
	50.00
	25.00
	50.00
\$	<u>675.00</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, 2015 (Due to)	A		\$ 27,565.80
Increased by:			
Received from State	A-4	\$ 200,252.05	
Deductions Disallowed by Tax Collector	A-7	<u>1,250.00</u>	
			\$ <u>201,502.05</u>
			\$ 229,067.85
Decreased by:			
Deductions Per Tax Billing	A-7	\$ 203,000.00	
Deductions Allowed by Tax Collector	A-7	<u>9,230.75</u>	
			<u>212,230.75</u>
Balance, December 31, 2016 (Due to)	A		\$ <u><u>16,837.10</u></u>

ANALYSIS OF STATE SHARE OF 2016 SENIOR
CITIZENS AND VETERANS DEDUCTIONS

Deductions Per Tax Billing	A-7	\$ 203,000.00	
Deductions Allowed by Collector	A-7	<u>9,230.75</u>	
			\$ 212,230.75
Less:			
Deductions Disallowed by Tax Collector	A-7		<u>1,250.00</u>
	A-8		\$ <u><u>210,980.75</u></u>

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2015	2016 LEVY	ADDED TAXES	COLLECTIONS 2015	2016	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2016
Prior	\$ 893,720.00	\$	\$	\$	893,720.00	\$	\$	\$
2016		80,961,592.71	418,290.79	677,833.84	79,676,354.28	7,265.54	5,368.02	1,013,061.82
	\$ 893,720.00	\$ 80,961,592.71	\$ 418,290.79	\$ 677,833.84	\$ 80,570,074.28	\$ 7,265.54	\$ 5,368.02	\$ 1,013,061.82

REF.

A

A-2:A-18

A-2

A-9

A

REF.

Collector
Senior Citizens and Veterans Deductions

\$ 80,359,093.53
210,980.75

\$ 80,570,074.28

ANALYSIS OF 2016 PROPERTY TAX LEVY

TAX YIELD

General Property Tax
Added Taxes (54:4-63.1 et seq.)

\$ 80,961,592.71
418,290.79

\$ 81,379,883.50

TAX LEVY

Local District School Tax (Abstract)
County Tax (Abstract)
County Open Space (Abstract)

\$ 46,897,014.00

Due County for Added Taxes (54:4-63.1 et seq.)

14,824,111.49

Total County Taxes

72,002.97

14,896,114.46

Local Tax for Municipal Purposes, Excluding Library (Abstract)

Minimum Library Tax

Add: Additional Tax Levied

Local Tax for Municipal Purposes Levied

\$ 17,977,795.52
1,256,928.00
352,031.52

19,586,755.04

\$ 81,379,883.50

"A-9"

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>	
Balance, December 31, 2015	A	\$ 110,993.67
Increased by:		
Transferred from Current Taxes	A-8	<u>5,368.02</u>
Balance, December 31, 2016	A	<u>\$ 116,361.69</u>

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, December 31, 2015 and December 31, 2016	A	<u>\$ 4,714,000.00</u>
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BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2015	A		\$ 242,083.43
Increased by:			
Budget Appropriations	A-3	\$ 201,723.94	
Appropriation Reserves	A-14	<u>7,572.65</u>	
			<u>209,296.59</u>
			\$ 451,380.02
Decreased by:			
Transferred to Appropriation Reserves	A-14	\$ 138,722.07	
Canceled	A-1	5,095.15	
Disbursements	A-4	<u>66,200.68</u>	
			<u>210,017.90</u>
Balance, December 31, 2016	A		\$ <u><u>241,362.12</u></u>

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>ACCOUNTS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>ACCRUED IN 2016</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2016</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$	\$ 45,459.00	\$ 45,459.00	\$
Other	A-2		11,365.00	11,365.00	
Fees and Permits	A-2		5,169.00	5,169.00	
Interest and Costs on Taxes	A-2		171,700.89	171,700.89	
Board of Adjustment/Planning/Zoning:					
Fees and Permits	A-2		40,531.40	40,531.40	
Board of Health/Registrar:					
Other Licenses	A-2		82,750.00	82,750.00	
Fees and Permits	A-2		15,200.00	15,200.00	
Municipal Court:					
Fines and Costs	A-2	55,462.15	755,168.01	742,164.74	68,465.42
Police:					
Fees and Permits	A-2		22,870.80	22,870.80	
Interest on Investments and Deposits	A-2		26,527.33	26,527.33	
Consolidated Municipal Property Tax Relief Aid	A-2		142,500.00	142,500.00	
Energy Receipts Tax	A-2		2,572,791.00	2,572,791.00	
Uniform Construction Code Fees	A-2		992,334.00	992,334.00	
SP Urban Renewal Pilot	A-2		43,992.45	43,992.45	
Office On Aging Building Rental	A-2		20,975.00	20,975.00	
Reserve for Parade Contributions	A-2		7,500.00	7,500.00	
General Capital Fund Surplus	A-2		15,000.00	15,000.00	
Police Off-Duty Admin Fee	A-2		95,000.00	95,000.00	
State Hotel Tax	A-2		317,592.81	317,592.81	
Uniform Fire Safety Act	A-2		325,557.73	325,557.73	
Utility Operating Surplus	A-2		660,000.00	660,000.00	
Host Benefits-Recycling Tonnage	A-2		113,461.86	113,461.86	
Cable TV Fees	A-2		300,044.51	300,044.51	
Bail Forfeitures	A-2		13,092.00	13,092.00	
		<u>\$ 55,462.15</u>	<u>\$ 6,796,582.79</u>	<u>\$ 6,783,579.52</u>	<u>\$ 68,465.42</u>
<u>REF.</u>		A		A-4	A

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF 2015 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2015	ACCOUNTS PAYABLE	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>					
Administrative & Purchasing	\$ 1,780.09	\$	\$ 1,780.09	\$	\$ 1,780.09
Mayor & Council	8,564.94		3,564.94		3,564.94
Borough Clerk	1,963.00		1,963.00		1,963.00
Financial Administration	9,108.76		2,108.76		2,108.76
Computer	1,440.17		1,440.17		1,440.17
Collection of Taxes	2,445.18		2,445.18		2,445.18
Assessment of Taxes	1,373.00		1,373.00		1,373.00
Legal Services and Costs	5,700.00		700.00		700.00
Planning Board	2.00		2.00		2.00
Zoning Board of Adjustment	0.66		0.66		0.66
Environmental Commission	1,690.36		1,690.36		1,690.36
Municipal Court	4,041.50		3,041.50		3,041.50
Public Defender	500.00		500.00		500.00
Police	25,072.18		16,072.18		16,072.18
Emergency Management	6,326.73		6,326.73		6,326.73
First Aid Org. and Maint. Contract	1,000.05		1,000.05		1,000.05
Fire Department	1,495.03		1,495.03		1,495.03
Fire Official	2,195.88		2,195.88		2,195.88
Juvenile Conference	750.00		750.00		750.00
Public Works Director	1,218.86		1,218.86		1,218.86
Road Repairs & Maintenance	3,374.01		3,374.01		3,374.01
Snow Removal	10,272.51		272.51		272.51
Recycling	1,125.51		1,125.51		1,125.51
Public Buildings & Grounds	11,708.44		3,708.44		3,708.44
Vehicle Maintenance	2,645.79		2,645.79		2,645.79
Board of Health	1,127.40		1,127.40		1,127.40
Youth Aid	213.72		213.72		213.72
Board of Recreation Comm	5,863.34		2,363.34		2,363.34
Office of Aging	2,122.85		2,122.85		2,122.85
Construction Code Official	6,105.16		2,105.16		2,105.16
Police System 911	5,311.30		5,311.30		5,311.30
<u>OTHER EXPENSES</u>					
Administrative & Purchasing	2,703.66		2,703.66		2,703.66
Mayor & Council	3,030.97		3,030.97		3,030.97
Borough Clerk	5,120.10	489.16	4,109.26	1,411.27	2,697.99
Financial Administration	2,256.36		2,256.36	1,478.68	777.68
Annual Audit	61,000.00		61,000.00	59,000.00	2,000.00
Computer	19,192.70	1,162.94	12,855.64	1,162.94	11,692.70
Data Processing	3,226.00		3,226.00		3,226.00
Collection of Taxes	4,620.10	100.00	4,720.10	153.10	4,567.00
Assessment of Taxes	4,493.95	12,188.60	16,682.55	12,455.82	4,226.73
Legal Services and Costs	16,253.66	3,609.13	17,362.79		17,362.79
Engineering Services	15,104.91	14,763.86	32,868.77	17,336.51	15,532.26
Economic Development	625.00		625.00		625.00
Planning Board	4,884.54	1,811.72	6,696.26	3,240.78	3,455.48
Zoning Board of Adjustment	6,826.73	527.50	4,354.23	1,455.50	2,898.73
Environmental Commission	310.01		310.01		310.01
Green Brook Flood Committee	245.19		245.19		245.19
Municipal Court	6,859.09	213.54	5,072.63	213.54	4,859.09
Municipal Support	8,687.70	979.44	10,667.14	5,170.82	5,496.32
Other Insurance	39,307.76	6,400.00	23,707.76	6,400.00	17,307.76
Health Benefits	180,967.62	300.00	168,267.62	168,267.62	
Health Benefits Waiver	36,000.00		36,000.00		36,000.00
Police	22,219.11	1,539.17	18,758.28	8,460.04	10,298.24
Traffic Safety	200.00		200.00		200.00
School Crossing Guard	10,075.36	16,621.16	31,696.52	28,726.12	2,970.40
Emergency Management	1,977.21		1,977.21	828.76	1,148.45
First Aid Org. and Maint. Contract	29,052.65		29,052.65	28,599.90	452.75
Fire Department	3,626.58	6,964.65	10,591.23	7,136.10	3,455.13

"A-15"

BOROUGH OF SOUTH PLAINFIELD
CURRENT FUND
SCHEDULE OF RESERVE FOR TAX APPEALS

	<u>REF.</u>	
Balance, December 31, 2015	A	\$ 15,103.38
Increased by:		
Receipts	A-4	632,926.05
		\$ <u>648,029.43</u>
Decreased by:		
Disbursements	A-4	<u>528,063.94</u>
Balance, December 31, 2016	A	\$ <u><u>119,965.49</u></u>

"A-16"

GRANT FUND
SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2015	A	\$ 6,631.89
Increased by:		
Transferred from Grants Appropriated	A-23	4,878.57
		\$ <u>11,510.46</u>
Decreased by:		
Transferred to Grants Appropriated	A-23	<u>6,631.89</u>
Balance, December 31, 2016	A	\$ <u><u>4,878.57</u></u>

"A-17"

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>	
Balance, December 31, 2015	A	\$ 18,502.55
Increased by:		
Overpayments in 2016	A-4	<u>37,017.69</u>
		\$ 55,520.24
Decreased by:		
Refunded	A-4	<u>16,401.45</u>
Balance, December 31, 2016	A	<u>\$ 39,118.79</u>

"A-18"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2015	A	\$ 677,833.84
Increased by:		
Collection of 2017 Taxes	A-4	<u>871,582.87</u>
		\$ 1,549,416.71
Decreased by:		
Application to 2016 Taxes	A-8	<u>677,833.84</u>
Balance, December 31, 2016	A	<u>\$ 871,582.87</u>

"A-19"

BOROUGH OF SOUTH PLAINFIELD
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES

	<u>REF.</u>		
Balance, December 31, 2015	A	\$	11,500.00
Decreased by:			
Appropriations	A-3		<u>2,300.00</u>
Balance, December 31, 2016	A	\$	<u><u>9,200.00</u></u>

"A-20"

SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARDS PROGRAM

Balance, December 31, 2015	A	\$	34,828.15
Increased by:			
Receipts	A-4		<u>7,074.89</u>
Balance, December 31, 2016	A	\$	<u><u>41,903.04</u></u>

"A-21"

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2015	A	\$ 645,543.98
Increased by:		
School Levy	A-1:A-8	<u>46,897,014.00</u>
		\$ <u>47,542,557.98</u>
Decreased by:		
Disbursements	A-4	<u>47,542,557.98</u>

"A-22"

SCHEDULE OF SALES CONTRACTS RECEIVABLE

Balance, December 31, 2015 and December 31, 2016	A	\$ <u><u>319,500.00</u></u>
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BOROUGH OF SOUTH PLAINFIELD

GRANT FUND

SCHEDULE OF GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2015	BUDGET APPROPRIATION	EXPENDED	ACCOUNTS PAYABLE	BALANCE DECEMBER 31, 2016
Municipal Alliance	\$ 20,092.97	\$	\$ 20,004.53	\$	\$ 88.44
Match	6,000.00				6,000.00
You Drink, You Drive, You Lose	7,250.00				7,250.00
Drunk Driving Enforcement Fund	24,846.60	2,035.00	9,738.99		17,142.61
Clean Communities	38,957.72	56,456.75	34,086.35	1,104.61	60,223.51
Click It or Ticket	4,000.00	3,325.00			7,325.00
Senior Citizens Bus	27.97				27.97
Alcohol Education Rehab	15,377.91	4,878.10	2,280.00		13,097.91
Body Armor			4,878.10		
Spill Compensation	16,750.00				16,750.00
Recycling Program	100,082.01	106,811.21	148,155.89	(2,857.93)	61,595.26
Benjamin Foundation	0.22				0.22
Tree Planting Grant	54.76				54.76
Improvements to the Senior Center	0.32				6,325.32
Computer Equipment	76.68	6,325.00			76.68
Bicycle Grant	755.00				755.00
Domestic Violence	2,306.25				2,306.25
DARE Program	126.51				126.51
Title III B	18,333.00	6,617.00	13,500.00		11,450.00
Senior Information Assistance	22,045.45	2,222.00	13,000.00		11,267.45
Safe Kids	233.00				233.00
Improvements to Municipal Building	1,666.00		1,666.00		
Community Development Block Grant	4,371.50				4,371.50
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	12,500.19	12,500.00	12,500.00		12,500.19
Senior Meals on Wheels Vehicle	24,000.00		18,940.75		5,059.25
Cultural Arts	1,040.00				1,040.00
Handicap Entrance	375.36				375.36
	<u>\$ 324,789.21</u>	<u>\$ 201,170.06</u>	<u>\$ 278,750.61</u>	<u>\$ (1,753.32)</u>	<u>\$ 248,961.98</u>

A

A-4

A-3-A-26

REF.

\$ 4,878.57
 (6,631.89)
\$ (1,753.32)

Accounts Payable
 Accounts Payable - Prior Year

BOROUGH OF SOUTH PLAINFIELD

GRANT FUND

SCHEDULE OF GRANTS UNAPPROPRIATED

	BALANCE DECEMBER 31, 2015	RECEIPTS	APPLIED TO RECEIVABLE	BALANCE DECEMBER 31, 2016
Drunk Driving Enforcement Fund	\$ 2,035.00	\$ 13,294.08	\$ 2,035.00	\$ 13,294.08
Body Armor	4,878.10	4,670.33	4,878.10	4,670.33
Alcohol Education Grant		1,692.08		1,692.08
Senior Information Assistance	2,222.00	10,000.00	2,222.00	10,000.00
Title IIIB	6,172.00	3,333.00	6,172.00	3,333.00
	<u>\$ 15,307.10</u>	<u>\$ 32,989.49</u>	<u>\$ 15,307.10</u>	<u>\$ 32,989.49</u>

REF.

A

A-4

A-26

A

BOROUGH OF SOUTH PLAINFIELD
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance December 31, 2015	A		\$ 1,382.26
Increased by:			
2016 Levy	A-1:A-8	\$ 14,824,111.49	
Added and Omitted	A-1:A-8	<u>72,002.97</u>	
			<u>14,896,114.46</u>
			\$ 14,897,496.72
Decreased by:			
Disbursements	A-4	\$ 14,896,114.46	
Canceled (County Billing Error)	A-1	<u>1,382.26</u>	
			<u>14,897,496.72</u>

BOROUGH OF SOUTH PLAINFIELD

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2015	BUDGET APPROPRIATION	RECEIPTS	UNAPPROPRIATED APPLIED	BALANCE DECEMBER 31, 2016
Drunk Driving Enforcement Fund	\$	\$	\$	\$	
Senior Title III B Grant	2,222.00	2,035.00		2,035.00	
Municipal Alliance	24,004.71	6,617.00	2,667.00	6,172.00	3,938.16
Clean Communities		56,456.75	20,066.55		
COPS More	38,335.33		56,456.75		38,335.33
Economic Development	500.00				500.00
Senior Information Assistance		2,222.00		2,222.00	
Urban Forestry Grant	5,000.00				5,000.00
Spill Compensation	17,000.00				17,000.00
Body Armour Grant		4,878.10		4,878.10	
Senior Citizen Coordinator		12,500.00	12,500.00		
Safe Kids	1,223.00				1,223.00
Recycling Tonnage Grant		106,811.21	106,811.21		
Click it or Ticket	375.00	3,325.00	3,325.00		375.00
Community Development Block Grant	4,203.09				4,203.09
Meal on Wheels Grant	24,000.00				24,000.00
Handicapped Entrances	19,884.31		19,884.31		
Senior Center Improvements	2,203.32	6,325.00	2,203.00		6,325.32
Borough Clock	1.30				1.30
	<u>\$ 138,952.06</u>	<u>\$ 201,170.06</u>	<u>\$ 223,913.82</u>	<u>\$ 15,307.10</u>	<u>\$ 100,901.20</u>
REF.	A	A-2:A-23	A-4	A-24	A

"A-27"

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF RESERVE FOR ACCUMULATED ABSENCES

	<u>REF.</u>	
Balance, December 31, 2015 and December 31, 2016	A	\$ <u>16,500.00</u>

"A-28"

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

Balance, December 31, 2015	A	\$ 108,000.00
Decreased by: Utilized as Anticipated Revenue	A-2	<u>105,000.00</u>
Balance, December 31, 2016	A	\$ <u>3,000.00</u>

"A-29"

SCHEDULE OF RESERVE FOR PLANNING & ZONING CODE REVISION

Balance, December 31, 2015 and December 31, 2016	A	\$ <u>6,831.51</u>
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BOROUGH OF SOUTH PLAINFIELD

GRANT FUND

SCHEDULE OF DUE GENERAL CAPITAL FUND

REF.

Increased by:			
Receipts	A-4	\$	19,705.69
Balance, December 31, 2016 (Due To)	A	\$	<u>19,705.69</u>

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF CASH - TREASURER

REF.	ASSESSMENT	ANIMAL CONTROL	OTHER
B	\$ 285.94	\$ 0.00	\$ 4,665,308.98
Balance, December 31, 2015			
Increased by Receipts:			
B-11	\$	\$	51,243.98
B-9			27,003.00
B-12		24,042.60	
B-13		2,960.40	
Reserve for:			
B-14			453.57
B-15			0.73
B-17			1,140,815.38
B-16			2,149.09
B-18			126,365.36
B-19			3,226,467.81
B-20			2,483,153.73
B-21			246,015.13
B-23			13,311,812.12
B-22			2,226,413.40
	\$ 0.00	\$ 27,003.00	\$ 22,841,893.30
	\$ 285.94	\$ 27,003.00	\$ 27,507,202.28
Decreased by Disbursements:			
B-11	\$	\$	7,837.48
B-12		17,128.32	
B-13		2,959.20	
B-9			20,087.52
Reserve for:			
B-8			44,676.49
B-14			26,318.08
B-17			993,965.31
B-18			127,102.38
B-19			3,448,697.87
B-20			1,954,597.49
B-21			169,335.47
B-23			13,319,155.60
B-6		6,915.48	
B-22	\$ 0.00	\$ 27,003.00	\$ 1,989,501.55
	\$ 0.00	\$ 0.00	\$ 22,101,275.24
	\$ 285.94	\$ 0.00	\$ 5,405,927.04
Balance, December 31, 2016			

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF CONFIRMATION</u>	<u>INSTALLMENT</u>	<u>DUE DATES</u>	<u>BALANCE DECEMBER 31, 2015 AND 2016</u>	<u>BALANCE PLEGDED TO RESERVE</u>
1188	Curbs and Gutters - Smith Street	5/1/96	10	6/1/96-05	\$ 1,837.02	\$ 1,837.02
1242	Curbs and 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

"B-4"

BOROUGH OF SOUTH PLAINFIELD
TRUST FUND
ANALYSIS OF ASSESSMENT FUND CASH

BALANCE
DECEMBER 31,
2015 AND 2016

Trust Surplus

\$ 285.94
\$ 285.94

REF.

B

"B-5"

BOROUGH OF SOUTH PLAINFIELD
TRUST FUND
SCHEDULE OF RESERVE FOR ASSESSMENTS

	<u>REF.</u>	
Balance, December 31, 2015 and December 31, 2016	B	\$ <u>155,291.12</u>

"B-6"

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

Balance, December 31, 2015 (Due From)	B	\$ 5,292.34
Increased by:		
Disbursements	B-2	<u>6,915.40</u>
Balance, December 31, 2016 (Due From)	B	\$ <u>12,207.74</u>

"B-7"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED - ASSESSMENT FUND

REF.

Balance, December 31, 2015
and December 31, 2016

B

\$ 152,170.08

"B-8"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2015

B

\$ 44,676.49

Decreased by:
Disbursements

B-2

44,676.49

"B-9"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

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

	<u>REF.</u>	
Balance, December 31, 2015 (Due to)	B	\$ 5,292.34
Increased by:		
Receipts	B-2	<u>27,003.00</u>
		\$ <u>32,295.34</u>
Decreased by:		
Disbursements	B-2	<u>20,087.52</u>
Balance, December 31, 2016 (Due to)	B	\$ <u><u>12,207.82</u></u>

"B-10"

SCHEDULE OF DUE SWIMMING POOL CAPITAL FUND (RECREATION TRUST)

Balance, December 31, 2015 and December 31, 2016 (Due to)	B	\$ <u><u>2,000.00</u></u>
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"B-11"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2015 (Due to)	B	\$ 9,783.78
Increased by:		
Receipts	B-2	\$ <u>51,243.98</u>
		\$ 61,027.76
Decreased by:		
Disbursements	B-2	<u>7,837.48</u>
Balance, December 31, 2016 (Due to)	B	\$ <u><u>53,190.28</u></u>
<u>Analysis of Balance:</u>		
Professional Escrow - Due to Current		\$ 506.33
Performance Escrow - Due to Current		4,194.82
Treasurer's Trust - Due to Current		29,401.80
Health Benefits Trust - Due to Current		<u>19,087.33</u>
		\$ <u><u>53,190.28</u></u>

"B-12"

SCHEDULE OF RESERVE FOR EXPENDITURES - ANIMAL CONTROL TRUST FUND

Balance, December 31, 2015	B	\$ 5,291.14
Increased by:		
Receipts	B-2	\$ <u>24,042.60</u>
		\$ 29,333.74
Decreased by:		
Disbursements	B-2	<u>17,128.32</u>
Balance, December 31, 2016	B	\$ <u><u>12,205.42</u></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, 2015	B	\$ 1.20
Increased by:		
Receipts	B-2	<u>2,960.40</u>
		\$ 2,961.60
Decreased by:		
Disbursements	B-2	<u>2,959.20</u>
Balance, December 31, 2016	B	<u><u>\$ 2.40</u></u>

"B-14"

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE

Balance, December 31, 2015	B	\$ 195,248.91
Increased by:		
Receipts	B-2	<u>453.57</u>
		\$ 195,702.48
Decreased by:		
Disbursements	B-2	<u>26,318.08</u>
Balance, December 31, 2016	B	<u><u>\$ 169,384.40</u></u>

"B-15"

BOROUGH OF SOUTH PLAINFIELD
TRUST FUND
SCHEDULE OF RESERVE FOR FEDERAL FORFEITURE

	<u>REF.</u>		
Balance, December 31, 2015	B	\$	338.99
Increased by:			
Receipts	B-2		<u>0.73</u>
Balance, December 31, 2016	B	\$	<u><u>339.72</u></u>

"B-16"

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT

Balance, December 31, 2015	B	\$	36,503.19
Increased by:			
Receipts	B-2		<u>2,149.09</u>
Balance, December 31, 2016	B	\$	<u><u>38,652.28</u></u>

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

ACCOUNT	BALANCE DECEMBER 31, 2015	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2016
State Share Construction Permits	\$ 31,781.00	\$ 56,303.00	\$ 75,576.00	\$ 12,508.00
Donations - Weddings	4,225.00	5,750.00	8,425.00	1,550.00
State Share Marriage Fees	1,027.00	2,723.00	3,250.00	500.00
POAA	1,247.96	134.00		1,381.96
Public Defender Fees	46,019.37	11,416.00	11,952.80	45,482.57
Zoning Regulations	1,273.82	200.00	540.00	933.82
Recycling	34,271.20	4,876.51	12,501.98	26,645.73
Electrical Subcode Inspections	51,271.42	11,822.50	43,601.60	19,492.32
Uniform Fire Safety Act Penalties	19,028.32	4,220.05	9,515.25	13,733.12
Police Outside Overtime	105,637.66	581,649.00	599,573.76	87,712.90
Fire - Off Duty	1,047.00	4,831.50	3,602.50	2,276.00
Fire Protection	100,113.39	33,528.00	45,241.04	88,400.35
Parade Contributions	10,520.09	39,175.00	45,316.13	4,378.96
DARE Donations	2,974.34	411.46	3,073.42	312.38
Affordable Housing Contributions	87.00			87.00
Police Found Property		339.22		339.22
Women Aware Police	3,928.83	455.00	1,998.40	2,385.43
Snow Removal	44,741.93			44,741.93
Compensated Absences	74,628.63	187,883.23		262,511.86
Self Insurance	312,033.97	51,784.91		363,818.88
Environmental Commission	640.12			640.12
American Heart Assoc Donations		200.00	200.00	
Tree Purchase Contributions	24,021.28	10,830.00		34,851.28
Senior Center	9,332.01	99,848.00	98,131.44	11,048.57
Donation	1,900.00	1,500.00		3,400.00
Donations - Police Equipment	771.41	600.00		1,371.41
Donations - Christmas Decorations	230.00			230.00
Donations - Digital Signs	5,425.00			5,425.00
Donations - K-9	2,436.11	500.00	1,016.00	1,920.11
Cancer Zumbathon Donation	425.00			425.00
County of Middlesex Election AVC	2,242.81	29,525.00	29,700.00	2,067.81
Barclays	28,036.37			28,036.37
Donations - Behr AI	675.00	300.00	749.99	225.01
Donation - SC Aiello	325.00			325.00
Business Directory		10.00		10.00
	<u>\$ 922,318.04</u>	<u>\$ 1,140,815.38</u>	<u>\$ 993,965.31</u>	<u>\$ 1,069,168.11</u>
<u>REF.</u>	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, 2015	B	\$ 24,335.95
Increased by:		
Receipts	B-2	<u>126,365.36</u>
		\$ <u>150,701.31</u>
Decreased by:		
Disbursements	B-2	<u>127,102.38</u>
Balance, December 31, 2016	B	\$ <u><u>23,598.93</u></u>

"B-19"

SCHEDULE OF RESERVE FOR HEALTH BENEFITS

Balance, December 31, 2015	B	\$ 224,889.12
Increased by:		
Receipts	B-2	<u>3,226,467.81</u>
		\$ <u>3,451,356.93</u>
Decreased by:		
Disbursements	B-2	<u>3,448,697.87</u>
Balance, December 31, 2016	B	\$ <u><u>2,659.06</u></u>

"B-20"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF RESERVE FOR ESCROW DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2015	B	\$ 1,996,431.23
Increased by:		
Receipts	B-2	<u>2,483,153.73</u>
		\$ 4,479,584.96
Decreased by:		
Disbursements	B-2	<u>1,954,597.49</u>
Balance, December 31, 2016	B	\$ <u>2,524,987.47</u>
<u>Analysis of Balance:</u>		
Professional Escrow		\$ 196,169.53
Performance Escrow		<u>2,328,817.94</u>
		\$ <u>2,524,987.47</u>

"B-21"

SCHEDULE OF RESERVE FOR AFFORDABLE HOUSING

Balance, December 31, 2015	B	\$ 165,648.43
Increased by:		
Receipts	B-2	<u>246,015.13</u>
		\$ 411,663.56
Decreased by:		
Disbursements	B-2	<u>169,335.47</u>
Balance, December 31, 2016	B	\$ <u>242,328.09</u>

"B-22"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF RESERVE FOR TAX REDEMPTIONS

	<u>REF.</u>	
Balance, December 31, 2015	B	\$ 906,001.32
Increased by:		
Receipts	B-2	<u>2,226,413.40</u>
		\$ <u>3,132,414.72</u>
Decreased by:		
Disbursements	B-2	<u>1,989,501.55</u>
Balance, December 31, 2016	B	\$ <u><u>1,142,913.17</u></u>

"B-23"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF RESERVE FOR PAYROLL

	<u>REF.</u>	
Balance, December 31, 2015	B	\$ 131,841.19
Increased by:		
Receipts	B-2	<u>13,311,812.12</u>
		\$ 13,443,653.31
Decreased by:		
Disbursements	B-2	<u>13,319,155.60</u>
Balance, December 31, 2016	B	\$ <u><u>124,497.71</u></u>

"B-24"

SCHEDULE OF INTRAFUND - TREASURER'S TRUST AND TAX REDEMPTION

Balance, December 31, 2015 and December 31, 2016 (Net)		\$ <u><u>- 0 -</u></u>
<u>Analysis of Balance:</u>		
Due to Tax Redemption	B	\$ 1,358.17
Due from Treasurer's Trust	B	<u>(1,358.17)</u>
		\$ <u><u>- 0 -</u></u>

BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2015	C		\$ 1,147,700.71
Increased by Receipts:			
Deferred Charges to Future Taxation-Unfunded	C-8	\$ 582,918.00	
Various Reserves	C-14	39,975.00	
Bond Anticipation Note	C-13	8,339,200.00	
Capital Improvement Fund	C-11	155,000.00	
Accounts Receivable	C-4	89,705.69	
Interfunds	C-5	60,168.74	
			<u>9,266,967.43</u>
			\$ <u>10,414,668.14</u>
Decreased by Disbursements:			
Bond Anticipation Note	C-13	\$ 5,287,118.00	
Interfunds	C-5	56,580.44	
Reserve for Contracts Payable	C-12	2,468,667.38	
Fund Balance-Budgeted Current MRA	C-1	15,000.00	
			<u>7,827,365.82</u>
Balance, December 31, 2016	C		\$ <u><u>2,587,302.32</u></u>

"C-3"

BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER 31, <u>2016</u>
Accounts Receivable	
Improvement Authorizations-Funded	\$ (693,406.81)
Reserve for Various Reserves	451,774.60
Reserve for Contracts Payable	140,369.38
Fund Balance	1,780,100.59
Due South Plainfield Senior Citizens Housing Project	19,640.24
Capital Improvement Fund	148,124.34
Unfunded Improvements Expended	57,058.77
Unexpended Proceeds of Bond Anticipation Notes	(154,837.13)
Cash on Hand to Pay Notes	845,359.65
Interfunds	23,194.67
	<u>(30,075.98)</u>
	<u>\$ 2,587,302.32</u>
<u>REF.</u>	C

"C-4"

SCHEDULE OF ACCOUNTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2015	C	\$ 306,945.37
Increased by:		
New Accounts Receivable	C-9	476,167.13
		<u>\$ 783,112.50</u>
Decreased by:		
Receipts	C-2	89,705.69
Balance, December 31, 2016	C	<u>\$ 693,406.81</u>
Summary by Project:		
Ordinance #1657		\$ 18,423.66
Ordinance #1713		25,000.00
Ordinance #1714		6,500.00
Ordinance #1715		8,537.60
Ordinance #1799		12,377.00
Ordinance #1837		6,924.00
Ordinance #1876		10,000.00
Ordinance #1896		1,058.77
Ordinance #2048		400,000.00
Ordinance #2060		56,461.44
Neighborhood Preservation Program		<u>148,124.34</u>
		<u>\$ 693,406.81</u>

"C-5"

BOROUGH OF SOUTH PLAINFIELD
GENERAL CAPITAL FUND
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	
Balance, December 31, 2015 (Due from)	C	\$ 33,664.28
Increased by:		
Disbursements	C-2	\$ <u>56,580.44</u>
		\$ 90,244.72
Decreased by:		
Receipts	C-2	<u>60,168.74</u>
Balance, December 31, 2016 (Due from)	C	\$ <u><u>30,075.98</u></u>
<u>Analysis of Balance:</u>		
Due from Current Fund		\$ 8,356.29
Due from General Capital Fund		19,705.69
Due from Pool Utility Capital Fund		<u>2,014.00</u>
		\$ <u><u>30,075.98</u></u>

"C-6"

SCHEDULE OF DUE SOUTH PLAINFIELD SENIOR CITIZENS
HOUSING PROJECT

Balance, December 31, 2015 and December 31, 2016	C	\$ <u><u>148,124.34</u></u>
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BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2015	C		\$ 10,833,182.85
Decreased by:			
Payment of Bonds	C-10	\$ 432,300.00	
Payment of Loans	C-15	<u>10,512.85</u>	
			<u>442,812.85</u>
Balance, December 31, 2016	C		\$ <u>10,390,370.00</u>

BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2016</u>
			<u>DATE</u>	<u>AMOUNT</u>				
General Improvement Bonds	6/14/12	11,438,700.00	3/15/17	\$ 432,300.00	4.000%			
			3/15/18	540,375.00	5.000%			
			3/15/19	540,375.00	5.000%			
			3/15/20	589,500.00	5.000%			
			3/15/21	589,500.00	5.000%			
			3/15/22	638,625.00	5.000%			
			3/15/23	638,625.00	5.000%			
			3/15/24	638,625.00	5.000%			
			3/15/25	687,750.00	3.000%			
			3/15/26	687,750.00	3.000%			
			3/15/27	687,750.00	3.125%			
			3/15/28	736,875.00	3.120%			
			3/15/29	736,875.00	3.250%			
		3/15/30	736,875.00	3.250%				
		3/15/31	736,875.00	3.375%				
		3/15/32	771,695.00	3.500%				
						\$ 10,822,670.00	\$ 432,300.00	\$ 10,390,370.00
						\$ 10,822,670.00	\$ 432,300.00	\$ 10,390,370.00

REF.

C C C-7 C

"C-11"

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

	<u>REF.</u>		
Balance, December 31, 2015	C	\$	30,058.77
Increased by:			
Budget Appropriation	C-2		155,000.00
		\$	<u>185,058.77</u>
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-9		<u>128,000.00</u>
Balance, December 31, 2016	C	\$	<u><u>57,058.77</u></u>

"C-12"

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

Balance, December 31, 2015	C	\$	138,538.81
Increased by:			
Improvement Authorizations	C-9		4,110,326.18
		\$	<u>4,248,864.99</u>
Decreased by:			
Disbursements	C-2	\$	2,468,667.38
Canceled	C-9		<u>97.02</u>
			<u>2,468,764.40</u>
Balance, December 31, 2016	C	\$	<u><u>1,780,100.59</u></u>

BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>ORDINANCE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2016</u>
1937	7/23/15	7/22/16	0.66%	\$ 340,000.00	\$	\$ 340,000.00	\$ 320,000.00
1937	7/21/16	7/21/17	0.95%		320,000.00		
1938	7/23/15	7/22/16	0.66%	44,368.00		44,368.00	
1938	7/21/16	7/21/17	0.95%		41,736.00		41,736.00
1966	7/23/15	7/22/16	0.66%	199,500.00		199,500.00	
1966	7/21/16	7/21/17	0.95%		186,200.00		186,200.00
1974	7/23/15	7/22/16	0.66%	307,500.00		307,500.00	
1974	7/21/16	7/21/17	0.95%		286,553.00		286,553.00
1980	7/23/15	7/22/16	0.66%	525,000.00		525,000.00	
1980	7/21/16	7/21/17	0.95%		497,368.00		497,368.00
1985	7/23/15	7/22/16	0.66%	599,000.00		599,000.00	
1985	7/21/16	7/21/17	0.95%		572,819.00		572,819.00
1991	7/23/15	7/22/16	0.66%	273,250.00		273,250.00	
1991	7/21/16	7/21/17	0.95%		266,024.00		266,024.00
1998	4/30/15	4/29/16	0.53%	460,000.00		460,000.00	
2001	7/23/15	7/22/16	0.66%	386,000.00		386,000.00	
2001	7/21/16	7/21/17	0.95%		386,000.00		386,000.00
2008	4/30/15	4/29/16	0.53%	385,000.00		385,000.00	
2008	4/28/16	4/28/17	1.00%		385,000.00		385,000.00
2013	4/30/15	4/29/16	0.53%	995,000.00		995,000.00	
2013	4/28/16	4/28/17	1.00%		995,000.00		995,000.00
2020	10/28/15	10/28/16	0.87%	285,000.00		285,000.00	
2020	10/27/16	10/27/17	1.21%		285,000.00		285,000.00
2023	10/28/15	10/28/16	0.87%	292,500.00		292,500.00	
2023	10/27/16	10/27/17	1.21%		292,500.00		292,500.00
2035	10/28/15	10/28/16	0.87%	195,000.00		195,000.00	
2035	10/27/16	10/27/17	1.21%		195,000.00		195,000.00
2047	4/28/16	4/28/17	1.00%		1,377,500.00		1,377,500.00
2048	4/28/16	4/28/17	1.00%		1,872,500.00		1,872,500.00
2050	7/21/16	7/21/17	0.95%		380,000.00		380,000.00
				<u>\$ 5,287,118.00</u>	<u>\$ 8,339,200.00</u>	<u>\$ 5,287,118.00</u>	<u>\$ 8,339,200.00</u>
			<u>REF.</u>	<u>C</u>	<u>C-2</u>	<u>C-2</u>	<u>C:C-8</u>

"C-14"

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

	<u>REF.</u>	
Balance, December 31, 2015	C	\$ 100,394.38
Increased by:		
Receipts	C-2	<u>39,975.00</u>
Balance, December 31, 2016	C	<u>\$ 140,369.38</u>

ANALYSIS OF BALANCE:

Off-Tract Improvements		\$ 10,857.25
Road Improvements-Tomkins Avenue		62,500.00
Debt Service		1,934.13
Cost of Issuance		10,000.00
Other Road Improvements-2015 & Prior		15,103.00
Road Improvements-2016		<u>39,975.00</u>
		<u>\$ 140,369.38</u>

"C-15"

SCHEDULE OF GREEN ACRES LOANS PAYABLE

Balance, December 31, 2015	C	\$ 10,512.85
Decreased by:		
Payments	C-7	<u>\$ 10,512.85</u>

"C-16"

BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2016</u>
1324	Improvements to Various Roads	\$ 38,879.55
1396	Improvements to Hadley Road	405.00
1494	Underground Storage Tank Removal	31,520.00
1624	Veterans Memorial Park Improvement	708.40
1815	Improvements to Tompkins Avenue	24,644.76
1863	New Market Avenue Extension	73,250.00
1878	Refunding Bond Ordinance	<u>78,000.00</u>
		<u>\$ 247,407.71</u>

BOROUGH OF SOUTH PLAINFIELDSEWER UTILITY FUNDSCHEDULE OF CASH

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2015	D	\$ <u>1,109,733.45</u>	\$ <u>555,450.18</u>
Increased by Receipts:			
Sewer Use Charges Receivable	D-7	\$ 6,654,688.45	\$
Connection Fees	D-1:D-3	147,500.00	
Interest and Costs on Sewer Charges	D-1:D-3	45,751.87	
Interest on Investments and Deposits	D-1:D-3	3,939.11	
Sewer Overpayments	D-11	18,027.08	
Reserve for Deferred Amortization	D-20		40,000.00
Capital Improvement Fund	D-17		75,000.00
Interfunds	D-18:D-22	676.63	511.90
		\$ <u>6,870,583.14</u>	\$ <u>115,511.90</u>
		\$ <u>7,980,316.59</u>	\$ <u>670,962.08</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	\$ 6,041,683.73	\$
Appropriation Reserves	D-9	82,098.85	
Sewer Overpayments	D-11	5,069.73	
Accrued Interest on Bonds	D-12	3,600.00	
Appropriated in Current Budget	D-1	660,000.00	
Improvement Authorizations	D-16		17,100.00
Interfunds	D-18:D-22	81.73	430.17
		\$ <u>6,792,534.04</u>	\$ <u>17,530.17</u>
Balance, December 31, 2016	D	\$ <u><u>1,187,782.55</u></u>	\$ <u><u>653,431.91</u></u>

"D-6"

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

	BALANCE DECEMBER 31, <u>2016</u>
Fund Balance	\$ 5,000.00
Capital Improvement Fund	666,369.00
Unfunded Improvement Authorizations Expended	(32,786.00)
Interfunds	37.73
Improvement Authorizations - Funded	<u>14,811.18</u>
	<u>\$ 653,431.91</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, 2015	D		\$ 236,629.83
Increased by:			
Sewer Charges Levied (Net)			<u>6,652,971.55</u>
			\$ 6,889,601.38
Decreased by:			
Receipts	D-5	\$ 6,654,688.45	
Transferred from Overpayments	D-11	8,716.26	
Transferred to Liens	D-8	<u>175.00</u>	
			<u>6,663,579.71</u>
Balance, December 31, 2016	D		<u><u>\$ 226,021.67</u></u>

"D-8"

SCHEDULE OF SEWER LIENS RECEIVABLE - OPERATING FUND

Balance, December 31, 2015	D		\$ 3,778.30
Increased by:			
Transferred from Receivable	D-7		<u>175.00</u>
Balance, December 31, 2016	D		<u><u>\$ 3,953.30</u></u>

"D-9"

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY OPERATING FUND

SCHEDULE OF 2015 APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2015</u>	<u>ACCOUNTS PAYABLE</u>	<u>MODIFIED</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Operating:					
Salaries and Wages	\$ 29,972.34	\$	29,972.34	\$	29,972.34
Other Expenses	96,816.50	40,198.08	137,014.58	77,098.85	59,915.73
Statutory Expenditures:					
Public Employee Retirement Systems	5,000.00		5,000.00	5,000.00	
	<u>\$ 131,788.84</u>	<u>\$ 40,198.08</u>	<u>\$ 171,986.92</u>	<u>\$ 82,098.85</u>	<u>\$ 89,888.07</u>

REF.

D

D-10

D-5

D-1

"D-10"

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

	<u>REF.</u>		
Balance, December 31, 2015	D	\$	40,198.08
Increased by:			
Appropriations	D-4		<u>49,943.67</u>
		\$	90,141.75
Decreased by:			
Transfer to Appropriation Reserves	D-9		<u>40,198.08</u>
Balance, December 31, 2016	D	\$	<u><u>49,943.67</u></u>

"D-11"

SCHEDULE OF SEWER OVERPAYMENTS

Balance, December 31, 2015	D	\$	13,785.99
Increased by:			
Receipts	D-5		<u>18,027.08</u>
		\$	31,813.07
Decreased by:			
Overpayments Refunded	D-5	\$	5,069.73
Applied to Receivable	D-7		<u>8,716.26</u>
			<u>13,785.99</u>
Balance, December 31, 2016	D	\$	<u><u>18,027.08</u></u>

"D-12"

BOROUGH OF SOUTH PLAINFIELD
SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS

	<u>REF.</u>	
Balance, December 31, 2015	D	\$ 18,971.00
Increased by:		
Budget Appropriation for Interest	D-4	5,000.00
		<u>\$ 23,971.00</u>
Decreased by:		
Interest Paid	D-5	<u>3,600.00</u>
Balance, December 31, 2016	D	<u>\$ 20,371.00</u>

"D-13"

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>		<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2015 AND 2016</u>
Acquisition 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>\$ 13,557,821.21</u>
	<u>REF.</u>	D

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>INCREASED BY NEW AUTHORIZATIONS</u>	<u>BALANCE DECEMBER 31, 2016</u>
1579A	Study and Review-Sanitary Sewer System	\$ 50,000.00	\$	\$ 50,000.00
1651	Generator-Pump Station	30,000.00		30,000.00
1716	Renovation of Storm Sewer and Manholes	25,000.00		25,000.00
1803	Various Sewer Improvements	150,000.00		150,000.00
1877	Refunding Bond Ordinance	100,000.00		100,000.00
1942	Sewer Jet	300,000.00		300,000.00
1999	Equipment-Hadley Station	70,000.00		70,000.00
2053	Acquisition of Air Compressor		17,200.00	17,200.00
		<u>\$ 725,000.00</u>	<u>\$ 17,200.00</u>	<u>\$ 742,200.00</u>
<u>REF.</u>		D	D-20	D

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITY OF BONDS</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>BALANCE DECEMBER 31, 2016</u>
			<u>OUTSTANDING-DECEMBER 31, 2016</u>	<u>AMOUNT</u>			
Sewer Utility Capital	6/14/2012	\$ 300,000.00	3/15/2017	\$ 60,000.00	4.00%	\$ 120,000.00	\$ 60,000.00
						\$ 120,000.00	\$ 60,000.00

D D-19 D

BOROUGH OF SOUTH PLAINFIELD
SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>ORDINANCE AMOUNT</u>	<u>BALANCE DECEMBER 31, 2015</u>		<u>AUTHORIZATIONS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE DECEMBER 31, 2016</u>	
				<u>FUNDED</u>	<u>UNFUNDED</u>			<u>FUNDED</u>	<u>UNFUNDED</u>
1579A	Study and 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 and Manholes	1/17/06	25,000.00	377.00				377.00	
1803	Various Sewer Improvements	10/2/07	150,000.00		11,435.76			11,435.76	
1877	Refunding Bond Ordinance	4/19/10	100,000.00		58,607.00				58,607.00
1942	Sewer Jet	12/05/11	300,000.00	164.13				164.13	
1999	Sewer Equipment-Hadley Station	04/21/14	70,000.00	2,677.97				2,677.97	
2053	Acquisition of Air Compressor	05/02/16	17,200.00			17,200.00	17,100.00	100.00	
			\$	<u>3,275.42</u>	\$	<u>70,042.76</u>	\$	<u>17,200.00</u>	\$
				D	D	D-17	D-5	D	D
								<u>14,811.18</u>	<u>58,607.00</u>

"D-17"

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2015	D	\$ 608,569.00
Increased by:		
Receipts	D-5	<u>75,000.00</u>
		\$ 683,569.00
Decreased by:		
New Improvement Authorization	D-16	<u>17,200.00</u>
Balance, December 31, 2016	D	\$ <u>666,369.00</u>

"D-18"

SCHEDULE OF INTERFUNDS - SEWER UTILITY OPERATING FUND

Balance, December 31, 2015 (Due to)	D	\$ 44.00
Increased by:		
Receipts	D-5	<u>676.63</u>
		\$ 720.63
Decreased by:		
Disbursements	D-5	<u>81.73</u>
Balance, December 31, 2016 (Due to, net)	D	\$ <u>638.90</u>
<u>Analysis of Balance:</u>		
Due To Current Fund		\$ 676.63
Due From Sewer Utility Capital Fund		<u>(37.73)</u>
		\$ <u>638.90</u>

"D-19"

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2015	D	\$	13,437,821.21
Increased by:			
Serial Bonds Paid by Operating Budget	D-15		<u>60,000.00</u>
Balance, December 31, 2016	D	\$	<u>13,497,821.21</u>

"D-20"

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Balance, December 31, 2015	D	\$	593,607.00
Increased by:			
Paid by Budget	D-5	\$	40,000.00
New Improvement Authorizations	D-14		<u>17,200.00</u>
			<u>57,200.00</u>
Balance, December 31, 2016	D	\$	<u>650,807.00</u>

Analysis of Balance:

1579A Study and Review		\$	50,000.00
1651 Generator Pump Station			30,000.00
1716 Renovation of Storm Sewer and Manholes			25,000.00
1803 Various Sewer Improvements			150,000.00
1877 Refunding Bond Ordinance			8,607.00
1942 Sewer Jet			300,000.00
1999 Equipment-Hadley Station			70,000.00
2053 Acquisition of Air Compressor			<u>17,200.00</u>
		\$	<u>650,807.00</u>

"D-21"

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>BUDGETED PAYDOWN</u>	<u>BALANCE DECEMBER 31, 2016</u>
1803	Various Sewer Improvements	\$ 31,393.00	\$ 31,393.00	\$
1877	Refunding Bond Ordinance	100,000.00	8,607.00	91,393.00
		<u>\$ 131,393.00</u>	<u>\$ 40,000.00</u>	<u>\$ 91,393.00</u>

"D-22"

SCHEDULE OF INTERFUNDS - SEWER UTILITY CAPITAL

Balance, December 31, 2015 (Due from)	D	\$ 44.00
Increased by:		
Disbursements	D-5	430.17
		<u>\$ 474.17</u>
Decreased by:		
Receipts	D-5	511.90
		<u>511.90</u>
Balance, December 31, 2016 (Due to)	D	<u>\$ 37.73</u>
<u>Analysis of Balance:</u>		
Due To Sewer Operating		<u>\$ 37.73</u>

BOROUGH OF SOUTH PLAINFIELDSWIMMING POOL UTILITY FUNDSCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance December 31, 2015	E	\$ <u>11,814.59</u>	\$ <u>31,486.99</u>
Increased by Receipts:			
Anticipated Revenue	E-2	\$ 294,795.69	\$
Bond Anticipation Notes	E-19		380,000.00
Capital Improvement Fund	E-16		15,000.00
Interfunds	E-7:E-13	1,500.00	2,014.00
		\$ <u>296,295.69</u>	\$ <u>397,014.00</u>
		\$ <u>308,110.28</u>	\$ <u>428,500.99</u>
Decreased by Disbursements:			
Appropriations	E-3	\$ 260,932.16	\$
Appropriation Reserves	E-8	2,950.00	
Accrued Interest	E-10	9,484.48	
Interfunds	E-7:E-13	30,042.53	20,034.31
Bond Anticipation Notes	E-19		380,000.00
		\$ <u>303,409.17</u>	\$ <u>400,034.31</u>
Balance December 31, 2016	E	\$ <u><u>4,701.11</u></u>	\$ <u><u>28,466.68</u></u>

BOROUGH OF SOUTH PLAINFIELD

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITY OF BONDS		INTEREST RATE	BALANCE DECEMBER 31, 2015	BALANCE DECEMBER 31, 2016
			OUTSTANDING-DECEMBER 31, 2016	AMOUNT			
Utility Capital	6/27/2012	\$ 203,300.00	3/15/2017	\$ 7,700.00	4.000%		
			3/15/2018-19	9,625.00	5.000%		
			3/15/2020-21	10,500.00	5.000%		
			3/15/2022-24	11,375.00	5.000%		
			3/15/2025-26	12,250.00	3.000%		
			3/15/2027	12,250.00	3.125%		
			3/15/2028	13,125.00	3.125%		
			3/15/2029-30	13,125.00	3.250%		
			3/15/2031	13,125.00	3.375%		
			3/15/2032	13,305.00	3.500%		
						\$ 192,330.00	\$ 184,630.00
						\$ 192,330.00	\$ 184,630.00

REF.

E

E-11:E-14

E

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

	BALANCE DECEMBER <u>31, 2016</u>
Bonds and Notes Payable	\$ 564,630.00
Improvement Authorizations	1,152.68
Interfunds	14.00
Amortization	695,343.14
Fixed Capital	(1,262,173.14)
Capital Improvement Fund	<u>29,500.00</u>
	<u>\$ 28,466.68</u>

REF. E

BOROUGH OF SOUTH PLAINFIELD
SWIMMING POOL UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>SWIMMING POOL UTILITY CAPITAL FUND</u>	<u>CURRENT FUND</u>
Balance, December 31, 2015:				
Due from	E	\$ 1,500.00	\$ 1,500.00	\$
Due to	E	20,042.53		20,042.53
Receipts	E-4	1,500.00	1,500.00	
Disbursements	E-4	30,042.53		30,042.53
Appropriation Reserves Lapsed to Current Fund	E-8	<u>4,912.13</u>	<u> </u>	<u>4,912.13</u>
Balance, December 31, 2016:				
Due from	E	<u>\$ 5,087.87</u>		<u>\$ 5,087.87</u>

BOROUGH OF SOUTH PLAINFIELD

SWIMMING POOL UTILITY OPERATING FUND

SCHEDULE OF 2015 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2015	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED DUE CURRENT
Operating:				
Salaries & Wages	\$ 0.34	\$ 0.34	\$	0.34
Other Expenses	5,861.79	5,861.79	2,950.00	2,911.79
Statutory Expenditures:				
Social Security System	2,000.00	2,000.00		2,000.00
	<u>\$ 7,862.13</u>	<u>\$ 7,862.13</u>	<u>\$ 2,950.00</u>	<u>\$ 4,912.13</u>

REF.

E

E-4

E-7

"E-9"

BOROUGH OF SOUTH PLAINFIELD
SWIMMING POOL UTILITY OPERATING FUND
SCHEDULE OF DEFERRED CHARGES

	<u>REF</u>	
Balance, December 31, 2015	E	\$ 18,218.57
Increased by:		
Deficit - 2016 Operations	E-1:E-2	4,721.88
		\$ <u>22,940.45</u>
Decreased by:		
Appropriations	E-3	<u>18,218.57</u>
Balance, December 31, 2016	E	\$ <u><u>4,721.88</u></u>

"E-10"

SCHEDULE OF ACCRUED INTEREST PAYABLE

Balance, December 31, 2015	E	\$ 2,628.50
Increased by:		
Appropriations	E-3	10,014.00
		\$ <u>12,642.50</u>
Decreased by:		
Interest Paid	E-4	<u>9,484.48</u>
Balance, December 31, 2016	E	\$ <u><u>3,158.02</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, 2015	E	\$ 28,107.40
Increased by:		
Debt Paid	E-5	<u>3,234.00</u>
Balance, December 31, 2016	E	<u>\$ 31,341.40</u>

"E-12"

SCHEDULE OF FIXED CAPITAL

Balance, December 31, 2015 and December 31, 2016	E	<u>\$ 773,173.14</u>
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"E-13"

BOROUGH OF SOUTH PLAINFIELD
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF INTERFUNDS

	<u>REF.</u>		
Balance, December 31, 2015			
Due from	E	\$ (2,000.00)	
Due to	E	<u>20,034.31</u>	
			\$ 18,034.31
Increased by:			
Receipts	E-4		<u>2,014.00</u>
			\$ <u>20,048.31</u>
Decreased by:			
Disbursements	E-4		<u>20,034.31</u>
Balance, December 31, 2016 (net)			\$ <u><u>14.00</u></u>
<u>Analysis of Balance</u>			
Due From Recreation Trust Fund	E		\$ (2,000.00)
Due To General Capital Fund	E		<u>2,014.00</u>
			\$ <u><u>14.00</u></u>

"E-14"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2015	E		\$ 659,535.74
Increased by:			
Bonds Paid	E-5		<u>4,466.00</u>
Balance, December 31, 2016	E		\$ <u><u>664,001.74</u></u>

"E-15"

BOROUGH OF SOUTH PLAINFIELD

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

REF.

Balance, December 31, 2015 and December 31, 2016	E	\$ <u>489,000.00</u>
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Analysis of Balance:

Ordinance 1951 - Improvements to Pool		\$ 90,000.00
Ordinance 2011 - Improvements to Pool		<u>399,000.00</u>
		\$ <u>489,000.00</u>

"E-16"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2015	E	\$ 14,500.00
Increased by:		
Budget Appropriation	E-4	<u>15,000.00</u>
Balance, December 31, 2016	E	\$ <u>29,500.00</u>

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 DECEMBER 31, 2015 & 2016</u>
		<u>DATE</u>	<u>AMOUNT</u>	
1928	Purchase of Equipment	05/06/11	\$ 36,000.00	\$ 605.00
2011	Pool Improvements	02/21/12	399,000.00	<u>547.68</u>
				<u>\$ 1,152.68</u>
			<u>REF.</u>	
		Funded	E	\$ 605.00
		Unfunded	E	<u>547.68</u>
				<u>\$ 1,152.68</u>

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

<u>ORDINANCE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2016</u>
#2011	4/30/2015	4/29/2016	0.53%	\$ 380,000.00	\$	\$ 380,000.00	\$
#2011	4/28/2016	4/28/2017	1.00%		<u>380,000.00</u>		<u>380,000.00</u>
				<u>\$ 380,000.00</u>	<u>\$ 380,000.00</u>	<u>\$ 380,000.00</u>	<u>\$ 380,000.00</u>
			<u>REF.</u>	E	E-4	E-4	E

BOROUGH OF SOUTH PLAINFIELD
PUBLIC ASSISTANCE TRUST FUND
SCHEDULE OF PUBLIC ASSISTANCE CASH

	<u>REF.</u>	<u>PUBLIC ASSISTANCE TRUST FUND I</u>	<u>FUND TOTAL</u>
Balance, December 31, 2015	F	\$ 19,355.71	\$ 19,355.71
Increased by:			
Receipts	F-2	17,500.36	17,500.36
		<u>\$ 36,856.07</u>	<u>\$ 36,856.07</u>
Decreased by:			
Disbursements	F-2	<u>17,047.38</u>	<u>17,047.38</u>
Balance, December 31, 2016	F	<u>\$ 19,808.69</u>	<u>\$ 19,808.69</u>

BOROUGH OF SOUTH PLAINFIELD

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE TRUST FUND EXPENDITURES

	<u>REF.</u>	<u>PUBLIC ASSISTANCE TRUST FUND I</u>	<u>FUND TOTAL</u>
Balance, December 31, 2015	F	\$ 19,355.71	\$ 19,355.71
Increased by:			
Donations	F-1	17,471.00	17,471.00
Interest	F-1	29.36	29.36
		<u>\$ 36,856.07</u>	<u>\$ 36,856.07</u>
Decreased by:			
General Assistance	F-1	<u>17,047.38</u>	<u>17,047.38</u>
Balance, December 31, 2016	F	<u>\$ 19,808.69</u>	<u>\$ 19,808.69</u>

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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

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE



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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, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of South Plainfield, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated June 30, 2017. 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.

Internal Control Over Financial Reporting

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

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 439

June 30, 2017

BOROUGH OF SOUTH PLAINFIELD

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2016

<u>STATE GRANTOR DEPARTMENT/PROGRAM TITLE</u>	<u>STATE ACCOUNT NUMBER</u>	<u>GRANT AWARD AMOUNT</u>	<u>2016 RECEIPTS</u>	<u>2016 EXPENDITURES</u>	<u>CUMULATIVE EXPENDITURES DECEMBER 31, 2016</u>
<u>DEPARTMENT OF LAW AND PUBLIC SAFETY</u>					
Municipal Alliance - Prior		\$ 20,777.00	\$ 20,066.55	\$ 20,004.53	\$ 20,688.56
Drunk Driving Enforcement Fund - Prior		24,846.60		9,738.99	9,738.99
Drunk Driving Enforcement Fund		2,035.00			
Alcohol Education Rehabilitation Fund - Prior	9735-760-088-Y900-001	17,256.05		2,280.00	4,158.14
			\$ 20,066.55	\$ 32,023.52	\$ 34,585.69
<u>DIVISION OF CRIMINAL JUSTICE</u>					
Body Armor Replacement Fund	1020-718-066-1020-001	4,878.10		4,878.10	4,878.10
			\$ 4,878.10	\$ 4,878.10	\$ 4,878.10
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>					
Clean Communities Grant - Prior	4900-765-042-4900-004	49,527.56		35,190.96	45,760.80
Clean Communities Grant	4900-765-042-4900-004	56,456.75	56,456.75		
Recycling Tonnage Grant - Prior(s)	4900-752-042-4900-001	111,234.98		100,082.01	111,234.98
Recycling Tonnage Grant	4900-752-042-4900-001	106,811.21	106,811.21	45,215.95	45,215.95
			\$ 163,267.96	\$ 180,488.92	\$ 202,211.73
<u>DEPARTMENT OF TRANSPORTATION</u>					
Various Road Improvements (New Jersey DOT)		680,000.00		350,677.52	350,677.52
			\$ 400,000.00	\$ 350,677.52	\$ 350,677.52
TOTAL		\$ 583,334.51	\$ 583,334.51	\$ 568,068.06	\$ 592,353.04

BOROUGH OF SOUTH PLAINFIELD

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2016

NOTE 1. GENERAL

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and 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 Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and 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 - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's regulatory basis financial statements, reported in the Current and General Capital funds.

Receipts:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current/Grant Fund	\$ 3,325.00	\$ 183,334.51	\$ 37,254.31	\$ 223,913.82
General Capital Fund	<u> </u>	<u>400,000.00</u>	<u> </u>	<u>400,000.00</u>
	<u>\$ 3,325.00</u>	<u>\$ 583,334.51</u>	<u>\$ 37,254.31</u>	<u>\$ 623,913.82</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current/Grant Fund	\$ 9,738.99	\$ 217,390.54	\$ 49,867.76	\$ 276,997.29
General Capital Fund	<u> </u>	<u>350,677.52</u>	<u> </u>	<u>350,677.52</u>
	<u>\$ 9,738.99</u>	<u>\$ 568,068.06</u>	<u>\$ 49,867.76</u>	<u>\$ 627,674.81</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.

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PART III

BOROUGH OF SOUTH PLAINFIELD

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2016

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

	<u>YEAR 2016</u>		<u>YEAR 2015</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,740,000.00	1.92%	\$ 1,585,000.00	1.79%
Miscellaneous - From Other Than Local Property Tax Levies	7,549,288.96	8.34%	7,485,707.96	8.44%
Collection of Delinquent Taxes and Tax Title Liens	893,720.00	0.99%	733,390.62	0.83%
Collections of Current Tax Levy	<u>80,354,188.12</u>	<u>88.75%</u>	<u>78,842,737.76</u>	<u>88.94%</u>
<u>Total Revenue</u>	<u>\$ 90,537,197.08</u>	<u>100.00%</u>	<u>\$ 88,646,836.34</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 26,938,501.89	30.35%	\$ 26,286,340.90	30.24%
County Taxes	14,896,114.46	16.78%	15,085,321.64	17.35%
Local School District Taxes	46,897,014.00	52.84%	45,515,106.00	52.36%
Other Expenditures	<u>23,800.61</u>	<u>0.03%</u>	<u>43,386.68</u>	<u>0.05%</u>
<u>Total Expenditures</u>	<u>\$ 88,755,430.96</u>	<u>100.00%</u>	<u>\$ 86,930,155.22</u>	<u>100.00%</u>
Excess in Revenue	\$ 1,781,766.12		\$ 1,716,681.12	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year			<u>11,500.00</u>	
Statutory Excess to Fund Balance	\$ <u>1,781,766.12</u>		\$ <u>1,728,181.12</u>	
Fund Balance - Beginning	\$ <u>2,004,104.34</u>		\$ <u>1,860,923.22</u>	
	\$ 3,785,870.46		\$ 3,589,104.34	
Less: Utilization as Anticipated Revenue	<u>1,740,000.00</u>		<u>1,585,000.00</u>	
Fund Balance, Ending	<u>\$ 2,045,870.46</u>		<u>\$ 2,004,104.34</u>	

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

	YEAR 2016		YEAR 2015	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 95,000.00	1.35%	\$ 275,000.00	3.77%
Collection of Sewer Use Charges	6,663,404.71	94.59%	6,670,936.49	91.51%
Miscellaneous	287,079.05	4.07%	344,310.62	4.72%
<u>Total Revenue</u>	<u>\$ 7,045,483.76</u>	<u>100.00%</u>	<u>\$ 7,290,247.11</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 5,987,000.00	94.84%	\$ 5,882,708.00	92.09%
Capital Improvements	75,000.00	1.19%	250,000.00	3.91%
Deferred Charges and Regulatory Expenditures	186,000.00	2.95%	185,107.00	2.90%
Debt Service	65,000.00	1.03%	70,000.00	1.10%
<u>Total Expenditures</u>	<u>\$ 6,313,000.00</u>	<u>100.00%</u>	<u>\$ 6,387,815.00</u>	<u>100.00%</u>
Excess in Revenue	\$ 732,483.76		\$ 902,432.11	
Fund Balance - Beginning	905,095.54		942,663.43	
	\$ 1,637,579.30		\$ 1,845,095.54	
Less: Utilization as Anticipated Revenue				
Sewer Utility Operating Fund	95,000.00		275,000.00	
Current Fund	660,000.00		665,000.00	
Fund Balance - Ending	<u>\$ 882,579.30</u>		<u>\$ 905,095.54</u>	

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

	YEAR 2016		YEAR 2015	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$	0.00%	\$ 1,000.00	0.58%
Collection of Pool Membership and Fees	154,356.00	93.68%	162,673.00	94.98%
Miscellaneous	<u>10,439.69</u>	<u>6.33%</u>	<u>7,608.43</u>	<u>4.44%</u>
<u>Total Revenue</u>	<u>\$ 164,795.69</u>	<u>100.00%</u>	<u>\$ 171,281.43</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 244,085.00	81.50%	\$ 238,050.00	83.24%
Capital Improvements	15,000.00	5.01%	32,500.00	11.36%
Deferred Charges and Regulatory Expenditures	23,218.57	7.75%	2,000.00	0.70%
Debt Service	<u>17,214.00</u>	<u>5.75%</u>	<u>13,450.00</u>	<u>4.70%</u>
<u>Total Expenditures</u>	<u>\$ 299,517.57</u>	<u>100.00%</u>	<u>\$ 286,000.00</u>	<u>100.00%</u>
Adjustment to Income Before Fund Balance:				
Deferred Charges to Budget of Succeeding Year:	\$		\$	
Operating Deficit in Revenues	4,721.88		13,218.57	
Realized from General Budget for Anticipated Deficit	<u>130,000.00</u>		<u>101,500.00</u>	
	\$ 134,721.88		\$ 114,718.57	
Excess in Revenue	- 0 -		- 0 -	
Fund Balance - Beginning	<u>1,000.00</u>		<u>2,000.00</u>	
	\$ 1,000.00		\$ 2,000.00	
Less: Utilization as Anticipated Revenue			<u>1,000.00</u>	
Fund Balance - Ending	<u>\$ 1,000.00</u>		<u>\$ 1,000.00</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	<u>\$5.797</u>	<u>\$5.697</u>	<u>\$5.533</u>
Appointment of Tax Rate:			
Municipal	\$1.287	\$1.255	\$1.214
Municipal Library Tax	0.089	0.091	0.088
County	1.063	1.079	1.054
Local School	<u>3.358</u>	<u>3.272</u>	<u>3.177</u>

Assessed Valuation:

Year 2016	<u>\$1,396,611,915.00</u>		
Year 2015		<u>\$1,391,076,957.00</u>	
Year 2014			<u>\$1,394,196,662.00</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>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2016	\$81,379,883.50	\$80,354,188.12	98.73%
2015	\$79,750,525.30	\$78,842,737.76	98.86%
2014	\$77,328,447.55	\$76,454,716.18	98.87%

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 TAX TITLE LIENS</u>		<u>AMOUNT OF DELINQUENT TAXES</u>		<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2016	\$	116,361.69	\$	1,013,061.82	\$	1,129,423.51	1.39%
2015		110,993.67		893,720.00		1,004,713.67	1.26%
2014		105,718.25		733,853.44		839,571.69	1.09%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2016 by foreclosure or deed, as a result of liquidation of tax title liens. The balance at December 31, 2016 is \$4,714,000.00.

COMPARISON OF UTILITY LEVIES

<u>YEAR</u>	<u>LEVY</u>	<u>COLLECTIONS*</u>
2016	\$ 6,652,971.55	\$ 6,663,404.71
2015	6,649,359.32	6,671,286.49
2014	6,778,079.67	6,754,991.07

*Includes collections of prior year levies

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2016	\$ 2,045,870.46	\$ 1,816,200.00
	2015	2,004,104.34	1,740,000.00
	2014	1,860,923.22	1,585,000.00
	2013	1,637,632.58	1,382,407.08
	2012	1,220,659.14	880,000.00
Sewer Utility Operating Fund	2016	\$ 882,579.30	\$ 75,305.00
	2015	905,095.54	95,000.00
	2014	942,663.43	275,000.00
	2013	1,055,059.39	380,000.00
	2012	738,436.34	128,100.00
Swimming Pool Utility Operating Fund	2016	\$ 1,000.00	\$
	2015	1,000.00	
	2014	2,000.00	1,000.00
	2013	3,000.00	1,000.00
	2012	3,000.00	

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 OF BOND</u>
Matthew Anesh	Mayor	*
Robert Bengivenga Jr.	Council President	*
Alex Barletta	Council Member-until 9/30/16	*
Christine Faustini	Council Member-effective 10/01/16	*
Robert Richkus	Council Member	*
Raymond Rusnak	Council Member	*
Derryck White	Council Member	*
Joseph Wolak	Council Member	*
Glenn Cullen	Administrator/CFO	*
Amy Antonides	Borough Clerk	*
Kimberly Clifford	Tax Collector	*
Mary Frances Hildebrandt	Tax Assessor	*
Robert Capparelli	Superintendent of Public Works-until 5/31/16	*
Leonard Miller	Superintendent of Public Works/Engineer-effective 1/1/16	*
Katherine Howes	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, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 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:

- Recyclable Material Collection Services
- Recycling Center
- COAH Housing Rehabilitation
- Biodegradable & Recyclable Leaf Bags
- Road Improvements

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 \$17,500.00 "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
(CONTINUED)

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
Public Defender
Borough Planner
Insurance Broker/Consultant
Bond Counsel
Appraisal Services
Engineering and 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 2, 2016, 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 March 24, 2016 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 31st of the last three years:

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2016	6
2015	6
2014	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	50
Delinquent Utility Positive Confirmation	20

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.

Purchasing

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.

RECOMMENDATIONS

* That the practice of issuing confirming orders be discontinued.

*Unresolved Prior Year Recommendation



