

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, 2018

BOROUGH OF SOUTH PLAINFIELD

INDEX

	<u>PAGES</u>
<u>PART I</u>	
Independent Auditor's Report	1-3
Independent Auditors 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	4-5
	<u>EXHIBITS</u>
<u>Financial Statements - Regulatory Basis</u>	
<u>Current Fund:</u>	
Balance Sheets - Regulatory Basis	"A"
Statements of Operations and Change in Fund Balance - Regulatory Basis	"A-1"
Statement of Revenues - Regulatory Basis - Year Ended December 31, 2018	"A-2"
Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2018	"A-3"
<u>Trust Fund:</u>	
Balance Sheets - Regulatory Basis	"B"
Schedule of Assessment Fund Balance - Regulatory Basis	"B-1"
<u>General Capital Fund:</u>	
Balance Sheets - Regulatory Basis	"C"
Statement of Capital Fund Balance - Regulatory Basis	"C-1"
<u>Sewer Utility Fund:</u>	
Balance Sheets - Regulatory Basis	"D"
Statements of Operations and Changes in Fund Balance - Regulatory Basis	"D-1"
Statement of Capital Fund Balance - Regulatory Basis	"D-2"
Statement of Revenues - Regulatory Basis - Year Ended December 31, 2018	"D-3"
Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2018	"D-4"
<u>Swimming Pool Utility Fund:</u>	
Balance Sheets - Regulatory Basis	"E"
Statements of Operations and Changes in Fund Balance - Regulatory Basis	"E-1"
Statement of Revenues - Regulatory Basis - Year Ended December 31, 2018	"E-2"
Statement of Expenditures - Regulatory Basis - Year Ended December 31, 2018	"E-3"
<u>Public Assistance Trust Fund:</u>	
Balance Sheets - Regulatory Basis	"F"
<u>General Fixed Assets Account Group:</u>	
Balance Sheets - Regulatory Basis	"G"

BOROUGH OF SOUTH PLAINFIELD

INDEX (CONTINUED)

	<u>PAGES</u>
Notes to Financial Statements	6-43
	<u>EXHIBITS</u>
<u>Supplementary Schedules - All Funds</u>	
<u>Current Fund:</u>	
Schedule of Cash - Collector-Treasurer	"A-4"
Schedule of Petty Cash	"A-5"
Schedule of Change Fund	"A-6"
Schedule of Due State of New Jersey for Senior Citizens and Veterans Deductions	"A-7"
Schedule of Taxes Receivable and Analysis of Property Tax Levy	"A-8"
Schedule of Tax Title Liens	"A-9"
Schedule of Property Acquired for Taxes (at Assessed Valuation)	"A-10"
Schedule of Reserve for Accounts Payable	"A-11"
Schedule of Interfunds	"A-12"
Schedule of Revenue Accounts Receivable	"A-13"
Schedule of 2017 Appropriation Reserves	"A-14"
Schedule of Due General Capital Fund – Grant Fund	"A-15"
Schedule of Reserve for Accounts Payable - Grant Fund	"A-16"
Schedule of Tax Overpayments	"A-17"
Schedule of Prepaid Taxes	"A-18"
Schedule of Deferred Charges	"A-19"
Schedule of Reserve for Length of Service Awards Program	"A-20"
Schedule of Local District School Taxes Payable	"A-21"
Schedule of Sales Contracts Receivable	"A-22"
Schedule of Grants Appropriated	"A-23"
Schedule of Grants Unappropriated	"A-24"
Schedule of County Taxes Payable	"A-25"
Schedule of Grants Receivable - Grant Fund	"A-26"
Schedule of Reserve for Accumulated Absences	"A-27"
Schedule of Reserve for FEMA Unappropriated	"A-28"
Schedule of Reserve for Planning & Zoning Code	"A-29"
<u>Trust Fund:</u>	
Schedule of Cash - Treasurer	"B-2"
Schedule of Reserve for Payroll	"B-3"
Analysis of Assessment Fund Cash	"B-4"
Schedule of Reserve for Tax Redemptions	"B-5"
Schedule of Due Trust Other Fund (Treasurer's Trust) - Animal Control Fund	"B-6"
Schedule of Reserve for Escrow Deposits	"B-7"
Schedule of Due Current Fund – Animal Control Fund	"B-8"
Schedule of Due Animal Control Trust Fund (Treasurer's Trust)	"B-9"
Schedule of Reserve for Affordable Housing	"B-10"
Schedule of Due Current Fund	"B-11"
Schedule of Reserve for Expenditures - Animal Control Trust Fund	"B-12"
Schedule of Due State of New Jersey - Animal Control Trust Fund	"B-13"

BOROUGH OF SOUTH PLAINFIELD

INDEX (CONTINUED)

EXHIBITS

Trust Fund (Continued):

Schedule of Reserve for State Unemployment Insurance	"B-14"
Schedule of Reserve for Federal Forfeiture	"B-15"
Schedule of Reserve for Law Enforcement	"B-16"
Schedule of Reserve for Various Deposits	"B-17"
Schedule of Reserve for Recreation	"B-18"
Schedule of Reserve for Health Benefits	"B-19"

General Capital Fund:

Schedule of Cash - Treasurer	"C-2"
Analysis of Capital Cash and Investments	"C-3"
Schedule of Accounts Receivable	"C-4"
Schedule of Interfunds	"C-5"
Schedule of Due South Plainfield Senior Citizens Housing Project	"C-6"
Schedule of Deferred Charges to Future Taxation - Funded	"C-7"
Schedule of Deferred Charges to Future Taxation - Unfunded	"C-8"
Schedule of Improvement Authorizations	"C-9"
Schedule of Serial Bonds	"C-10"
Schedule of Capital Improvement Fund	"C-11"
Schedule of Reserve for Contracts Payable	"C-12"
Schedule of Bond Anticipation Notes Payable	"C-13"
Schedule of Reserve for Various Projects	"C-14"
Schedule of Bonds and Notes Authorized But Not Issued	"C-15"

Sewer Utility Fund:

Schedule of Cash	"D-5"
Analysis of Sewer Utility Capital Cash	"D-6"
Schedule of Sewer Use Charges Receivable - Operating Fund	"D-7"
Schedule of Sewer Liens Receivable - Operating Fund	"D-8"
Schedule of 2017 Appropriation Reserves - Operating Fund	"D-9"
Schedule of Reserve for Accounts Payable - Operating Fund	"D-10"
Schedule of Sewer Overpayments - Operating Fund	"D-11"
Schedule of Interfunds - Capital Fund	"D-12"
Schedule of Fixed Capital - Capital Fund	"D-13"
Schedule of Fixed Capital Authorized and Uncompleted - Capital Fund	"D-14"
Schedule of Bonds and Notes Authorized But Not Issued - Capital Fund	"D-15"
Schedule of Improvement Authorizations - Capital Fund	"D-16"
Schedule of Capital Improvement Fund - Capital Fund	"D-17"
Schedule of Interfunds - Operating Fund	"D-18"
Schedule of Reserve for Amortization - Capital Fund	"D-19"
Schedule of Deferred Reserve for Amortization - Capital Fund	"D-20"

BOROUGH OF SOUTH PLAINFIELD

INDEX (CONTINUED)

EXHIBITS

Swimming Pool Utility Fund:

Schedule of Cash - Collector-Treasurer	"E-4"
Schedule of Serial Bonds Payable - Capital Fund	"E-5"
Analysis of Swimming Pool Utility Capital Cash - Capital Fund	"E-6"
Schedule of Interfunds - Operating Fund	"E-7"
Schedule of 2017 Appropriation Reserves - Operating Fund	"E-8"
Schedule of Deferred Charges - Operating Fund	"E-9"
Schedule of Accrued Interest Payable - Operating Fund	"E-10"
Schedule of Reserve for Deferred Amortization - Capital Fund	"E-11"
Schedule of Fixed Capital - Capital Fund	"E-12"
Schedule of Interfunds - Capital Fund	"E-13"
Schedule of Reserve for Amortization - Capital Fund	"E-14"
Schedule of Fixed Capital Authorized and Uncompleted	"E-15"
Schedule of Capital Improvement Fund - Capital Fund	"E-16"
Schedule of Improvement Authorizations - Capital Fund	"E-17"
Schedule of Bond Anticipation Notes Payable	"E-18"
Schedule of Reserve for Accounts Payable	"E-19"

Public Assistance Trust Fund:

Schedule of Public Assistance Cash	"F-1"
Schedule of Reserve for Public Assistance Trust Fund Expenditures	"F-2"

PAGES

PART II

Statistical Data	48-49
Officials in Office and Surety Bonds	50
Comments and Recommendations	51-55

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, 2018



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

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, 2018 and 2017, 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, 2018, 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, 2018 and 2017, 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, 2018.

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 balance sheets of the various individual funds and account group as of December 31, 2018 and 2017, 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, 2018 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of South Plainfield's regulatory financial statements. The supplementary information and 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.

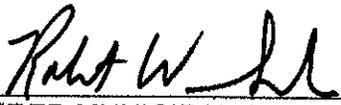
The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been 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 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 July 25, 2019 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

July 25, 2019



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

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, 2018, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated July 25, 2019. 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.

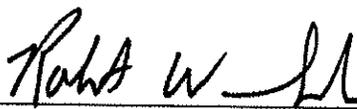
Compliance and Other Matters

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 were immaterial instances of noncompliance which are 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

July 25, 2019

CURRENT FUND

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>BALANCE DECEMBER 31, 2017</u>
<u>ASSETS</u>			
Cash	A-4	\$ 3,944,839.10	\$ 6,751,453.65
Change Fund	A-6	675.00	675.00
		<u>\$ 3,945,514.10</u>	<u>\$ 6,752,128.65</u>
Receivables and other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 1,005,257.09	\$ 945,908.48
Tax Title Liens Receivable	A-9	237,974.58	121,784.35
Revenue Accounts Receivable	A-13	36,500.78	56,015.53
Interfunds Receivable	A-12	20,560.49	26,848.99
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>\$ 6,333,792.94</u>	<u>\$ 6,184,057.35</u>
Deferred Charges	A-19	\$ 4,600.00	\$ 6,900.00
		<u>\$ 10,283,907.04</u>	<u>\$ 12,943,086.00</u>
Grant Fund:			
Cash	A-4	\$ 212,399.31	\$ 276,444.11
Due General Capital Fund	A-15		19,705.69
Grants Receivable	A-26	69,494.64	85,411.56
		<u>\$ 281,893.95</u>	<u>\$ 381,561.36</u>
		<u>\$ 10,565,800.99</u>	<u>\$ 13,324,647.36</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>	BALANCE DECEMBER 31, 2018	BALANCE DECEMBER 31, 2017
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves	A-3:A-14	\$ 678,777.06	\$ 1,515,573.99
Prepaid Taxes	A-18	652,220.39	2,332,515.90
Accounts Payable	A-11	291,284.62	235,089.67
Tax Overpayments	A-17	29,819.12	38,067.42
Due State of New Jersey - Senior Citizens and Veterans	A-7	10,259.92	10,079.09
Interfunds Payable	A-12	3,566.47	23,805.84
Reserve For:			
Revision of Planning/Zoning Code	A-29	4,159.24	4,159.24
FEMA Unappropriated	A-28		95,810.88
Accumulated Absences	A-27	16,500.00	16,500.00
Length of Service Awards Program	A-20	58,510.04	58,510.04
		<u>\$ 1,745,096.86</u>	<u>\$ 4,330,112.07</u>
Reserve for Receivables and other Assets	A	6,333,792.94	6,184,057.35
Fund Balance	A-1	<u>2,205,017.24</u>	<u>2,428,916.58</u>
		<u>\$ 10,283,907.04</u>	<u>\$ 12,943,086.00</u>
Grant Fund:			
Reserve for Grants - Unappropriated	A-24	\$ 62,864.10	\$ 184,370.05
Reserve for Grants - Appropriated	A-23	196,886.75	192,204.29
Reserve for Accounts Payable	A-16	<u>22,143.10</u>	<u>4,987.02</u>
		<u>\$ 281,893.95</u>	<u>\$ 381,561.36</u>
		<u>\$ 10,565,800.99</u>	<u>\$ 13,324,647.36</u>

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

"A-1"

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

		YEAR ENDED DECEMBER 31, 2018	YEAR ENDED DECEMBER 31, 2017
<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>REF.</u>		
Fund Balance Utilized	A-1:A-2	\$ 2,185,000.00	\$ 1,816,200.00
Miscellaneous Revenue Anticipated	A-2	7,614,734.19	7,152,856.76
Receipts From Delinquent Taxes	A-2	897,801.15	1,012,721.99
Receipts From Current Taxes	A-2	83,340,164.22	81,721,089.45
Non-Budget Revenue	A-2	276,401.33	206,563.84
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	510,284.01	347,673.42
Interfunds Returned		6,288.50	27,017.92
Other Cancellations and Additions to Income	A-11	31,809.53	53.10
<u>TOTAL REVENUE AND OTHER INCOME</u>		<u>\$ 94,862,482.93</u>	<u>\$ 92,284,176.48</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operations within "CAPS"	A-3	\$ 21,241,260.06	\$ 20,509,404.00
Deferred Charges and Regulatory Expenditures	A-3	2,596,745.55	2,424,466.90
Other Operations Excluded from "CAPS"	A-3	2,970,518.12	2,964,745.27
Municipal Debt Service	A-3	1,274,207.36	1,113,833.42
Capital Improvements	A-3	113,000.00	95,000.00
Deferred Charges	A-3	7,300.00	7,300.00
County Tax	A-25	15,143,122.64	14,797,266.69
County Share of Added Taxes	A-25	65,774.54	130,293.08
Local District School Tax	A-21	49,489,454.00	48,042,621.00
<u>TOTAL EXPENDITURES</u>		<u>\$ 92,901,382.27</u>	<u>\$ 90,084,930.36</u>
Excess in Revenue		<u>\$ 1,961,100.66</u>	<u>\$ 2,199,246.12</u>
Fund Balance, January 1	A	<u>\$ 2,428,916.58</u>	<u>\$ 2,045,870.46</u>
Decreased by:		\$ 4,390,017.24	\$ 4,245,116.58
Utilization as Anticipated Revenue	A-1:A-2	<u>2,185,000.00</u>	<u>1,816,200.00</u>
Fund Balance, December 31	A	<u>\$ 2,205,017.24</u>	<u>\$ 2,428,916.58</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, 2018

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	NJSA 40A: 4-87		
Fund Balance Anticipated	A-1	\$ 2,185,000.00		\$ 2,185,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-13	\$ 48,000.00		\$ 48,290.00	\$ 290.00
Other	A-2	87,000.00		83,774.01	(3,225.99)
Fees and Permits:					
Construction Code Official	A-13	998,000.00		956,473.00	(41,527.00)
Other	A-2	125,000.00		193,346.57	68,346.57
Municipal Court:					
Fines and Costs	A-13	720,000.00		624,559.28	(95,440.72)
Interest and Costs on Taxes	A-13	184,000.00		221,197.57	37,197.57
Interest on Investments and Deposits	A-13	53,500.00		109,328.87	55,828.87
Consolidated Municipal Property Tax Relief Aid	A-13	61,199.00		61,199.00	
Energy Receipts Tax	A-13	2,654,092.00		2,654,092.00	
SP Urban Renewal Pilot	A-13	38,000.00		48,862.93	10,862.93
Office on Aging Building Rental	A-13	17,000.00		16,760.00	(240.00)
Reserve for Parade Contributions	A-13	6,000.00		6,000.00	
General Capital Fund Surplus	A-13	5,000.00		5,000.00	
Police Off-Duty Admin Fee	A-13	130,000.00		190,581.85	60,581.85
State Hotel Tax	A-13	335,000.00		396,756.49	61,756.49
Uniform Fire Safety Act	A-13	330,000.00		398,842.70	68,842.70
Utility Operating Surplus	A-13	790,000.00		790,000.00	
Host Benefits-Recycling Tonnage	A-13	102,000.00		109,685.42	7,685.42
Cable TV Fees	A-13	308,500.00		315,467.50	6,967.50
Bail Forfeitures	A-13	11,000.00		16,459.00	5,459.00
Reserve for Zoning Resolutions	A-13	4,000.00		2,000.00	(2,000.00)
FEMA Aid	A-13	80,810.88		95,810.88	15,000.00
Senior Title IIIB Grant	A-26	5,000.00		5,000.00	
Senior Citizens Coordinator	A-26	10,000.00		10,000.00	
Improvements to Senior Center	A-26	2,376.00		2,376.00	
Clean Communities	A-26		45,915.07	45,915.07	
Alcohol Education Rehabilitation	A-26	3,217.00		3,217.00	
Middlesex County Recycling	A-26		15,000.00	15,000.00	
Sustainable Grant	A-26	2,000.00		2,000.00	
Recycling Tonnage Grant	A-26	153,020.23		153,020.23	
Drunk Driving Enforcement Fund	A-26	13,132.82		13,132.82	
Municipal Alliance	A-26	20,586.00		20,586.00	
<u>Total Miscellaneous Revenues</u>	A-1	\$ 7,297,433.93	\$ 60,915.07	\$ 7,614,734.19	\$ 256,385.19
Receipts From Delinquent Taxes	A-1:A-8	\$ 955,036.73		\$ 897,801.15	\$ (57,235.58)
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-8	\$ 18,071,101.00		\$ 19,007,617.04	\$ 936,516.04
Local Tax for Municipal Library	A-2:A-8	1,258,896.00		1,258,896.00	
<u>BUDGET TOTALS</u>		\$ 29,767,467.66	\$ 60,915.07	\$ 30,964,048.38	\$ 1,196,580.72
Non-Budget Revenues	A-2			\$ 276,401.33	\$ 276,401.33
		\$ 29,767,467.66	\$ 60,915.07	\$ 31,240,449.71	\$ 1,472,982.05
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, 2018

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:		
Revenue From Collections	A-1:A:8	\$ 83,340,164.22
Allocated To:		
County Taxes	A-8	\$ 15,208,897.18
Local District School Taxes	A-8	49,489,454.00
Minimum Library Tax	A-8	<u>1,258,896.00</u>
Balance for Support of Municipal Budget Appropriations		\$ 17,382,917.04
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,624,700.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u>19,007,617.04</u>
Licenses - Other:		
Registrar and Board of Health	A-13	\$ 73,864.01
Clerk	A-13	<u>9,910.00</u>
	A-2	\$ <u>83,774.01</u>
Other - Fees and Permits:		
Clerk	A-13	\$ 52,107.60
Board of Adjustment/Planning/Zoning	A-13	64,097.08
Board of Health/Registrar	A-13	13,680.00
Police Records/Burglar Alarm Permits	A-13	<u>63,461.89</u>
	A-2	\$ <u>193,346.57</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, 2018

REF.

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
Auction and Scrap	\$	42,444.67
Tax Collector		39,251.60
Sewer Vehicle Rent - 2017		34,000.00
Sewer Vehicle Rent - 2018		34,000.00
Tax Sale Premiums		32,300.00
Court		27,842.26
Swim Pool Operating-Appropriation Reserves Lapsed		22,710.86
Pistol Range		15,600.00
Inspection Fines		12,952.00
Zumba		7,779.00
Senior Citizens and Veterans Administrative Fee		3,607.72
Miscellaneous		1,657.25
Assessor Fees		1,162.00
Clerk		734.00
Zoning Administration		360.00
<u>Total Non-Budget Revenue</u>	A-1:A-2:A-4	<u>\$ 276,401.36</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, 2018

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
GENERAL GOVERNMENT:					
Administrative and Purchasing:					
Salaries and Wages	\$ 177,539.00	175,039.00	172,238.88	\$ 2,800.12	\$
Other Expenses	3,025.00	3,025.00		3,025.00	
Mayor & Council					
Salaries and Wages	55,775.00	55,775.00	54,941.35	833.65	
Other Expenses	5,000.00	5,000.00	1,793.90	3,206.10	
Borough Clerk:					
Salaries and Wages	154,657.00	154,657.00	131,355.32	23,301.68	
Other Expenses	23,150.00	30,150.00	24,628.70	5,521.30	
Financial Administration:					
Salaries and Wages	89,724.00	81,224.00	78,594.21	2,629.79	
Other Expenses	48,000.00	45,000.00	40,943.55	4,056.45	
Annual Audit	60,000.00	60,000.00		60,000.00	
Computer:					
Salaries and Wages	60,151.00	57,151.00	55,130.40	2,020.60	
Other Expenses	152,000.00	152,000.00	135,793.48	16,206.52	
Data Processing:					
Other Expenses	4,500.00	4,500.00		4,500.00	
Collection of Taxes:					
Salaries and Wages	59,789.00	69,789.00	68,771.75	1,017.25	
Other Expenses	19,000.00	19,000.00	18,783.46	216.54	
Assessment of Taxes:					
Salaries and Wages	134,888.00	124,888.00	122,445.85	2,442.15	
Other Expenses	44,000.00	34,500.00	27,738.52	6,761.48	
Legal Services and Costs:					
Salaries and Wages	22,953.06	19,953.06	16,627.75	3,325.31	
Other Expenses	183,000.00	152,000.00	134,543.75	17,456.25	
Engineering Services:					
Salaries and Wages	62,665.00	65,665.00	64,118.99	1,546.01	
Other Expenses	75,000.00	55,000.00	39,060.51	15,939.49	
Economic Development:					
Other Expenses	1,000.00	1,000.00		1,000.00	
Planning Board:					
Other Expenses	9,500.00	9,500.00	7,125.22	2,374.78	
Zoning Board of Adjustment:					
Other Expenses	9,500.00	13,500.00	9,700.94	3,799.06	
Environmental Commission:					
Salaries and Wages	75,175.00	76,175.00	75,329.54	845.46	
Other Expenses	1,225.00	1,225.00	586.50	638.50	
Green Brook Flood Committee:					
Other Expenses	1,900.00	1,900.00	1,654.81	245.19	
Municipal Court:					
Salaries and Wages	335,648.00	325,648.00	319,106.29	6,541.71	
Other Expenses	145,000.00	150,000.00	147,282.85	2,717.15	
Municipal Support:					
Other Expenses	45,000.00	49,000.00	47,827.81	1,172.19	
Insurance:					
Other	582,000.00	592,000.00	585,988.87	6,033.13	
Health Benefits	4,432,000.00	4,406,000.00	4,310,862.14	95,337.86	
Health Benefit Waiver	40,000.00	40,000.00	37,500.00	2,500.00	
PUBLIC SAFETY:					
Police:					
Salaries and Wages	7,110,180.00	7,178,180.00	7,153,558.68	24,621.32	
Other Expenses	245,000.00	303,000.00	301,960.25	1,039.75	
Traffic Safety:					
Salaries and Wages	1,275.00	1,275.00	1,223.04	51.96	
Other Expenses	200.00	200.00		200.00	

BOROUGH OF SOUTH PLAINFIELD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>PUBLIC SAFETY (CONTINUED):</u>					
School Crossing Guards:					
Other Expenses	\$ 288,000.00	288,000.00	287,214.42	\$ 785.58	\$
Emergency Management Services:					
Salaries and Wages	17,875.00	17,875.00	16,561.96	1,313.04	
Other Expenses	24,000.00	16,000.00	9,810.27	6,189.73	
First Aid Org. and Maint. Contract:					
Salaries and Wages	28,000.00	27,000.00	26,400.00	600.00	
Other Expenses	40,000.00	41,000.00	40,859.54	140.46	
Fire Department:					
Salaries and Wages	50,000.00	50,000.00	50,000.00		
Other Expenses	173,000.00	173,000.00	167,724.23	5,275.77	
Fire Official:					
Salaries and Wages	449,225.00	461,725.00	460,555.48	1,169.52	
Other Expenses	173,000.00	173,000.00	168,193.48	6,806.52	
Fire Service Charge	603,000.00	603,000.00	602,994.17	5.83	
Juvenile Conference:					
Salaries and Wages	1,200.00	1,200.00		1,200.00	
<u>STREETS AND ROADS:</u>					
Public Works Director:					
Salaries and Wages	139,139.00	130,139.00	128,015.79	2,123.21	
Other Expenses	10,500.00	10,500.00	7,359.13	3,140.87	
Road Repairs and Maintenance:					
Salaries and Wages	435,873.00	408,373.00	396,466.64	11,906.36	
Other Expenses	156,000.00	126,000.00	118,098.06	7,901.94	
Snow Removal:					
Salaries and Wages	80,000.00	80,000.00	71,921.44	8,078.56	
Other Expenses	130,000.00	132,000.00	126,486.86	5,513.12	
Solid Waste:					
Salaries and Wages	500.00	500.00	500.00		
Other Expenses	1,500.00	1,500.00		1,500.00	
Recycling:					
Salaries and Wages	126,675.00	133,675.00	132,927.42	747.58	
Other Expenses	310,000.00	313,000.00	306,025.35	6,974.65	
Compactor:					
Salaries and Wages	1,550.00	2,550.00	1,390.40	1,159.60	
Other Expenses	1,550.00	2,550.00		2,550.00	
Public Building and Grounds:					
Salaries and Wages	334,206.00	294,706.00	269,866.38	24,839.62	
Other Expenses	125,000.00	153,000.00	147,587.87	5,412.13	
Vehicle Maintenance:					
Salaries and Wages	136,921.00	141,921.00	139,325.06	2,595.94	
Other Expenses	115,000.00	138,000.00	137,751.11	248.89	
<u>HEALTH AND WELFARE:</u>					
Board of Health:					
Salaries and Wages	74,273.00	77,273.00	77,117.08	155.92	
Other Expenses	134,000.00	134,000.00	129,374.33	4,625.67	
Youth Aid:					
Salaries and Wages	12,284.00	12,284.00	12,284.00		
Other Expenses	1,300.00	1,300.00	0.88	1,299.12	
Public Assistance:					
Salaries and Wages	20,000.00	21,000.00	19,727.01	1,272.99	
Other Expenses	1,000.00	1,000.00	529.37	470.63	
United Cerebral Palsy:					
Other Expenses	400.00	400.00	400.00		
Kiddle Keepwell:					
Other Expenses	500.00	500.00	500.00		
<u>RECREATION AND EDUCATION:</u>					
Board of Recreation Commissioners:					
Salaries and Wages	341,754.00	328,254.00	321,987.75	6,266.25	
Other Expenses	58,000.00	65,500.00	64,808.92	691.08	

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2018

	<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	\$ 240,535.00	242,035.00	240,854.99	\$ 1,180.01	\$
Other Expenses	30,000.00	33,500.00	31,602.42	1,897.58	
Cultural Arts:					
Salaries and Wages	1,223.00	1,223.00	1,223.00		
Other Expenses	7,500.00	7,500.00	5,586.51	1,913.49	
Celebration of Public Events:					
Other Expenses	35,000.00	35,000.00	33,413.61	1,586.39	
<u>UNIFORM CONSTRUCTION CODE:</u>					
Construction Code Official:					
Salaries and Wages	489,033.00	489,033.00	488,457.93	575.07	
Other Expenses	198,000.00	198,000.00	184,434.75	11,565.25	
<u>UNCLASSIFIED:</u>					
Utilities:					
Electricity	210,000.00	185,000.00	152,045.57	32,954.43	
Salary and Wage Adjustment	10,000.00				
Street Lights	460,000.00	460,000.00	435,617.03	24,382.97	
Telephones	145,000.00	157,000.00	155,843.43	1,156.57	
Water	48,000.00	42,000.00	36,336.30	5,663.70	
Gas	3,000.00	3,000.00		3,000.00	
Fuel Oil	5,000.00	5,000.00	4,346.15	653.85	
Telecommunications	2,000.00	2,000.00	1,966.00	14.00	
Gasoline	125,000.00	140,000.00	131,485.90	8,514.10	
Landfill Costs	78,000.00	83,000.00	75,945.02	7,054.98	
Accumulated Leave Compensation	135,325.00	80,325.00	47,815.38	32,509.62	
TOTAL OPERATIONS WITHIN "CAPS"	\$ 21,285,260.06	\$ 21,236,260.06	\$ 20,652,753.72	\$ 583,506.34	\$
Contingent	\$ 5,000.00	\$ 5,000.00	\$ 1,895.00	\$ 3,105.00	\$
TOTAL OPERATIONS INCL. CONTINGENT WITHIN "CAPS"	\$ 21,290,260.06	\$ 21,241,260.06	\$ 20,654,648.72	\$ 586,611.34	\$
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS":</u>					
Statutory Expenditures:					
Anticipated Deficit in Pool Utility Budget	\$ 124,174.55	124,174.55	124,174.55	\$	\$
Contribution to:					
Social Security System (O.A.S.I)	375,500.00	365,500.00	365,071.21	428.79	
Defined Contribution Retirement System	11,000.00	11,000.00	5,000.00	6,000.00	
Police and Firemen's Retirement System of NJ	1,550,301.00	1,550,301.00	1,550,301.00		
Public Employees' Retirement System	545,770.00	545,770.00	535,770.00	10,000.00	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS"	\$ 2,606,745.55	\$ 2,596,745.55	\$ 2,580,316.76	\$ 16,428.79	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSE WITHIN 'CAPS'	\$ 23,897,005.61	\$ 23,836,005.61	\$ 23,234,965.48	\$ 603,040.13	\$
<u>MANDATED EXPENDITURES PER N.J.S. 40A: 4-45.3g EXCLUDED FROM "CAPS":</u>					
Public Library: Direct Maintenance	\$ 1,258,896.00	1,258,896.00	1,258,896.00	\$	\$
Police System 911: Salaries	678,375.00	709,375.00	706,192.40	3,182.60	
Police System 911: OE	375,000.00	375,000.00	353,445.67	21,554.33	
LOSAP: Deferred Contributions	48,000.00	48,000.00		48,000.00	
Tax Appeals	274,000.00	299,000.00	299,000.00		

BOROUGH OF SOUTH PLAINFIELD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	<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>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES:</u>					
Senior Title 111 B Grant	\$ 5,000.00	5,000.00	5,000.00	\$	\$
Senior Citizens Assistance	10,000.00	10,000.00	10,000.00		
Improvements to Senior Center	2,376.00	2,376.00	2,376.00		
Clean Community Grant (40A:4-87 + \$45,915.07)		45,915.07	45,915.07		
Middlesex County Recycling (40A:4-87 + \$15,000.00)		15,000.00	15,000.00		
Alcohol Education Rehabilitation	3,217.00	3,217.00	3,217.00		
Recycling Tonnage Grant	153,020.23	153,020.23	153,020.23		
Drunk Driving Enforcement	13,132.82	13,132.82	13,132.82		
Sustainable Grant	2,000.00	2,000.00	2,000.00		
Municipal Alliance	20,586.00	20,586.00	20,586.00		
Municipal Alliance - Local Match	10,000.00	10,000.00	7,000.00	3,000.00	
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	\$ 2,853,603.05	\$ 2,970,518.12	\$ 2,894,781.19	\$ 75,736.93	\$
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":</u>					
Capital Improvement Fund	\$ 110,000.00	\$ 113,000.00	\$ 113,000.00	\$	\$
TOTAL CAPITAL IMPROVEMENTS - EXCL. FROM "CAPS"	\$ 110,000.00	\$ 113,000.00	\$ 113,000.00	\$	\$
<u>MUNICIPAL DEBT SERVICES - EXCLUDED FROM "CAPS":</u>					
Payment of Bond Principal	\$ 540,375.00	540,375.00	540,375.00	\$	\$
Payment of Bond Anticipation Notes and Capital Notes	172,910.48	172,910.48	172,750.00		160.48
Interest on Bonds	457,832.14	457,832.14	457,832.14		
Interest on Notes	103,741.38	103,741.38	103,250.22		491.16
TOTAL DEBT SERVICE	\$ 1,274,859.00	\$ 1,274,859.00	\$ 1,274,207.36	\$	\$ 651.64
<u>DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS":</u>					
Deferred Charges to Future Taxation Unfunded:					
Special Emergency Authorization - 5 Years Ordinance 1324	\$ 2,300.00	2,300.00	2,300.00	\$	\$
	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	\$	\$
SUBTOTAL GENERAL APPROPRIATIONS	\$ 28,142,767.66	\$ 28,203,682.73	\$ 27,524,254.03	\$ 678,777.06	\$ 651.64
RESERVE FOR UNCOLLECTED TAXES	1,624,700.00	1,624,700.00	1,624,700.00		
TOTAL GENERAL APPROPRIATIONS	\$ 29,767,467.66	\$ 29,828,382.73	\$ 29,148,954.03	\$ 678,777.06	\$ 651.64
	<u>REF.</u>	<u>A-2:A-3</u>	<u>A-1:A-3</u>	<u>A:A-1</u>	
Budget	A-3	\$ 29,767,467.66			
Amendment - NJSA 40A: 4-87	A-2	60,915.07			
		\$ 29,828,382.73			
Reserve for Accounts Payable	A-11		\$ 264,485.99		
Reserve for Grants Appropriated	A-23		270,247.12		
Deferred Charges	A-19		2,300.00		
Reserve for Uncollected Taxes	A-2		1,624,700.00		
Refunds	A-4		(1,902,627.00)		
Disbursement	A-4		28,889,847.92		
	A-3		\$ 29,148,954.03		

THIS PAGE INTENTIONALLY LEFT BLANK

TRUST FUND

"B"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>BALANCE DECEMBER 31, 2017</u>
Assessment Fund:			
Cash	B-2:B-4	\$ 286.63	\$ 286.63
	B	\$ 286.63	\$ 286.63
Animal Control Fund:			
Due Trust Other Fund	B-6	\$ 5,406.93	\$ 7,927.89
	B	\$ 5,406.93	\$ 7,927.89
Other Funds:			
Cash	B-2	\$ 4,851,782.44	\$ 5,842,877.86
Due Current Fund	B-11	3,566.47	
	B	\$ 4,855,348.91	\$ 5,842,877.86
		\$ 4,861,042.47	\$ 5,851,092.38
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Fund:			
Fund Balance	B-1	\$ 286.63	\$ 286.63
	B	\$ 286.63	\$ 286.63
Animal Control Fund:			
Due State of New Jersey	B-13	\$	\$ 6.60
Due Current Fund	B-8	1,010.40	267.00
Reserve for Animal Control Expenditures	B-12	4,396.53	7,654.29
	B	\$ 5,406.93	\$ 7,927.89
Other Funds:			
Due Animal Control Trust Fund	B-9	\$ 5,406.93	\$ 7,927.89
Due Current Fund	B-11	2,746.83	25,706.33
Reserve For:			
State Unemployment Insurance	B-14	185,893.81	161,990.11
Federal Forfeiture	B-15	344.76	341.53
Various Deposits	B-17	1,256,690.01	1,120,809.85
Law Enforcement	B-16	45,481.45	40,033.56
Recreation	B-18	2,633.17	4,674.42
Health Benefits	B-19	6,030.25	77,222.54
Escrow Deposits	B-7	1,966,526.02	2,811,189.00
Affordable Housing	B-10	679,207.98	440,918.17
Payroll	B-3	140,781.62	142,648.35
Tax Redemptions	B-5	563,606.08	1,009,416.11
	B	\$ 4,855,348.91	\$ 5,842,877.86
		\$ 4,861,042.47	\$ 5,851,092.38

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

"B-1"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF ASSESSMENT FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED DECEMBER 31, <u>2018</u>	YEAR ENDED DECEMBER 31, <u>2017</u>
Balance, January 1	B	\$ <u>286.63</u>	\$ <u>286.63</u>
Balance, December 31	B	\$ <u>286.63</u>	\$ <u>286.63</u>

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

THIS PAGE INTENTIONALLY LEFT BLANK

GENERAL CAPITAL FUND

"C"

BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2018</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2017</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 1,846,204.92	\$ 958,779.19
Accounts Receivable	C-4	344,497.37	712,739.07
Interfunds Receivable	C-5	4,332.00	3,800.00
Deferred Charges to Future Taxation:			
Funded	C-7	14,617,695.00	9,958,070.00
Unfunded	C-8	<u>8,122,238.04</u>	<u>10,726,913.04</u>
		<u>\$ 24,934,967.33</u>	<u>\$ 22,360,301.30</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-10	\$ 14,617,695.00	\$ 9,958,070.00
Bond Anticipation Notes Payable	C-13	7,806,075.00	9,573,755.00
Due to South Plainfield Senior Citizens			
Housing Project	C-6	148,124.34	148,124.34
Capital Improvement Fund	C-11	33,606.77	26,531.77
Improvement Authorizations:			
Funded	C-9	355,182.14	357,848.26
Unfunded	C-9	1,069,081.99	1,282,309.24
Interfunds Payable	C-5	1,266.95	20,581.35
Reserve for:			
Various Reserves	C-14	386,283.94	210,820.38
Contracts Payable	C-12	511,700.96	771,310.72
Fund Balance	C-1	<u>5,950.24</u>	<u>10,950.24</u>
		<u>\$ 24,934,967.33</u>	<u>\$ 22,360,301.30</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 DECEMBER 31, 2018</u>	<u>YEAR ENDED DECEMBER 31, 2017</u>
Balance, January 1	C	\$ 10,950.24	\$ 19,640.24
Increased by:			
Note Sale Premium			1,310.00
		<u>\$ 10,950.24</u>	<u>\$ 20,950.24</u>
Decreased by:			
Disbursed-Current Fund MRA	C-2	<u>5,000.00</u>	<u>10,000.00</u>
Balance, December 31	C	<u>\$ 5,950.24</u>	<u>\$ 10,950.24</u>

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

THIS PAGE INTENTIONALLY LEFT BLANK

SEWER UTILITY FUND

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2018</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2017</u>
<u>OPERATING FUND:</u>			
Cash and Investments	D-5	\$ 2,573,577.03	\$ 1,894,782.95
Change Fund		150.00	150.00
Interfunds Receivable	D-18	<u>1,719.16</u>	<u>1,187.36</u>
		<u>\$ 2,575,446.19</u>	<u>\$ 1,896,120.31</u>
Receivables with Full Reserves:			
Sewer Use Charges Receivable	D:D-7	\$ 266,841.59	\$ 221,789.03
Sewer Use Liens Receivable	D:D-8	<u>7,625.67</u>	<u>4,128.30</u>
	D	<u>\$ 274,467.26</u>	<u>\$ 225,917.33</u>
<u>TOTAL OPERATING FUND</u>	D	<u>\$ 2,849,913.45</u>	<u>\$ 2,122,037.64</u>
<u>CAPITAL FUND:</u>			
Cash and Investments	D-5:D-6	\$ 690,984.42	\$ 749,528.47
Fixed Capital	D-13	13,557,821.21	13,557,821.21
Fixed Capital Authorized and Uncompleted	D-14	<u>976,200.00</u>	<u>808,200.00</u>
<u>TOTAL CAPITAL FUND</u>	D	<u>\$ 15,225,005.63</u>	<u>\$ 15,115,549.68</u>
		<u>\$ 18,074,919.08</u>	<u>\$ 17,237,587.32</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>2018</u>	BALANCE DECEMBER 31, <u>2017</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>OPERATING FUND:</u>			
Liabilities:			
Appropriation Reserves	D-4:D-9	\$ 367,386.67	\$ 583,075.51
Reserve for Accounts Payable	D-10	22,149.11	7,389.45
Sewer Overpayments	D-11	19,815.62	17,038.24
		<u>\$ 409,351.40</u>	<u>\$ 607,503.20</u>
Reserve for Receivables	D	274,467.26	225,917.33
Fund Balance	D-1	<u>2,166,094.79</u>	<u>1,288,617.11</u>
		<u>\$ 2,849,913.45</u>	<u>\$ 2,122,037.64</u>
<u>TOTAL OPERATING FUND</u>			
<u>CAPITAL FUND:</u>			
Improvement Authorizations:			
Funded	D-16	\$ 120,896.26	\$ 87,972.11
Unfunded	D-16	51,393.00	51,393.00
Interfunds Payable	D-12	1,719.16	1,187.36
Capital Improvement Fund	D-17	563,369.00	655,369.00
Reserve for Amortization	D-19	13,557,821.21	13,557,821.21
Deferred Reserve for Amortization	D-20	924,807.00	756,807.00
		<u>\$ 15,220,005.63</u>	<u>\$ 15,110,549.68</u>
Fund Balance	D-2	<u>5,000.00</u>	<u>5,000.00</u>
		<u>\$ 15,225,005.63</u>	<u>\$ 15,115,549.68</u>
<u>TOTAL CAPITAL FUND</u>			
		<u>\$ 18,074,919.08</u>	<u>\$ 17,237,587.32</u>

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

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

	<u>REF.</u>	<u>YEAR ENDED</u> <u>DECEMBER 31,</u> <u>2018</u>	<u>YEAR ENDED</u> <u>DECEMBER 31,</u> <u>2017</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-3	\$ 75,000.00	\$ 75,305.00
Sewer Use Charges	D-3	7,630,152.18	7,136,266.51
Sewer Connection Fees	D-3:D-5	312,008.33	97,500.00
Interest and Costs	D-3:D-5	55,641.22	53,578.67
Interest on Investments and Deposits	D-3:D-5	27,602.23	10,503.16
Other Credits to Income:			
Accrued Interest Canceled			19,171.00
Accounts Payable Canceled	D-10	115.00	
Unexpended Balance of Appropriation Reserves	D-9	224,458.72	188,323.47
		<u>\$ 8,324,977.68</u>	<u>\$ 7,580,647.81</u>
<u>EXPENDITURES</u>			
Operating	D-4	\$ 6,335,500.00	\$ 6,134,305.00
Capital Improvement Fund	D-4	76,000.00	55,000.00
Debt Service			60,000.00
Deferred Charges and Statutory Expenditures	D-4	171,000.00	190,000.00
		<u>\$ 6,582,500.00</u>	<u>\$ 6,439,305.00</u>
Excess in Revenue		\$ 1,742,477.68	\$ 1,141,342.81
Fund Balance, January 1	D	1,288,617.11	882,579.30
		<u>\$ 3,031,094.79</u>	<u>\$ 2,023,922.11</u>
Decreased by:			
Utilization as Anticipated Revenue:			
Sewer Utility Operating Budget	D-3	75,000.00	75,305.00
Current Fund Budget	D-5	790,000.00	660,000.00
Fund Balance, December 31	D	<u>\$ 2,166,094.79</u>	<u>\$ 1,288,617.11</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, 2017
and December 31, 2018

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, 2018

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS (OR DEFICIT)</u>
Fund Balance Utilized	D-1	\$ 75,000.00	\$ 75,000.00	\$
Sewer Use Charges	D-1	6,355,000.00	7,630,152.18	1,275,152.18
Connection Fees	D-1:D-5	95,000.00	312,008.33	217,008.33
Interest and Costs on Sewer Charges	D-1:D-5	50,000.00	55,641.22	5,641.22
Interest on Investments and Deposits	D-1:D-5	7,500.00	27,602.23	20,102.23
<u>BUDGET TOTALS</u>	D-4	<u>\$ 6,582,500.00</u>	<u>\$ 8,100,403.96</u>	<u>\$ 1,517,903.96</u>

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, 2018

	APPROPRIATIONS		EXPENDED	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
<u>OPERATING:</u>				
Salaries and Wages	\$ 738,267.00	\$ 738,267.00	\$ 677,677.60	\$ 60,589.40
Other Expenses	<u>5,597,233.00</u>	<u>5,597,233.00</u>	<u>5,290,435.73</u>	<u>306,797.27</u>
	\$ <u>6,335,500.00</u>	\$ <u>6,335,500.00</u>	\$ <u>5,968,113.33</u>	\$ <u>367,386.67</u>
<u>CAPITAL IMPROVEMENTS:</u>				
Capital Improvement Fund	\$ <u>76,000.00</u>	\$ <u>76,000.00</u>	\$ <u>76,000.00</u>	\$ _____
	\$ <u>76,000.00</u>	\$ <u>76,000.00</u>	\$ <u>76,000.00</u>	\$ _____
<u>STATUTORY EXPENDITURES:</u>				
Public Employee Retirement System	\$ 86,000.00	\$ 86,000.00	\$ 86,000.00	\$ _____
Social Security System (O.A.S.I.)	<u>85,000.00</u>	<u>85,000.00</u>	<u>85,000.00</u>	_____
	\$ <u>171,000.00</u>	\$ <u>171,000.00</u>	\$ <u>171,000.00</u>	\$ _____
	\$ <u>6,582,500.00</u>	\$ <u>6,582,500.00</u>	\$ <u>6,215,113.33</u>	\$ <u>367,386.67</u>
	<u>REF.</u>	<u>D-3</u>	<u>D-1</u>	<u>D</u>
Disbursements		D-5	\$ 6,192,964.22	
Reserve for Accounts Payable		D-10	22,149.11	
			<u>\$ 6,215,113.33</u>	

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

THIS PAGE INTENTIONALLY LEFT BLANK

SWIMMING POOL UTILITY FUND

BOROUGH OF SOUTH PLAINFIELDSWIMMING POOL UTILITY FUNDBALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2018</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2017</u>
<u>OPERATING FUND:</u>			
Cash and Investments	E-4	\$ 20,564.47	\$ 1,950.56
Interfunds Receivable	E-7		23,805.84
Deferred Charges	E-9	<u>13,988.43</u>	
<u>TOTAL OPERATING FUND</u>	E	<u>\$ 34,552.90</u>	<u>\$ 25,756.40</u>
<u>CAPITAL FUND:</u>			
Cash and Investments	E-4:E-6	\$ 23,924.68	\$ 22,392.68
Fixed Capital	E-12	773,173.14	773,173.14
Fixed Capital Authorized and Uncompleted	E-15	<u>500,000.00</u>	<u>500,000.00</u>
<u>TOTAL CAPITAL FUND</u>	E	<u>\$ 1,297,097.82</u>	<u>\$ 1,295,565.82</u>
	E	<u>\$ 1,331,650.72</u>	<u>\$ 1,321,322.22</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>OPERATING FUND:</u>			
Liabilities:			
Appropriation Reserves	E-3:E-8	\$ 14,955.41	\$ 22,710.86
Interfunds Payable	E-7	15,536.31	
Accounts Payable	E-19	698.50	
Accrued Interest Payable	E-10	<u>2,362.68</u>	<u>2,045.54</u>
		\$ 33,552.90	\$ 24,756.40
Fund Balance	E-1	<u>1,000.00</u>	<u>1,000.00</u>
<u>TOTAL OPERATING FUND</u>	E	<u>\$ 34,552.90</u>	<u>\$ 25,756.40</u>
<u>CAPITAL FUND:</u>			
Improvement Authorizations:			
Funded	E-17	\$ 745.00	\$ 745.00
Unfunded	E-17	547.68	547.68
Interfunds Payable	E-13	4,332.00	3,800.00
Bonds Payable	E-5	547,305.00	176,930.00
Bond Anticipation Notes Payable	E-18		380,000.00
Capital Improvement Fund	E-16	20,500.00	19,500.00
Reserve for Amortization	E-14	674,050.24	668,467.74
Deferred Reserve for Amortization	E-11	<u>49,617.90</u>	<u>45,575.40</u>
<u>TOTAL CAPITAL FUND</u>	E	<u>\$ 1,297,097.82</u>	<u>\$ 1,295,565.82</u>
	E	<u>\$ 1,331,650.72</u>	<u>\$ 1,321,322.22</u>

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

BOROUGH OF SOUTH PLAINFIELD

SWIMMING POOL UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED DECEMBER 31, 2018</u>	<u>YEAR ENDED DECEMBER 31, 2017</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Membership Fees	E-2	\$ 145,768.00	\$ 159,319.00
Miscellaneous	E-2	8,643.57	9,105.49
		<u>\$ 154,411.57</u>	<u>\$ 168,424.49</u>
<u>EXPENDITURES</u>			
Operating	E-3	\$ 256,949.55	\$ 257,167.43
Capital Improvement Fund	E-3	1,000.00	1,000.00
Debt Service	E-3	26,625.00	17,550.00
Deferred Charges and Regulatory Expenditures	E-3	8,000.00	14,721.88
		<u>\$ 292,574.55</u>	<u>\$ 290,439.31</u>
Deficit in Revenue		<u>\$ (138,162.98)</u>	<u>\$ (122,014.82)</u>
Adjustment to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			
Operating Deficit		\$ 13,988.43	\$
Realized from General Budget for Anticipated Deficit	E-2	<u>124,174.55</u>	<u>122,014.82</u>
		<u>\$ 138,162.98</u>	<u>\$ 122,014.82</u>
Statutory Excess to Fund Balance		\$ - 0 -	\$ - 0 -
Fund Balance, January 1	E	<u>1,000.00</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, 2018

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS/ (DEFICIT)</u>
Membership Fees	E-1: E-4	\$ 159,300.00	\$ 145,768.00	\$ (13,532.00)
Miscellaneous	E-1: E-4	9,100.00	8,643.57	(456.43)
Deficit (General Budget)	E-1: E-4	<u>124,174.55</u>	<u>124,174.55</u>	<u> </u>
		<u>\$ 292,574.55</u>	<u>\$ 278,586.12</u>	<u>\$ (13,988.43)</u>
	<u>REF.</u>	E-3		E-9

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

BOROUGH OF SOUTH PLAINFIELD
SWIMMING POOL UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATIONS</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>OPERATING:</u>					
Salaries and Wages	\$ 187,417.50	\$ 177,417.50	\$ 175,200.75	\$ 2,216.75	\$
Other Expenses	69,532.05	79,532.05	74,793.39	4,738.66	
<u>CAPITAL OUTLAY:</u>					
Capital Improvement Fund	1,000.00	1,000.00	1,000.00		
<u>DEBT SERVICE:</u>					
Bond Principal	9,625.00	9,625.00	9,625.00		
Bond Interest	12,500.00	12,500.00	12,500.00		
Note Interest	4,500.00	4,500.00	4,500.00		
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES:</u>					
Statutory Expenditures:					
Social Security System (O.A.S.I.)	8,000.00	8,000.00		8,000.00	
	<u>\$ 292,574.55</u>	<u>\$ 292,574.55</u>	<u>\$ 277,619.14</u>	<u>\$ 14,955.41</u>	<u>\$</u>
	<u>E-2</u>		<u>E-1</u>		<u>E-E-1</u>
Disbursements			\$ 259,920.64		
Accounts Payable			698.50		
Accrued Interest Payable			17,000.00		
			<u>\$ 277,619.14</u>		

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

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2018</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
<u>ASSETS</u>			
Cash:			
Public Assistance Trust Fund I	F-1	\$ <u>23,707.04</u>	\$ <u>21,170.33</u>
		\$ <u>23,707.04</u>	\$ <u>21,170.33</u>
<u>LIABILITIES</u>			
Reserve for Public Assistance Trust Fund I	F-2	\$ <u>23,707.04</u>	\$ <u>21,170.33</u>
		\$ <u>23,707.04</u>	\$ <u>21,170.33</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

"G"

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

	BALANCE DECEMBER <u>31, 2018</u>	BALANCE DECEMBER <u>31, 2017</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>12,725,570.00</u>	<u>12,844,415.00</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 38,785,270.00</u>	<u>\$ 38,904,115.00</u>
 <u>RESERVE:</u>		
Investments in General Fixed Assets	<u>\$ 38,785,270.00</u>	<u>\$ 38,904,115.00</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, 2018 AND 2017

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.

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.

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.

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.

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement no. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

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 OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

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, 2018:

<u>Fund</u>	<u>Cash In Bank</u>	<u>Reconciling Items</u>	<u>Total</u>
Current Fund	\$4,182,495.10	(\$237,656.00)	\$3,944,839.10
Grant Fund	212,399.31		212,399.31
Assessment Trust Fund	286.63		286.63
Trust Other Fund	4,826,514.13	25,268.31	4,851,782.44
General Capital Fund	1,846,204.92		1,846,204.92
Sewer Operating Fund	2,427,559.86	146,017.17	2,573,577.03
Sewer Capital Fund	690,984.42		690,984.42
Swimming Pool Operating Fund	20,564.47		20,564.47
Swimming Pool Capital Fund	23,924.68		23,924.68
Public Assistance Trust Fund	23,772.04	(65.00)	23,707.04
	<u>\$14,254,705.56</u>	<u>(\$66,435.52)</u>	<u>\$14,188,270.04</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, 2018, 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 \$13,504,705.56 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 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

Issued:	<u>2018</u>	<u>2017</u>	<u>2016</u>
Bonds, Loans, and Notes:			
General	\$ 22,423,770.00	\$ 19,531,825.00	\$ 18,734,570.00
Sewer Utility			60,000.00
Swimming Pool Utility	<u>547,305.00</u>	<u>556,930.00</u>	<u>564,630.00</u>
Total Issued	<u>\$ 22,971,075.00</u>	<u>\$ 20,088,755.00</u>	<u>\$ 19,359,200.00</u>
Authorized But Not Issued:			
Bonds, Loans, and Notes:			
General	\$ 316,163.04	\$ 1,176,352.71	\$ 242,407.71
Sewer Utility	51,393.00	51,393.00	91,393.00
Swimming Pool Utility	<u>2,200.00</u>	<u>2,200.00</u>	<u>2,200.00</u>
	<u>\$ 369,756.04</u>	<u>\$ 1,229,945.71</u>	<u>\$ 336,000.71</u>
Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 23,340,831.04</u>	<u>\$ 21,318,700.71</u>	<u>\$ 19,695,200.71</u>

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

Equalized Valuation Basis* - December 31, 2018	\$ <u>3,800,258,684.67</u>
3-1/2 of Equalized Valuation Basis (Municipal)	\$ 133,009,053.96
Net Debt	<u>23,266,090.24</u>
Remaining Borrowing Power	\$ <u>109,742,963.72</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	\$ 8,025,403.96
Deductions:	
Operating and Maintenance Cost	<u>6,116,964.22</u>
Excess in Revenue - Self-Liquidating	<u>\$ 1,908,439.74</u>

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	\$ 154,411.57
Deductions:	
Operating and Maintenance Cost	\$249,295.64
Debt Service per Swimming Account	<u>26,307.86</u>
Total Deductions	<u>275,603.50</u>
Deficit in Revenues (Not Self-Liquidating)	<u>\$ (121,191.93)</u>

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>\$ 9,417,695.00</u>
\$5,200,000.00 Bonds of 2018 due in annual installments of \$350,000.00 to \$700,000.00 at a variable interest rate	<u>\$ 5,200,000.00</u>

Pool Utility Capital – Bonds:

\$203,300.00 Bonds of 2012 due in annual installments of \$2,500.00 to \$13,305.00 at a variable interest rate	<u>\$ 167,305.00</u>
\$380,000.00 Bonds of 2018 due in annual installments of \$20,000.00 to \$30,000.00 at a variable interest rate	<u>\$ 380,000.00</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Bonds and Notes Authorized But Not Issued

At December 31, 2018, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	\$ 316,163.04
Sewer Utility Capital Fund	51,393.00
Swimming Pool Utility Capital Fund	<u>2,200.00</u>
	<u>\$ 369,756.04</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2018

Year	General		Swimming Pool Utility	
	Principal	Interest	Principal	Interest
2019	\$890,375.00	\$513,563.39	\$29,625.00	\$17,949.11
2020	964,500.00	474,441.52	30,500.00	16,845.98
2021	989,500.00	433,341.52	30,500.00	15,720.98
2022	1,063,625.00	388,138.39	31,375.00	14,474.11
2023	1,113,625.00	338,207.14	36,375.00	13,005.36
2024	1,188,625.00	288,525.89	36,375.00	11,561.61
2025	1,287,750.00	244,994.01	37,250.00	10,343.49
2026	1,337,750.00	205,611.51	37,250.00	9,225.99
2027	1,362,750.00	164,674.17	37,250.00	8,100.83
2028	1,436,875.00	121,789.41	38,125.00	6,954.34
2029	736,875.00	87,801.52	43,125.00	5,710.98
2030	736,875.00	63,853.08	43,125.00	4,384.42
2031	736,875.00	39,444.09	43,125.00	3,030.91
2032	771,695.00	13,504.66	43,305.00	1,639.09
2033			30,000.00	468.75
	<u>\$14,617,695.00</u>	<u>\$3,377,890.30</u>	<u>\$547,305.00</u>	<u>\$139,415.95</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	1.96%	4/26/19	\$ 5,978,000.00
General Capital	2.14%	8/23/19	<u>1,828,075.00</u>
			<u>\$ 7,806,075.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2018, which were appropriated and included as anticipated revenue in their own respective funds for the budget year ending December 31, 2019, were as follows:

Current Fund	\$2,097,000
Sewer Utility Operating Fund	\$ 107,408
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, 2018</u>	BALANCE DECEMBER <u>31, 2017</u>
Prepaid Taxes	\$ <u>652,220.39</u>	\$ <u>2,332,515.90</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.

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.

NOTE 6: PENSION PLANS (CONTINUED)

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 2018 PERS provides for employee contributions of 7.5% 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.

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 2018, 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 \$2,177,071.00 for 2018, \$1,910,740.28 for 2017 and \$1,913,000.00 for 2016.

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" which 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, 2018. 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, 2018.

Public Employees Retirement System (PERS)

At June 30, 2018, the State reported a net pension liability of \$12,927,416.00 for the Borough of South Plainfield's proportionate share of the total net pension liability. The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2018, the Borough's proportion was 0.0656563900 percent, which was a decrease of 0.0016651317 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the State recognized an actuarially determined pension expense of \$896,434.00 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, 2018 billing was \$623,662.00.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2018, 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	\$ 66,658.00	\$ 246,528.00
Changes of assumptions	4,133,500.00	2,130,224.00
Net difference between projected and actual earnings on pension plan investments	121,260.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>582,872.00</u>	<u>859,756.00</u>
	<u>\$ 4,904,290.00</u>	<u>\$ 3,236,508.00</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>
2019	\$145,099.80
2020	(\$68,846.20)
2021	(\$835,400.20)
2022	(\$716,763.20)
2023	<u>(\$191,872.20)</u>
	<u>(\$1,667,782.00)</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, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. These actuarial valuations used the following assumptions:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Inflation	2.25 Percent	2.25 Percent
Salary Increases (based on age)		
Though 2026	1.65-4.15 Percent	1.65-4.15 Percent
Thereafter	2.65-5.15 Percent	2.65-5.15 Percent
Investment Rate of Return	7.00 Percent	7.00 percent

Preretirement 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 Conduent modified 2014 projection scale. Postretirement 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. 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).

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2017 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.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018 and 7.00 at June 30, 2017) 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, 2018 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Fund	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Market Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

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 5.66% and 5.00% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30, 2018 and June 30, 2017 and a municipal bond rate of 3.87% and 3.58% for June 30, 2018 and June 30, 2017 respectively 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 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 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, 2018 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, 2018		
	1% Decrease <u>4.51%</u>	At Current Discount Rate <u>5.51%</u>	1% Increase <u>6.51%</u>
Borough's proportionate share of the pension liability	\$18,960,539.00	\$12,927,416.00	\$12,220,544.00

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, 2018, the State reported a net pension liability of \$23,460,052.00 for the Borough of South Plainfield's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2018, the Borough's proportion was 0.1733717203 percent, which was a decrease of 0.0017998805 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the State recognized an actuarially determined pension expense of \$2,013,607.00. The pension expense recognized in the Borough's financial statement based on the April 1, 2018 billing was \$1,550,301.00.

At June 30, 2018, 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	\$ 97,083.00	\$ 238,675.00
Changes of assumptions	6,012,406.00	2,013,730.00
Net difference between projected and actual earnings on pension plan investments	128,348.00	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>494,384.00</u>	<u>861,488.00</u>
	<u>6,732,221.00</u>	<u>3,113,893.00</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		Amount
<u>June 30</u>		
2018	\$	275,179.80
2019		(606,699.20)
2020		(1,829,304.20)
2021		(1,147,998.20)
2022		<u>(309,506.20)</u>
	\$	<u>(3,618,328.00)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. This actuarial valuation used the following assumptions:

	<u>2018</u>	<u>2017</u>
Inflation	2.25 Percent	2.25 Percent
Salary Increases (based on age) Through 2026	2.10-8.98 Percent Based on Age	2.10-8.98 Percent Based on Age
Thereafter	3.10-9.98 Percent Based on Age	3.10-9.98 Percent Based on Age
Investment Rate of Return	7.00 Percent	7.00 Percent

Preretirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements are based the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions (Continued)

Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scales thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

The actuarial assumptions used in the July 1, 2017 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 (7.00 percent at June 30, 2018 and June 30, 2017) 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, 2018 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Fund	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Market Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

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 6.51% and 6.14% as of June 30, 2018 and June 30, 2017 respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30, 2018 and June 30, 2017 and a municipal bond rate of 3.87% and 3.58% as of June 30, 2018 and June 30, 2017 respectively based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, 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, 2018 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, 2018		
	1% Decrease <u>4.66%</u>	At Current Discount Rate <u>5.66%</u>	1% Increase <u>6.66%</u>
Borough's proportionate share of the PFRS pension liability	\$31,398,368.00	\$23,460,052.00	\$16,912,387.00

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 non-employer 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 June 30, 2018 and 2017, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$3,186,660.00 and \$3,029,056.00 respectively.

At June 30, 2018, 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	\$23,460,052.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>3,186,660.00</u>
	<u>\$26,646,712.00</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, 2018 is \$301,310.75 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, 2018, 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 2018 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. The Borough has a reserve balance at December 31, 2018 of \$0.

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>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$ 1,764.55	\$ 26,708.56	\$ 4,569.41	\$ 185,893.81
2017	1,125.40	0.00	8,519.69	161,990.11
2016	453.57	0.00	26,318.08	169,384.40

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2018:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 20,560.49	\$ 3,566.47
Animal Control Trust Fund	5,406.93	1,010.40
Trust Other Fund	3,566.47	8,153.76
General Capital Fund	4,332.00	1,266.95
Sewer Utility Operating Fund	1,719.16	
Sewer Utility Capital Fund		1,719.16
Swimming Pool Operating Fund		15,536.31
Swimming Pool Capital Fund		4,332.00
	<u>\$ 35,585.05</u>	<u>\$ 35,585.05</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, 2018, the following deferred charges are shown:

	Balance December 31, <u>2018</u>	To Be Raised 2019 <u>Budget</u>	Deferred to Future <u>Budgets</u>
Current Fund	\$4,600.00	\$2,300.00	\$2,300.00
Pool Utility Operating Fund	\$13,988.43	\$13,988.43	

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 \$45,000.00 for the program in 2018.

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" which is effective for fiscal years beginning after June 15, 2017. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. 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.

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

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 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 financial statements.

Single Employer Plan Defined Benefit Plan

Plan Description

The Borough's defined benefit OPEB plan, Borough of South Plainfield Retiree Welfare Benefits Plan (the Plan), provides OPEB for all employees of the Borough and their eligible dependents in accordance with the terms of their labor agreements. The Plan is a single-employer defined benefit OPEB plan administered by the Borough. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Summary of Benefits

The Plan provides retirees and their eligible dependents medical, dental vision and prescription benefits provided that they have met the eligibility requirements contained in the Borough's various labor agreements.

Employees Covered by Benefits Terms

Inactive employees or beneficiaries currently receiving benefits payments	116
Inactive employees entitled to but not currently receiving benefits payments	-0-
Active Employees	<u>128</u>
	<u>244</u>

Contributions

The contribution requirements of the Borough and Plan members are established and maybe be amended by the Borough's governing body.

Retirees and their dependents are required to contribute toward the cost of the postretirement medical, prescription drug, dental and vision coverage in accordance with the provisions set forth 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%.

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Single Employer Plan Defined Benefit Plan (Continued)

Total OPEB Liability

The Borough's total OPEB liability of \$75,038,318 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary Increases	3.0%

Healthcare cost trend rates 9.5 percent for 2019 decreasing .05 percent per year to an ultimate rate of 5.0 percent for years 2026 and later years.

Mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male / Female Mortality Projected with Scale MP-2018.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2018–December 31, 2018.

Discount Rate

The discount rate under GASB 75 should be the single rate that reflects (a) the long-term expected rate of return on plan investments that are expected to be used to finance the benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the assets are expected to be invested using a strategy to achieve that return and (b) a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/AAa or higher (or an equivalent quality on another scale) to the extent that the conditions in (a) are not met. The discount rates used for determining the Total OPEB liabilities at January 1, 2018 and December 31, 2018, based on the "The Bond Buyer 20-Bond GO Index", are 3.50% and 4.10%, respectively.

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Single Employer Plan Defined Benefit Plan (Continued)

Actuarial Assumptions (Continued)

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/17	\$80,994,758
Changes for the year:	
Service cost	2,022,817
Interest Cost	2,869,621
Changes in assumptions or other inputs	(8,792,089)
Benefit payments	<u>(2,056,789)</u>
Net change in OPEB Liability	<u>(5,956,440)</u>
Balance at 12/31/18	<u>\$75,038,318</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 percent in 2017 to 4.10 percent in 2018.

Sensitivity of the Total OPEB liability to changes in the discount rate and healthcare cost trend rates.

The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.1 percent) or 1-percentage point higher (5.1 percent) than the current discount rate:

	December 31, 2018		
	<u>1.00% Decrease (3.10%)</u>	<u>At Discount Rate (4.10)</u>	<u>1.00% Increase (5.10%)</u>
Total OPEB Liability	\$90,517,356	\$75,038,318	\$63,204,447

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Single Employer Plan Defined Benefit Plan (Continued)

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates.

The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	December 31, 2018		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
Total OPEB Liability	\$62,719,928	\$75,038,318	\$91,324,034

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018 the actuarially determined OPEB expense reflected in the Plan report was \$3,140,020. The OPEB expense recognized in the Borough's financial statement based on actual billing was \$1,489,857.12.

At December 31, 2018, the Plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Changes of assumptions	\$7,009,671	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion	-	-
District contributions subsequent to the measurement date	-	-
	<u>\$7,009,671.00</u>	<u>\$ -</u>

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Single Employer Plan Defined Benefit Plan (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended <u>June 30,</u>	<u>Amount</u>
2019	(\$1,752,418)
2020	(\$1,752,418)
2021	(\$1,752,418)
2022	<u>(\$1,752,417)</u>
	<u>(\$7,009,671)</u>

Cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation.

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

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

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation.

Special Funding Situation

The Township, by resolution of the governing body, has elected to provide postretirement medical coverage to certain employees under the provisions of Chapter 330, P.L. 1997.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge.

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271 , P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

At June 30, 2018 and 2017, the State's proportionate share of the net OPEB liability attributable to the Borough for the special funding situation is \$11,808,417.00 and \$15,931,997.00 respectively.

At June 30, 2018, the Borough's and State of New Jersey's proportionate share of the OPEB liability were as follows:

Borough's proportionate share of the OPEB Liability	\$ -0-
State of New Jersey's proportionate share of OPEB Liability associated with the Borough	<u>\$11,808,417.00</u>
	<u>\$11,808,417.00</u>

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. (Continued)

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Inflation rate	2.50%	2.50%
Salary increases*		
Through 2026	1.65% to 8.98%	1.65% to 8.98%
Thereafter	2.65% to 9.98%	2.65% to 9.98%

* Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the July 1, 2016 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan — the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

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

NOTE 16: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. (Continued)

Actuarial Assumptions and Other Inputs (Continued)

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2018 and 2017 was 3.87% and 3.58%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. 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 17: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through July 25, 2019 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined the following subsequent event(s) needed to be disclosed:

THIS PAGE INTENTIONALLY LEFT BLANK

BOROUGH OF SOUTH PLAINFIELD
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2018

BOROUGH OF SOUTH PLAINFIELDCURRENT FUNDSCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2017	A	\$ 6,751,453.65	\$ 276,444.11
Increased by Receipts:			
Taxes Receivable	A-8	\$ 81,725,244.34	\$
State of New Jersey-Senior Citizens and Veterans Deductions	A-7	180,385.96	
Interfunds	A-12	37,590.01	
Revenue Accounts Receivable	A-13	7,344,487.07	
Miscellaneous Revenue not Anticipated	A-2	276,401.33	
Tax Overpayments	A-17	45,563.42	
Prepaid Taxes	A-18	652,220.39	
Appropriation Refunds	A-3	1,902,627.00	
Due General Capital Fund - Grant Fund	A-15		19,705.69
Reserve for Grants-Unappropriated	A-24		62,864.10
Reserve for Grants-Appropriated (Match)	A-23		7,000.00
Grants Receivable	A-26		101,793.99
Petty Cash	A-5	<u>800.00</u>	
		<u>92,165,319.52</u>	<u>191,363.78</u>
		\$ 98,916,773.17	\$ 467,807.89
Decreased by Disbursements:			
Appropriations	A-3	\$ 28,889,847.92	\$
Appropriation Reserves	A-14	1,181,771.49	
Interfunds	A-12	51,540.88	
Tax Overpayments	A-17	53,811.72	
Local District School Taxes Payable	A-21	49,489,454.00	
County Taxes Payable	A-25	15,208,897.18	
Reserve for FEMA Unappropriated	A-28	95,810.88	
Petty Cash	A-5	800.00	
Reserve for Grants-Appropriated	A-23		<u>255,408.58</u>
		<u>94,971,934.07</u>	<u>255,408.58</u>
Balance, December 31, 2018	A	\$ <u>3,944,839.10</u>	\$ <u>212,399.31</u>

"A-5"

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF PETTY CASH

OFFICE

	<u>INCREASED</u>	<u>DECREASED</u>
Finance Department	\$ 200.00	\$ 200.00
Public Works Department	100.00	100.00
Police Department	300.00	300.00
Office of Aging	200.00	200.00
	<u>\$ 800.00</u>	<u>\$ 800.00</u>
<u>REF.</u>	A-4	A-4

"A-6"

SCHEDULE OF CHANGE FUND

	<u>BALANCE DECEMBER 31, 2017 AND 2018</u>
Tax Collector	\$ 300.00
Municipal Court	150.00
Construction Code	100.00
Police Department	50.00
Health Department	25.00
Fire Department	50.00
	<u>\$ 675.00</u>
<u>REF.</u>	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, 2017 (Due to)	A		\$ 10,079.09
Increased by:			
Received from State	A-4	\$ 180,385.96	
Deductions Disallowed by Tax Collector	A-7	<u>669.87</u>	
			\$ <u>181,055.83</u>
			\$ 191,134.92
Decreased by:			
Deductions Per Tax Billing	A-7	\$ 178,500.00	
Deductions Allowed by Tax Collector	A-7	<u>2,375.00</u>	
			<u>180,875.00</u>
Balance, December 31, 2018 (Due to)	A		\$ <u><u>10,259.92</u></u>

ANALYSIS OF STATE SHARE OF 2018 SENIOR
CITIZENS AND VETERANS DEDUCTIONS

Deductions Per Tax Billing	A-7	\$ 178,500.00	
Deductions Allowed by Collector	A-7	<u>2,375.00</u>	
			\$ 180,875.00
Less:			
Deductions Disallowed by Tax Collector	A-7		<u>669.87</u>
	A-8		\$ <u><u>180,205.13</u></u>

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2017	2018 LEVY	ADDED TAXES	2017 COLLECTIONS	2018 COLLECTIONS	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2018
Prior	\$ 945,908.48	\$	\$ 28.18	\$	\$ 897,801.15	\$	\$ 47,123.06	\$ 1,012.45
2018		83,971,236.37	434,647.17	2,332,515.90	81,007,648.32	1,514.02	59,960.66	1,004,244.64
	\$ 945,908.48	\$ 83,971,236.37	\$ 434,675.35	\$ 2,332,515.90	\$ 81,905,449.47	\$ 1,514.02	\$ 107,083.72	\$ 1,005,257.09

REF. A

A-2-A-18

A-2

A

REF.

Collector
Senior Citizens and Veterans Deductions

\$ 81,725,244.34

\$ 180,205.13

\$ 81,905,449.47

ANALYSIS OF 2018 PROPERTY TAX LEVY

TAX YIELD

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

\$ 83,971,236.37

434,647.17

\$ 84,405,883.54

TAX LEVY

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

A-2-A-21

\$ 49,489,454.00

\$ 13,999,098.28

1,144,024.36

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

15,143,122.64

65,774.54

15,208,897.18

Total County Taxes

Local Tax for Municipal Purposes, Excluding Library (Abstract)

Minimum Library Tax

Add: Additional Tax Levied

Local Tax for Municipal Purposes Levied

\$ 18,071,101.00

1,258,896.00

377,535.36

19,707,532.36

\$ 84,405,883.54

"A-9"

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2017	A		\$ 121,784.35
Increased by:			
Transferred from Taxes Receivable	A-8	\$ 107,083.72	
Interest and Costs on Tax Sale		<u>9,106.51</u>	
			<u>116,190.23</u>
Balance, December 31, 2018	A		\$ <u>237,974.58</u>

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, December 31, 2017 and December 31, 2018	A		\$ <u>4,714,000.00</u>
---	---	--	------------------------

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2017	A		\$ 235,089.67
Increased by:			
Budget Appropriations	A-3	\$ 264,485.99	
Appropriation Reserves	A-14	<u>18,673.58</u>	
			<u>283,159.57</u>
			\$ <u>518,249.24</u>
Decreased by:			
Transferred to Appropriation Reserves	A-14	\$ 195,155.09	
Canceled	A-1	<u>31,809.53</u>	
			<u>226,964.62</u>
Balance, December 31, 2018	A		\$ <u><u>291,284.62</u></u>

BOROUGH OF SOUTH PLAINFIELDCURRENT FUNDSCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>ACCOUNTS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>ACCRUED IN 2018</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2018</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$	\$ 48,290.00	\$ 48,290.00	\$
Other	A-2		9,910.00	9,910.00	
Fees and Permits	A-2		52,107.60	52,107.60	
Interest and Costs on Taxes	A-2		221,197.57	221,197.57	
Board of Adjustment/Planning/Zoning:					
Fees and Permits	A-2		64,097.08	64,097.08	
Board of Health/Registrar:					
Other Licenses	A-2		73,864.01	73,864.01	
Fees and Permits	A-2		13,680.00	13,680.00	
Municipal Court:					
Fines and Costs	A-2	56,015.53	605,044.53	624,559.28	36,500.78
Police:					
Fees and Permits	A-2		63,461.89	63,461.89	
Interest on Investments and Deposits	A-2		109,328.87	109,328.87	
Consolidated Municipal Property Tax Relief Aid	A-2		61,199.00	61,199.00	
Energy Receipts Tax	A-2		2,654,092.00	2,654,092.00	
Uniform Construction Code Fees	A-2		956,473.00	956,473.00	
SP Urban Renewal Pilot	A-2		48,862.93	48,862.93	
Office On Aging Building Rental	A-2		16,760.00	16,760.00	
Reserve for Parade Contributions	A-2		6,000.00	6,000.00	
General Capital Fund Surplus	A-2		5,000.00	5,000.00	
Police Off-Duty Admin Fee	A-2		190,581.85	190,581.85	
State Hotel Tax	A-2		396,756.49	396,756.49	
Uniform Fire Safety Act	A-2		398,842.70	398,842.70	
Utility Operating Surplus	A-2		790,000.00	790,000.00	
Host Benefits-Recycling Tonnage	A-2		109,685.42	109,685.42	
Cable TV Fees	A-2		315,467.50	315,467.50	
Bail Forfeitures	A-2		16,459.00	16,459.00	
Zoning Resolutions	A-2		2,000.00	2,000.00	
FEMA Aid	A-2		95,810.88	95,810.88	
		\$ 56,015.53	\$ 7,324,972.32	\$ 7,344,487.07	\$ 36,500.78
	<u>REF.</u>	A		A-4	A

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF 2017 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2017	ACCOUNTS PAYABLE	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>					
Administrative & Purchasing	\$ 2,037.70	\$	\$ 2,037.70	\$ 161.50	\$ 1,876.20
Mayor & Council	350.00		350.00		350.00
Borough Clerk	15,102.79		15,102.79	233.46	14,869.33
Financial Administration	1,734.43		1,734.43	132.64	1,601.79
Computer	9,254.51		4,254.51		4,254.51
Collection of Taxes	2,551.75		2,551.75	552.30	1,999.45
Assessment of Taxes	11,905.05		2,905.05		2,905.05
Legal Services and Costs	3,600.00		3,600.00		3,600.00
Environmental Commission	1,145.63		1,145.63		1,145.63
Municipal Court	4,620.12		4,620.12	1,088.39	3,531.73
Police	37,615.12		24,615.12	20,580.40	4,034.72
Traffic Safety	312.50		312.50		312.50
Engineering Services	10,984.39		10,984.39		10,984.39
Emergency Management	2,514.56		2,514.56		2,514.56
First Aid Org. and Maint. Contract	5,000.00		1,000.00		1,000.00
Fire Department	2,302.00		2,302.00	300.00	2,002.00
Fire Official	6,792.33		3,792.33	1,472.80	2,319.53
Juvenile Conference	750.00		750.00		750.00
Public Works Director	31,965.26		13,965.26	370.30	13,594.96
Road Repairs & Maintenance	7,394.22		26,394.22	23,810.01	2,584.21
Snow Removal	5,764.87		5,764.87	3,451.86	2,313.01
Solid Waste	500.00		500.00		500.00
Recycling	123.05		3,123.05	1,970.14	1,152.91
Compactor	899.85		899.85		899.85
Public Buildings & Grounds	31,278.65		17,278.65	11,513.52	5,765.13
Vehicle Maintenance	14,091.41		6,591.41	4,165.85	2,425.56
Board of Health	3,070.13		3,070.13	63.00	3,007.13
Youth Aid	1,271.77		1,271.77		1,271.77
Public Assistance	3,506.04		3,506.04		3,506.04
Board of Recreation Comm.	1,300.43		7,300.43	4,350.58	2,949.85
Office of Aging	885.85		6,885.85	3,521.02	3,364.83
Cultural Arts	312.50		312.50		312.50
Construction Code Official	12,619.06		9,619.06	5,818.04	3,801.02
Police System 911	21,107.85		21,107.85	6,708.96	12,398.89
<u>OTHER EXPENSES</u>					
Administrative & Purchasing	2,519.60		2,519.60		2,519.60
Mayor & Council	3,710.00		3,710.00		3,710.00
Borough Clerk	6,477.36	2,352.61	8,829.97	2,491.04	6,338.93
Financial Administration	13,560.35	1,732.56	15,292.91	5,627.11	9,665.80
Annual Audit	60,000.00		60,000.00	52,500.00	7,500.00
Computer	21,126.23	4,257.17	29,383.40	4,257.17	25,126.23
Data Processing	2,256.47		2,256.47		2,256.47
Collection of Taxes	3,819.08	129.00	3,948.08	129.00	3,819.08
Assessment of Taxes	12,958.66	5,430.06	13,389.02	10,983.66	2,405.36
Legal Services and Costs	29,379.64	13,933.38	42,313.02	38,222.96	4,090.06
Engineering Services	19,790.52	6,158.38	45,448.90	34,934.43	10,514.47
Economic Development	1,000.00		1,000.00		1,000.00
Environmental Commission	745.00		745.00		745.00
Green Brook Flood Committee	345.19		345.19		345.19
Municipal Court	809.79	945.48	1,755.27	977.40	777.87
Municipal Support	4,964.94	614.01	5,578.95	3,472.36	2,106.59
Other Insurance	19,281.02	1,034.76	15,315.78	1,709.76	13,606.02
Health Benefits	438,680.88	3,951.68	321,132.56	237,279.95	83,852.61
Health Benefits Waiver	10,593.34		10,593.34		10,593.34
Police	7,064.03	13,892.06	24,956.09	17,459.22	7,496.87
Zoning Board of Adjustment	2,653.98	390.65	3,044.63	540.54	2,504.09
Planning Board	2,246.99	977.86	3,224.85	1,257.11	1,967.74
Traffic Safety	200.00		200.00		200.00
School Crossing Guard	10,817.54	15,227.70	21,045.24	15,227.70	5,817.54
Emergency Management	10,481.40	604.28	8,085.68	1,041.52	7,044.16

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF 2017 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2017	ACCOUNTS PAYABLE	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED)</u>					
First Aid Org. and Maint. Contract	\$ 4,701.41	\$ 7,891.20	\$ 13,592.61	\$ 7,891.20	\$ 5,701.41
Fire Department	5,070.92	8,308.67	13,379.59	12,652.97	726.62
Fire Official	27.41	12,242.30	12,269.71	12,269.71	
Fire Service Charge	1,425.38		1,425.38		1,425.38
Public Works Director	1,895.45	659.81	2,555.26	833.69	1,721.57
Road Repairs & Maintenance	66,950.87	5,777.86	55,228.73	40,060.08	15,168.65
Snow Removal	4,759.58		45,759.58	45,759.58	
Solid Waste	1,500.00		1,500.00		1,500.00
Recycling	14,350.74	1,176.97	50,527.71	44,862.07	5,665.64
Compactor	1,500.00		1,500.00		1,500.00
Public Buildings & Grounds	4,166.17	7,947.29	23,613.46	13,265.67	10,347.79
Vehicle Maintenance	78.26	16,328.69	23,406.95	19,427.52	3,979.43
Board of Health	5,096.33	1,119.92	6,216.25	1,396.19	4,820.06
Youth Aid	1,250.00		1,250.00		1,250.00
Public Assistance	820.00		820.00		820.00
Board of Recreation Comm.	71.31	1,130.60	3,701.91	1,130.60	2,571.31
Office of Aging	533.62	1,333.12	8,366.74	1,388.85	6,979.89
Cultural Arts	3,745.72		2,245.72	520.20	1,725.52
Celebration of Public Events	952.95	2,200.00	4,152.95	2,200.00	1,952.95
Construction Code Official	21,709.90	876.83	17,686.73	5,754.23	11,932.50
Electricity	42,176.02	12,946.44	38,622.46	32,152.31	6,470.15
Street Lights	49,199.28	14,343.54	55,542.82	55,541.96	0.86
Telephones	586.58	5,155.51	10,742.09	5,281.11	5,480.98
Water	6,342.64		6,342.64	6,130.28	212.36
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	1,851.98	13,812.60	22,664.58	18,812.60	3,851.98
Landfill Costs	10,283.79	4,612.67	11,396.46	5,688.86	5,727.60
Accumulated Leave Compensation	397.34		43,397.34	43,397.34	
Contingent	3,205.00		3,205.00		3,205.00
Social Security System (O.A.S.I.)	4,726.04		26,726.04	22,064.03	4,662.01
Defined Contribution Retirement System	5,004.72		5,004.72		5,004.72
PFRS of NJ	8,000.00		20,000.00	11,107.53	8,892.47
Public Employee Retirement System			5,000.00		5,000.00
Police System 911	30,941.33	559.43	31,500.76	10,089.42	21,411.34
LOSAP Deferred Contributions	68,000.00		70,000.00	50,326.25	19,673.75
Tax Appeals	199,107.12		205,107.12	205,107.12	
	<u>\$ 1,515,573.99</u>	<u>\$ 195,155.09</u>	<u>\$ 1,710,729.08</u>	<u>\$ 1,200,445.07</u>	<u>\$ 510,284.01</u>
<u>REF.</u>	<u>A</u>	<u>A-11</u>			<u>A-1</u>
Disbursements	A-4			\$ 1,181,771.49	
Accounts Payable	A-11			<u>18,673.58</u>	
				<u>\$ 1,200,445.07</u>	

"A-15"

BOROUGH OF SOUTH PLAINFIELD

GRANT FUND

SCHEDULE OF DUE GENERAL CAPITAL FUND

REF.

Balance, December 31, 2017 (Due from)	A	\$	19,705.69
Decreased by:			
Receipts	A-4	\$	<u>19,705.69</u>

"A-16"

GRANT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2017	A	\$	4,987.02
Increased by:			
Transferred from Grants Appropriated	A-23	\$	<u>22,143.10</u>
		\$	<u>27,130.12</u>
Decreased by:			
Transferred to Grants Appropriated	A-23		<u>4,987.02</u>
Balance, December 31, 2018	A	\$	<u>22,143.10</u>

"A-17"

BOROUGH OF SOUTH PLAINFIELD
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>	
Balance, December 31, 2017	A	\$ 38,067.42
Increased by:		
Overpayments in 2018	A-4	<u>45,563.42</u>
		\$ 83,630.84
Decreased by:		
Refunded	A-4	<u>53,811.72</u>
Balance, December 31, 2018	A	<u>\$ 29,819.12</u>

"A-18"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2017	A	\$ 2,332,515.90
Increased by:		
Collection of 2019 Taxes	A-4	<u>652,220.39</u>
		\$ 2,984,736.29
Decreased by:		
Application to 2018 Taxes	A-8	<u>2,332,515.90</u>
Balance, December 31, 2018	A	<u>\$ 652,220.39</u>

"A-19"

BOROUGH OF SOUTH PLAINFIELD
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES

REF.

Balance, December 31, 2017	A	\$ 6,900.00
Decreased by:		
Appropriations	A-3	<u>2,300.00</u>
Balance, December 31, 2018	A	<u>\$ 4,600.00</u>

"A-20"

SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARDS PROGRAM

Balance, December 31, 2017 and December 31, 2018	A	\$ <u>58,510.04</u>
---	---	---------------------

"A-21"

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

	<u>REF.</u>	
Increased by:		
School Levy	A-1:A-8	\$ 49,489,454.00
Decreased by:		
Disbursements	A-4	\$ <u>49,489,454.00</u>

"A-22"

SCHEDULE OF SALES CONTRACTS RECEIVABLE

Balance, December 31, 2017 and December 31, 2018	A	\$ <u>319,500.00</u>
---	---	----------------------

BOROUGH OF SOUTH PLAINFIELD

GRANT FUND

SCHEDULE OF GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2017	BUDGET APPROPRIATION	EXPENDED	ACCOUNTS PAYABLE	BALANCE DECEMBER 31, 2018
Municipal Alliance	\$ 2,059.27	\$ 20,586.00	\$ 10,231.50	\$ (839.04)	\$ 13,252.81
Multiple Alliance-Match	6,000.00	7,000.00	13,000.00		
You Drink, You Drive, You Lose	7,250.00				7,250.00
Drunk Driving Enforcement Fund	18,160.81	13,132.82	9,711.31		21,582.32
Clean Communities	48,980.16	45,915.07	56,442.28	(1,315.05)	39,768.00
Drive Sober	4,950.00				4,950.00
Click it or Ticket	7,325.00				7,325.00
Senior Citizens Bus	27.97				27.97
Alcohol Education Rehab	12,564.99	3,217.00	3,000.00	(680.44)	13,462.43
Body Armor	9,428.62		9,428.62		
NJ Spill Compensation Fund	16,750.00				16,750.00
Recycling Program	9,738.19	153,020.23	91,828.42	20,587.61	50,342.39
Benjamin Foundation	0.22				0.22
Tree Planting Grant	54.76				54.76
Improvements to Senior Center	0.32				0.32
Computer Equipment	76.68				76.68
Bicycle Grant	755.00				755.00
Storm Water		15,000.00	15,000.00		
Sustainable New Jersey		2,000.00			
Domestic Violence	2,306.25				2,000.00
DARE Program	126.51				2,306.25
Title IIIB	9,783.00	5,000.00	7,500.00		126.51
Senior Information Assistance	11,767.45	10,000.00	17,500.00		7,283.00
Safe Kids	233.00				4,267.45
CDBG	4,371.50		4,371.50		233.00
ADA Compliance Grant	2,925.00		597.00	(597.00)	2,925.00
Jr. Police Academy	39.04				39.04
CDBG PAL Project	240.00				240.00
CDBG Downtown Improvements	315.75				315.75
Senior Citizens Coordinator	9,500.19		9,500.00		0.19
Senior Meals on Wheels Vehicle	5,059.25		5,059.25		
Cultural Arts	1,040.00				1,040.00
CDBG Handicap Entrance	375.36				375.36
CDBG Senior Citizen Improvements		2,376.50	2,238.70		137.30
	\$ 192,204.29	\$ 277,247.12	\$ 255,408.58	\$ 17,156.08	\$ 196,886.75

REF.	A	A-4	A
Grants Appropriated	\$ 270,247.12		
Grants Appropriated - Match	7,000.00		
	\$ 277,247.12		
Accounts Payable			\$ 22,143.10
Accounts Payable - Prior Year			(4,987.02)
			\$ 17,156.08

BOROUGH OF SOUTH PLAINFIELD

GRANT FUND

SCHEDULE OF GRANTS UNAPPROPRIATED

	BALANCE DECEMBER 31, 2017	RECEIPTS	APPLIED TO RECEIVABLE	BALANCE DECEMBER 31, 2018
Drunk Driving Enforcement Fund	\$ 13,132.82	\$ 12,372.93	\$ 13,132.82	\$ 12,372.93
Clean Communities		1,000.00		1,000.00
Alcohol Education Grant	3,217.00	3,075.76	3,217.00	3,075.76
Senior Information Assistance	10,000.00	8,400.00	10,000.00	8,400.00
Recycling	153,020.23		153,020.23	
Title IIIB	5,000.00	9,518.00	5,000.00	9,518.00
CDBG Handicapped Ramps		15,997.41		15,997.41
CDBG Senior Citizen Coordinator		12,500.00		12,500.00
	<u>\$ 184,370.05</u>	<u>\$ 62,864.10</u>	<u>\$ 184,370.05</u>	<u>\$ 62,864.10</u>

REF.

A

A-4

A-26

A

BOROUGH OF SOUTH PLAINFIELD

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

REF.

Increased by:				
2018 Levy	A-1:A-8	\$	15,143,122.64	
Added and Omitted	A-1:A-8		<u>65,774.54</u>	
				\$ 15,208,897.18
Decreased by:				
Disbursements	A-4			\$ <u>15,208,897.18</u>

BOROUGH OF SOUTH PLAINFIELD

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2017	BUDGET APPROPRIATION	RECEIPTS	UNAPPROPRIATED APPLIED	BALANCE DECEMBER 31, 2018
Drunk Driving Enforcement Fund	\$	\$ 13,132.82	\$	\$ 13,132.82	\$
Senior Title III B Grant		5,000.00		5,000.00	
Municipal Alliance	6,738.67	20,586.00	20,264.66		7,060.01
Clean Communities		45,915.07	45,915.07		
Alcohol Education Grant		3,217.00		3,217.00	
COPS More	38,335.33				38,335.33
NJ Economic Development	500.00				500.00
Senior Information Assistance		10,000.00		10,000.00	
Urban Forestry Grant	5,000.00				5,000.00
NJ Spill Compensation	17,000.00				17,000.00
Safe Kids	1,223.00				1,223.00
Recycling		153,020.23		153,020.23	
Click it or Ticket	375.00				375.00
CDBG	4,203.09		4,203.09		
Meals on Wheels Grant	5,059.25		5,059.25		
CDBG - Senior Center Improvements	6,975.92	2,376.00	9,351.92		
Borough Clock	1.30				1.30
Middlesex County Recycling		15,000.00	15,000.00		
Sustainable NJ		2,000.00	2,000.00		
	\$ 85,411.56	\$ 270,247.12	\$ 101,793.99	\$ 184,370.05	\$ 69,494.64

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, 2017 and December 31, 2018	A	\$ <u>16,500.00</u>

"A-28"

SCHEDULE OF RESERVE FOR FEMA UNAPPROPRIATED - CURRENT FUND

Balance, December 31, 2017	A	\$ 95,810.88
Decreased by: Utilized as Anticipated Revenue	A-4	\$ <u>95,810.88</u>

"A-29"

SCHEDULE OF RESERVE FOR PLANNING & ZONING CODE REVISION

Balance, December 31, 2017 and December 31, 2018	A	\$ <u>4,159.24</u>
---	---	--------------------

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF CASH - TREASURER

REF.	ASSESSMENT	ANIMAL CONTROL	OTHER
B	\$ 286.63	\$ 0.00	\$ 5,842,877.86
B-8;B-11	\$	\$ 1,010.40	\$ 7,214.86
B-9			25,146.00
B-12		22,326.60	
B-13		2,819.40	
B-6		2,520.96	
Reserve for:			
B-14			28,473.11
B-15			3.23
B-17			1,628,228.63
B-16			5,447.89
B-18			118,001.10
B-19			3,982,232.52
B-7			829,593.66
B-10			305,579.84
B-3			14,886,542.41
B-5			1,076,944.93
	\$ 0.00	\$ 28,677.36	\$ 22,893,408.18
	\$ 286.63	\$ 28,677.36	\$ 28,736,286.04
B-8;B-11	\$	\$ 267.00	\$ 33,740.83
B-12		25,584.36	
B-13		2,826.00	
B-9			27,666.96
Reserve for:			
B-14			4,569.41
B-17			1,492,348.47
B-18			120,042.35
B-19			4,053,424.81
B-7			1,674,256.64
B-10			67,290.03
B-3			14,888,409.14
B-5			1,522,754.96
	\$ 0.00	\$ 28,677.36	\$ 23,884,503.60
B	\$ 286.63	\$ 0.00	\$ 4,851,782.44
Decreased by Disbursements:			
B-8;B-11	\$	\$ 267.00	\$ 33,740.83
B-12		25,584.36	
B-13		2,826.00	
B-9			27,666.96
Reserve for:			
B-14			4,569.41
B-17			1,492,348.47
B-18			120,042.35
B-19			4,053,424.81
B-7			1,674,256.64
B-10			67,290.03
B-3			14,888,409.14
B-5			1,522,754.96
	\$ 0.00	\$ 28,677.36	\$ 23,884,503.60
B	\$ 286.63	\$ 0.00	\$ 4,851,782.44

Balance, December 31, 2018

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF RESERVE FOR PAYROLL

	<u>REF.</u>	
Balance, December 31, 2017	B	\$ 142,648.35
Increased by:		
Receipts	B-2	<u>14,886,542.41</u>
		\$ 15,029,190.76
Decreased by:		
Disbursements	B-2	<u>14,888,409.14</u>
Balance, December 31, 2018	B	<u>\$ 140,781.62</u>

"B-4"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

ANALYSIS OF ASSESSMENT FUND CASH

BALANCE
DECEMBER 31,
2017 AND 2018

Trust Surplus

\$ 286.63

\$ 286.63

REF.

B

"B-5"

BOROUGH OF SOUTH PLAINFIELD
TRUST FUND
SCHEDULE OF RESERVE FOR TAX REDEMPTIONS

	<u>REF.</u>	
Balance, December 31, 2017	B	\$ 1,009,416.11
Increased by:		
Receipts	B-2	1,076,944.93
		\$ <u>2,086,361.04</u>
Decreased by:		
Disbursements	B-2	<u>1,522,754.96</u>
Balance, December 31, 2018	B	\$ <u><u>563,606.08</u></u>

"B-6"

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

Balance, December 31, 2017 (Due From)	B	\$ 7,927.89
Decreased by:		
Receipts	B-2	<u>2,520.96</u>
Balance, December 31, 2018 (Due From)	B	\$ <u><u>5,406.93</u></u>

"B-7"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF RESERVE FOR ESCROW DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2017	B	\$ 2,811,189.00
Increased by:		
Receipts	B-2	<u>829,593.66</u>
		\$ 3,640,782.66
Decreased by:		
Disbursements	B-2	<u>1,674,256.64</u>
Balance, December 31, 2018	B	<u>\$ 1,966,526.02</u>
<u>Analysis of Balance:</u>		
Professional Escrow		\$ 307,836.65
Performance Escrow		<u>1,658,689.37</u>
		<u>\$ 1,966,526.02</u>

"B-8"

SCHEDULE OF DUE CURRENT FUND - ANIMAL CONTROL TRUST

Balance, December 31, 2017	B	\$ 267.00
Increased by:		
Receipts	B-2	<u>1,010.40</u>
		\$ 1,277.40
Decreased by:		
Disbursements	B-2	<u>267.00</u>
Balance, December 31, 2018	B	<u>\$ 1,010.40</u>

"B-9"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

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

	<u>REF.</u>	
Balance, December 31, 2017 (Due to)	B	\$ 7,927.89
Increased by:		
Receipts	B-2	25,146.00
		\$ <u>33,073.89</u>
Decreased by:		
Disbursements	B-2	<u>27,666.96</u>
Balance, December 31, 2018 (Due to)	B	\$ <u><u>5,406.93</u></u>

"B-10"

SCHEDULE OF RESERVE FOR AFFORDABLE HOUSING

Balance, December 31, 2017	B	\$ 440,918.17
Increased by:		
Receipts	B-2	305,579.84
		\$ <u>746,498.01</u>
Decreased by:		
Disbursements	B-2	<u>67,290.03</u>
Balance, December 31, 2018	B	\$ <u><u>679,207.98</u></u>

"B-11"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2017 (Due to)	B	\$	25,706.33
Increased by:			
Receipts	B-2		<u>7,214.86</u>
		\$	32,921.19
Decreased by:			
Disbursements	B-2		<u>33,740.83</u>
Balance, December 31, 2018 (Due from, Net)		\$	<u>819.64</u>
<u>Analysis of Balance:</u>			
Treasurers Trust - Due from Current	B	\$	3,566.47
Professional Escrow - Due to Current		\$	(457.73)
Performance Escrow - Due to Current			<u>(2,289.10)</u>
	B		<u>(2,746.83)</u>
		\$	<u>819.64</u>

"B-12"

SCHEDULE OF RESERVE FOR EXPENDITURES - ANIMAL CONTROL TRUST FUND

Balance, December 31, 2017	B	\$	7,654.29
Increased by:			
Receipts	B-2		<u>22,326.60</u>
		\$	29,980.89
Decreased by:			
Disbursements	B-2		<u>25,584.36</u>
Balance, December 31, 2018	B	\$	<u>4,396.53</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, 2017	B	\$	6.60
Increased by:			
Receipts	B-2		<u>2,819.40</u>
		\$	<u>2,826.00</u>
Decreased by:			
Disbursements	B-2		<u>2,826.00</u>
Balance, December 31, 2018	B	\$	<u><u>0.00</u></u>

"B-14"

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE

Balance, December 31, 2017	B	\$	161,990.11
Increased by:			
Receipts	B-2		<u>28,473.11</u>
		\$	<u>190,463.22</u>
Decreased by:			
Disbursements	B-2		<u>4,569.41</u>
Balance, December 31, 2018	B	\$	<u><u>185,893.81</u></u>

"B-15"

BOROUGH OF SOUTH PLAINFIELD

TRUST FUND

SCHEDULE OF RESERVE FOR FEDERAL FORFEITURE

	<u>REF.</u>	
Balance, December 31, 2017	B	\$ 341.53
Increased by:		
Receipts	B-2	<u>3.23</u>
Balance, December 31, 2018	B	<u>\$ 344.76</u>

"B-16"

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT

Balance, December 31, 2017	B	\$ 40,033.56
Increased by:		
Receipts	B-2	<u>5,447.89</u>
Balance, December 31, 2018	B	<u>\$ 45,481.45</u>

BOROUGH OF SOUTH PLAINFIELDTRUST FUNDSCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

<u>ACCOUNT</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u>
Due State - Marriage Licenses	\$ 500.00	\$ 2,876.00	1,975.00	\$ 1,401.00
Due State - DCA Construction Code	13,334.00	55,547.00	53,687.00	15,194.00
County of Middlesex Election	1,717.86	27,325.10	27,525.05	1,517.91
Fire - Off Duty	2,742.00	2,100.00	1,980.00	2,862.00
Barclays	28,036.37			28,036.37
Reserve for LOSAP		25,726.39		25,726.39
Zoning Regulations	1,763.82	2,400.00	3,800.00	363.82
Escrow India House	4,895.00		4,895.00	
Compensated Absences	254,312.61	103,397.34	56,399.20	301,310.75
Senior Center	7,069.57	76,245.84	76,791.05	6,524.36
Environmental Commission	640.12			640.12
Recycling	25,150.53	5,064.79	5,131.01	25,084.31
Electrical Subcode Inspections	11,076.82		275.30	10,801.52
Uniform Fire Safety Act Penalties	16,568.12	2,207.54	4,750.00	14,025.66
Police Outside Overtime	183,966.90	1,169,735.05	1,140,883.45	212,818.50
American Heart Association		430.00	430.00	
Snow Removal	39,241.93	45,544.08	37,297.59	47,488.42
Fire Protection	93,531.76	6,417.00	19,115.00	80,833.76
Police Found Property	339.22			339.22
Public Defender Fees	40,988.87	13,979.50	16,229.82	38,738.55
POAA	1,493.96	118.00		1,611.96
Parade Contributions	6,475.22	20,425.00	19,865.62	7,034.60
Self Insurance	317,867.85	50,000.00		367,867.85
Women Aware Police	6,811.43	2,990.00	750.00	9,051.43
Affordable Housing Contributions	87.00			87.00
Tree Purchase Contributions	47,548.78		10,035.00	37,513.78
Business Directory	10.00			10.00
Donations	14,640.11	15,700.00	10,533.38	19,806.73
	<u>\$ 1,120,809.85</u>	<u>\$ 1,628,228.63</u>	<u>\$ 1,492,348.47</u>	<u>\$ 1,256,690.01</u>

REF.

B

B-2

B-2

B

"B-18"

BOROUGH OF SOUTH PLAINFIELD
TRUST FUND
SCHEDULE OF RESERVE FOR RECREATION

	<u>REF.</u>	
Balance, December 31, 2017	B	\$ 4,674.42
Increased by:		
Receipts	B-2	118,001.10
		\$ <u>122,675.52</u>
Decreased by:		
Disbursements	B-2	<u>120,042.35</u>
Balance, December 31, 2018	B	\$ <u><u>2,633.17</u></u>

"B-19"

SCHEDULE OF RESERVE FOR HEALTH BENEFITS

Balance, December 31, 2017	B	\$ 77,222.54
Increased by:		
Receipts	B-2	3,982,232.52
		\$ <u>4,059,455.06</u>
Decreased by:		
Disbursements	B-2	<u>4,053,424.81</u>
Balance, December 31, 2018	B	\$ <u><u>6,030.25</u></u>

BOROUGH OF SOUTH PLAINFIELD
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2017	C		\$ 958,779.19
Increased by Receipts:			
Deferred Charges to Future Taxation-Unfunded	C-8	\$ 177,750.00	
Various Reserves	C-14	200,463.56	
Bond Anticipation Note	C-13	7,806,075.00	
Capital Improvement Fund	C-11	113,000.00	
Accounts Receivable	C-4	606,087.89	
Bonds Issued	C-7:C-8:C-10	5,200,000.00	
Interfunds	C-5	<u>5,066.95</u>	
			<u>14,108,443.40</u>
			\$ <u>15,067,222.59</u>
Decreased by Disbursements:			
Bond Anticipation Note	C-13	\$ 9,573,755.00	
Interfunds	C-5	24,913.35	
Reserve for Contracts Payable	C-12	3,617,349.32	
Fund Balance-Budgeted Current MRA	C-1	<u>5,000.00</u>	
			<u>13,221,017.67</u>
Balance, December 31, 2018	C		\$ <u><u>1,846,204.92</u></u>

"C-3"

BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER 31, 2018
Accounts Receivable	\$ (344,497.37)
Improvement Authorizations-Funded	355,182.14
Reserve for Various Reserves	386,283.94
Reserve for Contracts Payable	511,700.96
Fund Balance	5,950.24
Due South Plainfield Senior Citizens Housing Project	148,124.34
Capital Improvement Fund	33,606.77
Unfunded Improvements Expended	(143,298.20)
Unexpended Proceeds of Bond Anticipation Notes	896,217.15
Interfunds	<u>(3,065.05)</u>
	<u>\$ 1,846,204.92</u>
<u>REF.</u>	C

"C-4"

SCHEDULE OF ACCOUNTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2017	C	\$ 712,739.07
Increased by:		
New Accounts Receivable	C-9	355,000.00
		<u>\$ 1,067,739.07</u>
Decreased by:		
Receipts	C-2	\$ 606,087.89
Canceled	C-9	<u>117,153.81</u>
		<u>723,241.70</u>
Balance, December 31, 2018	C	<u>\$ 344,497.37</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 #2092		52.00
Ordinance #2110		82,500.00
Ordinance #2113		25,000.00
Neighborhood Preservation Program		<u>148,124.34</u>
		<u>\$ 344,497.37</u>

"C-5"

BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	
Balance, December 31, 2017 (Due to, net)	C	\$ 16,781.35
Increased by:		
Receipts	C-2	5,066.95
		<u>\$ 21,848.30</u>
Decreased by:		
Disbursements	C-2	<u>24,913.35</u>
Balance, December 31, 2018 (Due from, net)		<u>\$ 3,065.05</u>
<u>Analysis of Balance:</u>		
Due to Current Fund	C	\$ (1,266.95)
Due from Pool Utility Capital Fund	C	<u>4,332.00</u>
		<u>\$ 3,065.05</u>

"C-6"

SCHEDULE OF DUE SOUTH PLAINFIELD SENIOR CITIZENS
HOUSING PROJECT

Balance, December 31, 2017 and December 31, 2018	C	<u>\$ 148,124.34</u>
---	---	----------------------

BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>	
Balance, December 31, 2017	C	\$ 9,958,070.00
Increased by:		
Bonds Sold	C-2:C-8:C-10	<u>5,200,000.00</u>
		\$ <u>15,158,070.00</u>
Decreased by:		
Payment of Bonds	C-10	<u>540,375.00</u>
Balance, December 31, 2018	C	\$ <u><u>14,617,695.00</u></u>

BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	GENERAL IMPROVEMENTS:	BALANCE DECEMBER 31, 2017		AUTHORIZATIONS UNFUNDED	EXPENDED	CONTRACTS PAYABLE CANCELED	AUTHORIZATIONS CANCELED	BALANCE DECEMBER 31, 2018	
		FUNDED	UNFUNDED					FUNDED	UNFUNDED
1494	Underground Storage Tank Removal	\$	\$	\$	\$	\$	\$	\$	\$
1624	Veterans Memorial Park Improvements	19,443.19	14,051.87	518.71				19,443.19	14,051.87
1708/1708 A	Various Improvements	631.72						631.72	518.71
1756	Various Improvements	323.18						323.18	
1799	Various Improvements	6,923.60						6,923.60	
1837	COPS Technology								
1878	Refunding Bond Ordinance								
1895	Radio Equipment-Fire Department	6,371.82	63,293.00					6,371.82	63,293.00
1943	Various Road Improvements	286,046.28						286,046.28	
1944	Acquisition of Ambulance/Sewer Improvements	604.50						604.50	
1946	Acquisition of Fire Truck	7,974.89						7,974.89	
1966	Various Improvements		21.00						
1974	Various Improvements		3,875.27						
1985	Various Capital Improvements		82,995.93						
1991	Various Capital Improvements		101,950.88						
1998	Tax Appeal Refunding Bond	0.35							
2001	Various Improvements		17,665.03						95,001.26
2003	Storm Sewer Grates & Casting	917.06							
2013	Various Road Improvements		283.33						
2023	Acquisition of Various Equipment		1,277.62						
2035/2056	Various Capital Improvements		14,868.41						
2047	Acquisition of Equipment & Fire Truck					600.22	58,553.80		2,160.00
2048	Various Capital Improvements		102,215.49			36,166.44			79,828.13
2050/2101/2106	Installation of Traffic Light		158,356.25						13,137.45
2054	Acquisition of Computer Equipment	18,290.29							
2057	Improvements to Rec Center & Willow Park	9,048.30						9,048.30	
2071	Various Capital Improvements		16,919.62						15,000.00
2072	Various Capital Improvements		171,814.62						171,814.62
2074/2082	Resurfacing Various Roads		174,526.88						136,024.62
2076/2113	Various Capital Improvements	303.95	135,405.80		140,000.00	20,097.75	58,600.01	303.95	95,352.98
2092	Acquisition of Fire Breathing Apparatus								62,466.66
2100	Acquisition of Various Equipment		211,955.80						44,246.76
2103/2117	Various Road Improvements								140,627.12
2107	Various Capital Improvements								10,354.68
2110	Various Road Improvements								125,204.13
2112	Various Road Improvements								
		\$	\$	\$	\$	\$	\$	\$	\$
		357,848.26	1,282,309.24	3,259,000.00	3,414,603.97	56,864.41	117,153.81	355,182.14	1,069,081.99
		C	C	C	C-12	C-12	C-4	C-C-3	C-C-8

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Grants	\$	2,773,075.00
Reserve for Various Projects		356,000.00
Capital Improvement Fund		25,000.00
		105,925.00
	\$	3,259,000.00

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, 2017</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2018</u>
			<u>DATE</u>	<u>AMOUNT</u>					
General Improvement Bonds	6/14/12	\$ 11,438,700.00	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%		\$ 9,958,070.00	\$ 540,375.00	\$ 9,417,695.00	
General Improvement Bonds	3/28/18	5,200,000.00	4/1/19	350,000.00	3.000%				
			4/1/20	375,000.00	3.000%				
			4/1/21	400,000.00	3.000%				
			4/1/22	425,000.00	4.000%				
			4/1/23	475,000.00	4.000%				
			4/1/24	550,000.00	3.000%				
			4/1/25	600,000.00	3.000%				
			4/1/26	650,000.00	3.000%				
			4/1/27	675,000.00	3.000%				
			4/1/28	700,000.00	3.000%				
							5,200,000.00		5,200,000.00
							\$ 9,958,070.00	\$ 540,375.00	\$ 14,617,695.00

REF.

C

C-2;C-7;C-8

C-7

C

"C-11"

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

	<u>REF.</u>	
Balance, December 31, 2017	C	\$ 26,531.77
Increased by:		
Budget Appropriation	C-2	113,000.00
		\$ <u>139,531.77</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-9	<u>105,925.00</u>
Balance, December 31, 2018	C	\$ <u><u>33,606.77</u></u>

"C-12"

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

Balance, December 31, 2017	C	\$ 771,310.72
Increased by:		
Improvement Authorizations	C-9	3,414,603.97
		\$ <u>4,185,914.69</u>
Decreased by:		
Disbursements	C-2	\$ 3,617,349.32
Canceled	C-9	<u>56,864.41</u>
		<u>3,674,213.73</u>
Balance, December 31, 2018	C	\$ <u><u>511,700.96</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, 2017</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2018</u>
1937	7/19/17	4/27/18	1.270%	\$ 300,000.00	\$	\$ 300,000.00	
1938	7/19/17	4/27/18	1.270%	36,736.00		36,736.00	
1966	7/19/17	4/27/18	1.270%	171,200.00		171,200.00	
1974	7/19/17	4/27/18	1.270%	261,553.00		261,553.00	
1980	7/19/17	4/27/18	1.270%	467,368.00		467,368.00	
1985	7/19/17	4/27/18	1.270%	459,824.00		459,824.00	
1991	7/19/17	4/27/18	1.270%	154,074.00		154,074.00	
2001	7/19/17	4/27/18	1.270%	366,000.00		366,000.00	
2008	4/27/17	4/27/18	1.140%	375,000.00		375,000.00	
2013	4/27/17	4/27/18	1.140%	985,000.00		985,000.00	
2020	10/26/17	4/27/18	1.663%	285,000.00		285,000.00	
2023	10/26/17	4/27/18	1.663%	292,500.00		292,500.00	
2035	10/26/17	4/27/18	1.663%	195,000.00		195,000.00	
2047	4/27/17	4/27/18	1.140%	1,367,500.00		1,367,500.00	
2047	4/26/18	4/26/19	1.960%		539,750.00		539,750.00
2048	4/27/17	4/27/18	1.140%	1,862,500.00		1,862,500.00	
2048	4/26/18	4/26/19	1.960%		1,792,500.00		1,792,500.00
2050	7/19/17	4/27/18	1.270%	380,000.00		380,000.00	
2050	4/26/18	4/26/19	1.960%		352,182.00		352,182.00
2071	4/27/17	4/27/18	1.140%	265,000.00		265,000.00	
2071	4/26/18	4/26/19	1.960%		264,878.00		264,878.00
2072	4/26/18	4/26/19	1.960%		264,000.00		264,000.00
2074	4/27/17	4/27/18	1.140%	900,000.00		900,000.00	
2074	4/26/18	4/26/19	1.960%		885,190.00		885,190.00
2076	7/19/17	4/27/18	1.270%	449,500.00		449,500.00	
2076	4/26/18	4/26/19	1.960%		449,500.00		449,500.00
2100	4/26/18	4/26/19	1.960%		485,000.00		485,000.00
2103	4/26/18	4/26/19	1.960%		945,000.00		945,000.00
2107	8/23/18	8/23/19	2.140%		389,000.00		389,000.00
2110	8/23/18	8/23/19	2.140%		530,250.00		530,250.00
2112	8/23/18	8/23/19	2.140%		799,000.00		799,000.00
2113	8/23/18	8/23/19	2.140%		109,825.00		109,825.00
				<u>\$ 9,573,755.00</u>	<u>\$ 7,806,075.00</u>	<u>\$ 9,573,755.00</u>	<u>\$ 7,806,075.00</u>

REF.

C

C-2

C-2

C:C-8

BOROUGH OF SOUTH PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR VARIOUS PROJECTS

	<u>REF.</u>	
Balance, December 31, 2017	C	\$ 210,820.38
Increased by:		
Receipts	C-2	<u>200,463.56</u>
		\$ 411,283.94
Decreased by:		
Appropriated for Improvement Authorizations	C-9	<u>25,000.00</u>
Balance, December 31, 2018	C	<u>\$ 386,283.94</u>
<u>ANALYSIS OF BALANCE:</u>		
Off-Tract Improvements		\$ 10,857.25
Debt Service		212,397.69
Road Improvements		<u>163,029.00</u>
		<u>\$ 386,283.94</u>

"C-15"

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>2018</u>
1324	Improvements to Various Roads	\$ 5,684.88
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	78,000.00
1991	Various Capital Improvements	<u>101,950.00</u>
		<u>\$ 316,163.04</u>

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY FUND

SCHEDULE OF CASH

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2017	D	\$ <u>1,894,782.95</u>	\$ <u>749,528.47</u>
Increased by Receipts:			
Sewer Use Charges Receivable	D-7	\$ 7,613,113.94	\$
Connection Fees	D-1:D-3	312,008.33	
Interest and Costs on Sewer Charges	D-1:D-3	55,641.22	
Interest on Investments and Deposits	D-1:D-3	27,602.23	
Sewer Overpayments	D-11	24,027.05	
Capital Improvement Fund	D-17		76,000.00
Interfunds	D-12:D-18	1,187.36	1,719.16
		\$ <u>8,033,580.13</u>	\$ <u>77,719.16</u>
		\$ <u>9,928,363.08</u>	\$ <u>827,247.63</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	\$ 6,192,964.22	\$
Appropriation Reserves	D-9	365,891.24	
Sewer Overpayments	D-11	4,211.43	
Appropriated in Current Budget	D-1	790,000.00	
Improvement Authorizations	D-16		135,075.85
Interfunds	D-12:D-18	1,719.16	1,187.36
		\$ <u>7,354,786.05</u>	\$ <u>136,263.21</u>
Balance, December 31, 2018	D	\$ <u>2,573,577.03</u>	\$ <u>690,984.42</u>

"D-6"

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY FUND

ANALYSIS OF SEWER UTILITY CAPITAL CASH

	BALANCE DECEMBER 31, 2018
Fund Balance	\$ 5,000.00
Capital Improvement Fund	563,369.00
Interfunds	1,719.16
Improvement Authorizations - Funded	<u>120,896.26</u>
	<u>\$ 690,984.42</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, 2017	D		\$ 221,789.03
Increased by:			
Sewer Charges Levied (Net)			<u>7,678,702.11</u>
			\$ <u>7,900,491.14</u>
Decreased by:			
Receipts	D-5	\$ 7,613,113.94	
Transferred from Overpayments	D-11	17,038.24	
Transferred to Liens	D-8	<u>3,497.37</u>	
			<u>7,633,649.55</u>
Balance, December 31, 2018	D		\$ <u><u>266,841.59</u></u>

"D-8"

SCHEDULE OF SEWER LIENS RECEIVABLE - OPERATING FUND

Balance, December 31, 2017	D		\$ 4,128.30
Increased by:			
Transferred from Receivable	D-7		<u>3,497.37</u>
Balance, December 31, 2018	D		\$ <u><u>7,625.67</u></u>

"D-9"

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY OPERATING FUND

SCHEDULE OF 2017 APPROPRIATION RESERVES

	<u>BALANCE</u> DECEMBER 31, 2017	<u>ACCOUNTS</u> <u>PAYABLE</u>	<u>MODIFIED</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Operating:					
Salaries and Wages	\$ 60,015.26	\$	\$ 60,015.26	\$ 5,016.28	\$ 54,998.98
Other Expenses	511,251.25	7,274.45	518,525.70	360,874.96	157,650.74
Statutory Expenditures:					
Public Employee Retirement Systems	<u>11,809.00</u>		<u>11,809.00</u>		<u>11,809.00</u>
	<u>\$ 583,075.51</u>	<u>\$ 7,274.45</u>	<u>\$ 590,349.96</u>	<u>\$ 365,891.24</u>	<u>\$ 224,458.72</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, 2017	D	\$	7,389.45
Increased by:			
Appropriations	D-4		22,149.11
		\$	<u>29,538.56</u>
Decreased by:			
Transfer to Appropriation Reserves	D-9	\$	7,274.45
Canceled	D-1		<u>115.00</u>
			<u>7,389.45</u>
Balance, December 31, 2018	D	\$	<u><u>22,149.11</u></u>

"D-11"

SCHEDULE OF SEWER OVERPAYMENTS

Balance, December 31, 2017	D	\$	17,038.24
Increased by:			
Receipts	D-5		24,027.05
		\$	<u>41,065.29</u>
Decreased by:			
Overpayments Refunded	D-5	\$	4,211.43
Applied to Receivable	D-7		<u>17,038.24</u>
			<u>21,249.67</u>
Balance, December 31, 2018	D	\$	<u><u>19,815.62</u></u>

"D-12"

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	
Balance, December 31, 2017 (Due To)	D	\$ 1,187.36
Increased by:		
Receipts	D-5	1,719.16
		<u>\$ 2,906.52</u>
Decreased by:		
Disbursements	D-5	<u>1,187.36</u>
Balance, December 31, 2018 (Due To)	D	<u>\$ 1,719.16</u>

"D-13"

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>		<u>BALANCE DECEMBER 31, 2017 AND 2018</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, 2017</u>	<u>INCREASED BY NEW AUTHORIZATIONS</u>	<u>BALANCE DECEMBER 31, 2018</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
2091	Various Sewer Improvements	66,000.00		66,000.00
2102	Sewer Utility Truck & Pickup		93,000.00	93,000.00
2118	Sewer Equipment & Improvements		75,000.00	75,000.00
		<u>\$ 808,200.00</u>	<u>\$ 168,000.00</u>	<u>\$ 976,200.00</u>
<u>REF.</u>		D	D-20	D

"D-15"

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, 2017 & 2018</u>
1877	Refunding Bond Ordinance	\$ <u>51,393.00</u>
		\$ <u>51,393.00</u>

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2017		PAID OR CHARGED	BALANCE DECEMBER 31, 2018	
				FUNDED	UNFUNDED		FUNDED	UNFUNDED
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	7,214.00	51,393.00		7,214.00	51,393.00
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	100.00			100.00	
2091	Various Sewer Improvements	09/18/17	66,000.00	65,946.93			65,946.93	
2102	Sewer Utility Truck & Pickup	1/22/18	93,000.00			93,000.00	84,517.40	
2118	Sewer Equipment & Improvements	10/01/18	75,000.00			75,000.00	24,441.55	
				<u>\$ 87,972.11</u>	<u>\$ 51,393.00</u>	<u>\$ 168,000.00</u>	<u>\$ 120,896.26</u>	<u>\$ 51,393.00</u>
			<u>REF.</u>	D	D	D-17	D	D
						D-5		

"D-17"

BOROUGH OF SOUTH PLAINFIELD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2017	D	\$ 655,369.00
Increased by:		
Receipts	D-5	<u>76,000.00</u>
		\$ 731,369.00
Decreased by:		
New Improvement Authorization	D-16	<u>168,000.00</u>
Balance, December 31, 2018	D	<u><u>\$ 563,369.00</u></u>

"D-18"

SCHEDULE OF INTERFUNDS - SEWER UTILITY OPERATING FUND

Balance, December 31, 2017 (Due from)	D	\$ 1,187.36
Increased by:		
Disbursements	D-5	<u>1,719.16</u>
		\$ 2,906.52
Decreased by:		
Receipts	D-5	<u>1,187.36</u>
Balance, December 31, 2018 (Due from)	D	<u><u>\$ 1,719.16</u></u>
<u>Analysis of Balance:</u>		
Due From Sewer Utility Capital Fund		<u>\$ 1,719.16</u>
		<u><u>\$ 1,719.16</u></u>

"D-19"

BOROUGH OF SOUTH PLAINFIELD
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>	
Balance, December 31, 2017 and December 31, 2018	D	\$ <u>13,557,821.21</u>

"D-20"

SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Balance, December 31, 2017	D	\$ 756,807.00
Increased by:		
New Improvement Authorizations	D-14	<u>168,000.00</u>
Balance, December 31, 2018	D	\$ <u>924,807.00</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		48,607.00
1942 Sewer Jet		300,000.00
1999 Equipment-Hadley Station		70,000.00
2053 Acquisition of Air Compressor		17,200.00
2091 Various Sewer Improvements		66,000.00
2102 Utility Truck & Pickup		93,000.00
2118 Sewer Equipment & Improvements		<u>75,000.00</u>
		\$ <u>924,807.00</u>

BOROUGH OF SOUTH PLAINFIELD

SWIMMING POOL UTILITY FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance December 31, 2017	E	\$ <u>1,950.56</u>	\$ <u>22,392.68</u>
Increased by Receipts:			
Anticipated Revenue	E-2	\$ 278,586.12	\$
Bonds Payable	E-5		380,000.00
Capital Improvement Fund	E-16		1,000.00
Interfunds	E-7:E-13	23,805.84	4,332.00
		\$ <u>302,391.96</u>	\$ <u>385,332.00</u>
		\$ <u>304,342.52</u>	\$ <u>407,724.68</u>
Decreased by Disbursements:			
Appropriations	E-3	\$ 259,920.64	\$
Accrued Interest	E-10	16,682.86	
Interfunds	E-7:E-13	7,174.55	3,800.00
Bond Anticipation Notes	E-18		380,000.00
		\$ <u>283,778.05</u>	\$ <u>383,800.00</u>
Balance December 31, 2018	E	\$ <u>20,564.47</u>	\$ <u>23,924.68</u>

BOROUGH OF SOUTH PLAINFIELD
SWIMMING POOL 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, 2017</u>	<u>BONDS ISSUED</u>	<u>BONDS PAID</u>	<u>BALANCE DECEMBER 31, 2018</u>
			<u>OUTSTANDING-DECEMBER 31, 2018</u>	<u>DATE</u>					
Utility Capital	6/27/2012	\$ 203,300.00	\$ 9,625.00	3/15/2019	5.000%	\$ 176,930.00	\$	\$ 9,625.00	\$ 167,305.00
			10,500.00	3/15/2020-21	5.000%				
			11,375.00	3/15/2022-24	5.000%				
			12,250.00	3/15/2025-26	3.000%				
			12,250.00	3/15/2027	3.125%				
			13,125.00	3/15/2028	3.125%				
			13,125.00	3/15/2029-30	3.250%				
			13,125.00	3/15/2031	3.375%				
			13,305.00	3/15/2032	3.500%				
Utility Capital	3/28/2018	\$ 380,000.00	20,000.00	4/1/19-21	3.000%				
			20,000.00	4/1/2022	4.000%				
			25,000.00	4/1/2023	4.000%				
			25,000.00	4/1/24-28	3.000%				
			30,000.00	4/1/29-30	3.000%				
			30,000.00	4/1/31-33	3.125%				
							380,000.00		380,000.00
						\$ 176,930.00	\$ 380,000.00	\$ 9,625.00	\$ 547,305.00

REF.

E-11:E-14

E-4

E

E

"E-6"

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

		BALANCE DECEMBER <u>31, 2018</u>
Bonds Payable	\$	547,305.00
Improvement Authorizations		1,292.68
Interfunds		4,332.00
Amortization		723,668.14
Fixed Capital		(1,273,173.14)
Capital Improvement Fund		<u>20,500.00</u>
	\$	<u>23,924.68</u>
	<u>REF.</u>	E

"E-7"

BOROUGH OF SOUTH PLAINFIELD
SWIMMING POOL UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>		<u>FUND</u>
Balance, December 31, 2017 (Due From)	E		\$ 23,805.84
Increased by:			
Disbursements	E-4		7,174.55
			\$ <u>30,980.39</u>
Decreased by:			
Receipts	E-4	\$ 23,805.84	
Appropriation Reserves Lapsed	E-8	<u>22,710.86</u>	
			<u>46,516.70</u>
Balance, December 31, 2018 (Due To)			\$ <u><u>15,536.31</u></u>
<u>Analysis of Balance:</u>			
Due To Current Fund	E		\$ <u>15,536.31</u>
			\$ <u><u>15,536.31</u></u>

BOROUGH OF SOUTH PLAINFIELD

SWIMMING POOL UTILITY OPERATING FUND

SCHEDULE OF 2017 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2017	BALANCE AFTER TRANSFERS	BALANCE LAPSED DUE CURRENT
Operating:			
Salaries & Wages	\$ 3,826.37	\$ 3,826.37	\$ 3,826.37
Other Expenses	8,884.49	8,884.49	8,884.49
Statutory Expenditures:			
Social Security System	<u>10,000.00</u>	<u>10,000.00</u>	<u>10,000.00</u>
	\$ <u>22,710.86</u>	\$ <u>22,710.86</u>	\$ <u>22,710.86</u>

REF.

E

E-7

"E-9"

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

	<u>REF</u>	
Increased by:		
Operating Deficit	E-2	\$ 13,988.43
Balance, December 31, 2018	E	\$ <u>13,988.43</u>

"E-10"

SCHEDULE OF ACCRUED INTEREST PAYABLE

Balance, December 31, 2017	E	\$ 2,045.54
Increased by:		
Appropriations	E-3	<u>17,000.00</u>
		\$ 19,045.54
Decreased by:		
Interest Paid	E-4	<u>16,682.86</u>
Balance, December 31, 2018	E	\$ <u>2,362.68</u>

"E-11"

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

	<u>REF.</u>	
Balance, December 31, 2017	E	\$ 45,575.40
Increased by:		
Bonds Paid	E-5	<u>4,042.50</u>
Balance, December 31, 2018	E	<u>\$ 49,617.90</u>

"E-12"

SCHEDULE OF FIXED CAPITAL

Balance, December 31, 2017 and December 31, 2018	E	<u>\$ 773,173.14</u>
---	---	----------------------

"E-13"

BOROUGH OF SOUTH PLAINFIELD
SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	
Balance, December 31, 2017 (Due To)	E	\$ 3,800.00
Increased by:		
Receipts	E-4	<u>4,332.00</u>
		\$ <u>8,132.00</u>
Decreased by:		
Disbursements	E-4	<u>3,800.00</u>
Balance, December 31, 2018 (Due To)		\$ <u><u>4,332.00</u></u>
<u>Analysis of Balance</u>		
Due To General Capital Fund	E	\$ <u>4,332.00</u>
		\$ <u><u>4,332.00</u></u>

"E-14"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2017	E	\$ 668,467.74
Increased by:		
Bonds Paid	E-5	<u>5,582.50</u>
Balance, December 31, 2018	E	\$ <u><u>674,050.24</u></u>

"E-15"

BOROUGH OF SOUTH PLAINFIELD

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

	<u>REF.</u>	
Balance, December 31, 2017 and December 31, 2018	E	\$ <u>500,000.00</u>
<u>Analysis of Balance:</u>		
Ordinance 1951 - Improvements to Pool		\$ 90,000.00
Ordinance 2011 - Improvements to Pool		399,000.00
Ordinance 2079 - Improvements to Pool		<u>11,000.00</u>
		\$ <u>500,000.00</u>

"E-16"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2017	E	\$ 19,500.00
Increased by:		
Budget Appropriation	E-4	<u>1,000.00</u>
Balance, December 31, 2018	E	\$ <u>20,500.00</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, 2017 & 2018</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	547.68
2079	Pool Improvements	05/15/17	11,000.00	140.00
				<u>1,292.68</u>
				\$
			<u>REF.</u>	
		Funded	E	\$ 745.00
		Unfunded	E	547.68
				<u>1,292.68</u>
				\$

BOROUGH OF SOUTH PLAINFIELD
SWIMMING POOL UTILITY 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, 2017</u>	<u>DECREASED</u>
#2011	4/27/2017	4/27/2018	1.14%	\$ <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

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

	<u>REF.</u>		
Increased by:			
Appropriations	E-3	\$	698.50
Balance, December 31, 2018	E	\$	<u>698.50</u>

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, 2017	F	\$ 21,170.33	\$ 21,170.33
Increased by:			
Receipts	F-2	10,102.70	10,102.70
		\$ 31,273.03	\$ 31,273.03
Decreased by:			
Disbursements	F-2	7,565.99	7,565.99
Balance, December 31, 2018	F	\$ 23,707.04	\$ 23,707.04

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, 2017	F	\$ 21,170.33	\$ 21,170.33
Increased by:			
Donations		9,915.33	9,915.33
Interest		187.37	187.37
	F-1	<u>\$ 10,102.70</u>	<u>\$ 10,102.70</u>
		<u>\$ 31,273.03</u>	<u>\$ 31,273.03</u>
Decreased by:			
General Assistance	F-1	<u>7,565.99</u>	<u>7,565.99</u>
Balance, December 31, 2018	F	<u><u>\$ 23,707.04</u></u>	<u><u>\$ 23,707.04</u></u>

THIS PAGE INTENTIONALLY LEFT BLANK

PART II

BOROUGH OF SOUTH PLAINFIELD

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2018

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

	<u>YEAR 2018</u>		<u>YEAR 2017</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 2,185,000.00	2.30%	\$ 1,816,200.00	1.97%
Miscellaneous - From Other Than Local Property Tax Levies	8,439,517.56	8.90%	7,734,165.04	8.38%
Collection of Delinquent Taxes and Tax Title Liens	897,801.15	0.95%	1,012,721.99	1.10%
Collections of Current Tax Levy	<u>83,340,164.22</u>	<u>87.85%</u>	<u>81,721,089.45</u>	<u>88.55%</u>
<u>Total Revenue</u>	<u>\$ 94,862,482.93</u>	<u>100.00%</u>	<u>\$ 92,284,176.48</u>	<u>100.00%</u>
 <u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 28,203,031.09	30.36%	\$ 27,114,749.59	30.10%
County Taxes	15,208,897.18	16.37%	14,927,559.77	16.57%
Local School District Taxes	<u>49,489,454.00</u>	<u>53.27%</u>	<u>48,042,621.00</u>	<u>53.33%</u>
<u>Total Expenditures</u>	<u>\$ 92,901,382.27</u>	<u>100.00%</u>	<u>\$ 90,084,930.36</u>	<u>100.00%</u>
Excess in Revenue	\$ 1,961,100.66		\$ 2,199,246.12	
Fund Balance - January 1	<u>\$ 2,428,916.58</u>		<u>\$ 2,045,870.46</u>	
	\$ 4,390,017.24		\$ 4,245,116.58	
Less: Utilization as Anticipated Revenue	<u>2,185,000.00</u>		<u>1,816,200.00</u>	
Fund Balance, December 31	<u>\$ 2,205,017.24</u>		<u>\$ 2,428,916.58</u>	

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

	YEAR 2018		YEAR 2017	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 75,000.00	0.90%	\$ 75,305.00	0.99%
Collection of Sewer Use Charges	7,630,152.18	91.65%	7,136,266.51	94.14%
Miscellaneous	619,825.50	7.45%	369,076.30	4.87%
<u>Total Revenue</u>	<u>\$ 8,324,977.68</u>	<u>100.00%</u>	<u>\$ 7,580,647.81</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 6,335,500.00	96.25%	\$ 6,134,305.00	95.27%
Capital Improvements	76,000.00	1.15%	55,000.00	0.85%
Deferred Charges and Regulatory Expenditures	171,000.00	2.60%	190,000.00	2.95%
Debt Service		0.00%	60,000.00	0.93%
<u>Total Expenditures</u>	<u>\$ 6,582,500.00</u>	<u>100.00%</u>	<u>\$ 6,439,305.00</u>	<u>100.00%</u>
Excess in Revenue	\$ 1,742,477.68		\$ 1,141,342.81	
Fund Balance - January 1	1,288,617.11		882,579.30	
	\$ 3,031,094.79		\$ 2,023,922.11	
Less: Utilization as Anticipated Revenue				
Sewer Utility Operating Fund	75,000.00		75,305.00	
Current Fund	790,000.00		660,000.00	
Fund Balance - December 31	<u>\$ 2,166,094.79</u>		<u>\$ 1,288,617.11</u>	

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

	YEAR 2018		YEAR 2017	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Collection of Pool Membership and Fees	\$ 145,768.00	94.40%	\$ 159,319.00	94.59%
Miscellaneous	8,643.57	5.60%	9,105.49	5.41%
<u>Total Revenue</u>	<u>\$ 154,411.57</u>	<u>100.00%</u>	<u>\$ 168,424.49</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 256,949.55	87.83%	\$ 257,167.47	88.55%
Capital Improvements	1,000.00	0.34%	1,000.00	0.34%
Deferred Charges and Regulatory Expenditures	8,000.00	2.73%	14,721.88	5.07%
Debt Service	26,625.00	9.10%	17,550.00	6.04%
<u>Total Expenditures</u>	<u>\$ 292,574.55</u>	<u>100.00%</u>	<u>\$ 290,439.35</u>	<u>100.00%</u>
Adjustment to Income Before Fund Balance:				
Deferred Charges to Budget of Succeeding Year:	\$		\$	
Operating Deficit in Revenues	13,988.43			
Realized from General Budget for Anticipated Deficit	124,174.55		122,014.82	
	\$ 138,162.98		\$ 122,014.82	
Excess in Revenue	- 0 -		- 0 -	
Fund Balance - January 1	1,000.00		1,000.00	
	\$ 1,000.00		\$ 1,000.00	
Fund Balance - December 31	<u>\$ 1,000.00</u>		<u>\$ 1,000.00</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	<u>\$5.932</u>	<u>\$5.856</u>	<u>\$5.797</u>
Appointment of Tax Rate:			
Municipal	\$1.277	\$1.280	\$1.287
Municipal Library Tax	0.088	0.087	0.089
County	1.070	1.058	1.063
Local School	<u>3.497</u>	<u>3.431</u>	<u>3.358</u>

Assessed Valuation:

Year 2018	<u>\$1,415,563,661.00</u>		
Year 2017		<u>\$1,400,481,651.00</u>	
Year 2016			<u>\$1,396,611,915.00</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>
2018	\$84,405,883.54	\$83,340,164.22	98.73%
2017	\$82,762,609.45	\$81,720,089.45	98.74%
2016	\$81,379,883.50	\$80,354,188.12	98.73%

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>
2018	\$	237,974.58	\$	1,004,244.64	\$	1,242,219.22		1.47%
2017		121,784.35		945,908.48		1,067,692.83		1.29%
2016		116,361.69		1,013,061.82		1,129,423.51		1.39%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2018 by foreclosure or deed, as a result of liquidation of tax title liens. The balance at December 31, 2018 is \$4,714,000.00.

COMPARISON OF UTILITY LEVIES

	<u>YEAR</u>	<u>LEVY</u>		<u>COLLECTIONS*</u>
	2018	\$ 7,678,702.11	\$	7,633,649.55
	2017	7,132,208.87		7,136,441.51
	2016	6,652,971.55		6,663,404.71

*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	2018	\$ 2,205,017.24	\$ *
	2017	2,428,916.58	2,183,819.00
	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
Sewer Utility Operating Fund	2018	\$ 2,166,094.79	\$ *
	2017	1,288,617.11	75,000.00
	2016	882,579.30	75,305.00
	2015	905,095.54	95,000.00
	2014	942,663.43	275,000.00
Swimming Pool Utility Operating Fund	2018	\$ 1,000.00	\$
	2017	1,000.00	
	2016	1,000.00	
	2015	1,000.00	
	2014	2,000.00	1,000.00

*Not Available

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	*
Jon Dean	Council Member	*
Christine Faustini	Council Member	*
Gary Vesce	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	*
Leonard Miller	Superintendent of Public Works/Engineer	*
Manuel Sanchez	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 20, 2016 with the hiring of a qualified purchasing agent, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$40,000. The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$40,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Council's opinion should be sought before a commitment is made.

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

Road Improvements
P.A.L. Expansion
Biodegradable & Recyclable Leaf Bags

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 \$40,000.00 "for the performance of any work or the furnishing or hiring of any material, supplies or services, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A: 11-6."

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4
(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 6, 2018, 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 October 21, 2018 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>
2018	8
2017	6
2016	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	30
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.

Other Items

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.

Our audit of the recreation and pool department revealed records were not available for audit.

RECOMMENDATIONS

* That the practice of issuing confirming orders be discontinued.

That the recreation and pool department records be maintained on file and provided for audit.

*Unresolved Prior Year Recommendation



