

Report of Audit
on the
Financial Statements
of the
City of Plainfield
in the
County of Union
New Jersey
for the
Year Ended
December 31, 2018

CITY OF PLAINFIELD

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CITY OF PLAINFIELD

INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS

FINANCIAL STATEMENTS – REGULATORY BASIS

NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS

YEARS ENDED DECEMBER 31, 2018 AND 2017



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the City Council
City of Plainfield
County of Union
Plainfield, New Jersey 07061

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the City of 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 statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City'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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 City'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 City'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 City of 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 City of Plainfield as of December 31, 2018 and 2017, the results of its operations and changes in fund balance for the years then ended, the statement of revenues or statement of 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 balances 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.

SUPLEE, CLOONEY & COMPANY

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Plainfield's regulatory financial statements. The supplementary information and data listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and schedule of expenditures of federal awards, as required by the Uniform Guidance and the schedule of expenditures of state financial assistance as required by New Jersey OMB 15-08 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 listed and data in the table of contents, schedule of expenditures of federal awards, as required by the Uniform Guidance and the schedule of expenditures of state financial assistance as required by New Jersey OMB 15-08 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 August 27, 2019 on our consideration of the City of 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 City of Plainfield's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 439

August 27, 2019

CURRENT FUND

CITY OF 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	\$ 17,281,302.43	\$ 18,577,568.60
Change Fund	A-6	800.00	800.00
Petty Cash	A-5		125.00
State Aid Receivable	A-19		1,056.25
Due State of New Jersey - Senior Citizens and Veterans	A-7	289,725.83	281,233.23
		<u>\$ 17,571,828.26</u>	<u>\$ 18,860,783.08</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 2,377,401.36	\$ 2,642,263.86
Tax Title Liens Receivable	A-9	216,253.45	344,755.42
SID Taxes Receivable	A-23	11,721.11	8,317.67
Foreclosed Property	A-10	1,772,600.00	2,068,500.00
Revenue Accounts Receivable	A-13	103,754.65	97,583.44
Interfunds Receivable	A-12	1,662,933.99	1,511,890.35
	A	<u>\$ 6,144,664.56</u>	<u>\$ 6,673,310.74</u>
	A	<u>\$ 23,716,492.82</u>	<u>\$ 25,534,093.82</u>
Grant Fund:			
Cash	A-4	\$ 3,579,526.23	\$ 3,589,580.80
Grants Receivable	A-20	7,076,688.50	7,839,918.78
	A	<u>\$ 10,656,214.73</u>	<u>\$ 11,429,499.58</u>
	A	<u>\$ 34,372,707.55</u>	<u>\$ 36,963,593.40</u>

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

CITY OF PLAINFIELD

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>BALANCE DECEMBER 31, 2017</u>
Appropriation Reserves	A-3:A-14	\$ 4,135,303.71	\$ 3,447,780.75
Accounts Payable	A-18	135,136.62	539,893.10
Encumbrances Payable	A-15	1,387,472.01	1,885,454.52
Contracts Payable	A-29		5,400.00
Prepaid Special Improvement Taxes	A-28	77.55	
Prepaid Taxes	A-17	703,783.11	1,825,467.51
Tax Overpayments	A-16	79,164.73	168,957.80
Miscellaneous Current Reserves	A-26	688,452.56	861,758.19
County Taxes Payable	A-25	22,331.25	31,865.72
Interfunds Payable	A-12	54,090.59	
		<u>\$ 7,205,812.13</u>	<u>\$ 8,766,577.59</u>
Reserve for Receivables and Other Assets	A	6,144,664.56	6,673,310.74
Fund Balance	A-1	<u>10,366,016.13</u>	<u>10,094,205.49</u>
	A	<u>\$ 23,716,492.82</u>	<u>\$ 25,534,093.82</u>
Grant Fund:			
Reserve for Grants - Unappropriated	A-22	\$ 2,633,951.14	\$ 3,190,358.71
Reserve for Grants - Appropriated	A-21	6,364,340.50	6,823,394.53
Interfunds Payable	A-11	<u>1,657,923.09</u>	<u>1,415,746.34</u>
	A	<u>\$ 10,656,214.73</u>	<u>\$ 11,429,499.58</u>
	A	<u>\$ 34,372,707.55</u>	<u>\$ 36,963,593.40</u>

CITY OF 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	\$ 6,766,565.00	\$ 6,423,030.00
Miscellaneous Revenue Anticipated	A-2	20,401,685.73	21,943,973.53
Receipts From Delinquent Taxes	A-2	3,091,225.58	2,276,536.97
Receipts From Current Taxes	A-2	96,442,629.91	94,203,466.35
Non-Budget Revenue	A-2	1,112,806.59	966,350.89
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	3,331,653.08	3,479,434.95
Canceled Appropriated Grant Reserves	A-21	195,143.51	854,322.38
Canceled Unappropriated Grant Reserves	A-22	2,500.00	
Canceled Miscellaneous Reserves	A-26	100.00	
Receivables Realized			2,078,369.49
Accounts Payable Canceled	A-18	406,404.42	
<u>TOTAL REVENUE AND OTHER INCOME</u>		<u>\$ 131,750,713.82</u>	<u>\$ 132,225,484.56</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operations Within "CAPS"	A-3	\$ 63,162,963.00	\$ 61,883,872.00
Deferred Charges and Statutory Expenditures - Municipal	A-3	9,232,567.55	8,976,789.17
Other Operations Excluded From "CAPS"	A-3	1,939,617.00	1,868,118.00
State and Federal Programs Off-Set by Revenue	A-3	3,447,240.01	5,355,581.72
Municipal Debt Service	A-3	3,912,898.18	3,613,912.64
Capital Improvements	A-3	380,000.00	460,000.00
County Tax	A-25	14,742,135.00	15,106,608.73
County Share of Added Taxes	A-25	22,331.25	31,865.72
Local District School Tax	A-24	26,873,885.00	25,153,129.00
Municipal Open Space Tax	A-8	242,278.00	242,837.00
Special Improvement District	A-26	161,323.00	161,930.32
Canceled Grants Receivable	A-20	151,512.89	1,020,883.89
Canceled Accounts Receivable			77,762.17
Accounts Receivable			4,779.62
Refund of Prior Year Revenue		292,543.66	49,819.68
Interfunds Advanced		151,043.64	874,554.29
<u>TOTAL EXPENDITURES</u>		<u>\$ 124,712,338.18</u>	<u>\$ 124,882,443.95</u>
Excess in Revenue		\$ 7,038,375.64	\$ 7,343,040.61
Fund Balance, January 1	A	\$ 10,094,205.49	\$ 9,174,194.88
		\$ 17,132,581.13	\$ 16,517,235.49
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	6,766,565.00	6,423,030.00
Fund Balance, December 31	A	<u>\$ 10,366,016.13</u>	<u>\$ 10,094,205.49</u>

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

CITY OF PLAINFIELD

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2018

	REF.	BUDGET	ANTICIPATED NJS 40A: 4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	A-1	\$ 6,766,565.00		\$ 6,766,565.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-13	\$ 68,000.00	\$	\$ 68,440.00	\$ 440.00
Other	A-2	115,000.00		119,014.60	4,014.60
Fees and Permits:					
Other	A-2	580,000.00		633,532.32	53,532.32
Municipal Court:					
Fines and Costs	A-13	1,124,000.00		1,347,794.88	223,794.88
Interest and Costs on Taxes	A-13	598,500.00		651,178.35	52,678.35
Parking Meters and Permits	A-13	520,000.00		586,922.45	66,922.45
Interest on Investments and Deposits	A-13	245,000.00		447,147.46	202,147.46
Cable TV Franchise Fees	A-13	500,000.00		508,695.16	8,695.16
PILOT:					
Presbyterian Homes	A-13	170,000.00		185,656.86	15,656.86
Cedarbrook Apartments	A-13	250,000.00		290,277.60	40,277.60
Liberty Village	A-13	130,000.00		141,366.37	11,366.37
Leland Gardens	A-13	273,000.00		279,955.60	6,955.60
Covenant House	A-13	34,000.00		36,804.00	2,804.00
Horizon at Plainfield	A-13	67,500.00		108,388.31	40,888.31
Park Madison	A-13	385,000.00		389,542.98	4,542.98
Park Madison - Other	A-13	61,000.00		70,415.81	9,415.81
Allen Young Apartments	A-13	178,000.00		243,377.54	65,377.54
Plainfield Housing Authority	A-13	26,000.00		32,515.00	6,515.00
South 2nd Street Redevelopment	A-13	28,700.00		28,724.49	24.49
Planning Fees	A-13	55,000.00		55,966.94	966.94
Recreation Fees	A-13	30,000.00		32,994.00	2,994.00
P.M.U.A. Revenue Sharing	A-13	1,685,000.00		1,736,160.00	51,160.00
Certificate of Compliance	A-13	70,000.00		112,888.00	42,888.00
Consolidated Municipal Property Tax Relief Aid	A-2	1,651,434.00		1,651,434.00	
Energy Receipts Tax	A-13	6,126,565.00		6,126,565.00	
Uniform Construction Code Fees	A-13	772,000.00		712,815.00	(59,185.00)
General Capital Surplus	A-13	265,873.00		265,873.00	
Sale of Municipal Assets	A-26	205,000.00		205,000.00	
Grant Programs	A-2	1,090,829.37	2,241,410.64	3,332,240.01	
<u>Total Miscellaneous Revenues</u>	A-1	\$ 17,305,401.37	\$ 2,241,410.64	\$ 20,401,685.73	\$ 854,873.72
Receipts From Delinquent Taxes	A-2	\$ 2,500,000.00	\$	\$ 3,091,225.58	\$ 591,225.58
Amt. to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-8	\$ 57,298,112.68	\$	\$ 58,434,818.65	\$ 1,136,705.97
<u>BUDGET TOTALS</u>		\$ 83,870,079.05	\$ 2,241,410.64	\$ 88,694,294.96	\$ 4,824,215.91
Non-Budget Revenues	A-2	\$	\$	\$ 1,112,806.59	\$ 1,112,806.59
		\$ 83,870,079.05	\$ 2,241,410.64	\$ 89,807,101.55	\$ 5,937,022.50
	REF.	A-3	A-3		

CITY OF 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:A-23	\$ 96,442,629.91
Allocated To:		
County Taxes	A-8	14,764,466.25
Special Improvement District Taxes	A-8	0.00
Local District School Taxes	A-8	26,873,885.00
Municipal Open Space Taxes	A-4:A-8	242,278.00
Special Improvement District	A-26	161,323.00
		<u>161,323.00</u>
Balance for Support of Municipal Budget Appropriations		\$ 54,400,677.66
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>4,034,140.99</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 58,434,818.65</u>
Licenses - Other:		
Clerk	A-13	\$ 16,267.00
Board of Health	A-13	101,734.60
Registrar	A-13	1,068.00
		<u>\$ 119,069.60</u>
Less: Refunds	A-4	<u>55.00</u>
	A-2	<u>\$ 119,014.60</u>
Other - Fees and Permits:		
Clerk	A-13	\$ 15,341.50
Vital Statistics	A-13	82,299.00
Fire	A-13	47,006.70
Police	A-13	25,345.13
Community Development	A-13	390,100.00
Engineer	A-13	60,831.81
Public Works	A-13	13,595.18
		<u>\$ 634,519.32</u>
Less: Refunds		<u>987.00</u>
	A-2	<u>\$ 633,532.32</u>
Receipts from Delinquent Taxes:		
Collections		\$ 3,107,810.58
Deductions Allowed		<u>2,458.00</u>
		\$ 3,110,268.58
Less: Deductions Disallowed		<u>19,043.00</u>
	A-2:A-1	<u>\$ 3,091,225.58</u>

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

CITY OF PLAINFIELD

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2018

REF.

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
Uniform Fire Safety- LEA Rebates		\$ 98,641.70
Administrative Fee for Outside Police Overtime		97,896.89
Senior Citizens and Veterans Administration Fee		3,277.01
City Clerk		8,385.50
Rent of Municipal Property		16,000.00
Sale of Surplus Equipment and Vehicles		4,190.84
DMV Inspection Fines		807.00
Municipal Court		6,210.00
Miscellaneous		21,383.36
Tax Premiums Forfeited/Foreclosed		304,600.00
Tax Collector- Other		29,543.11
Tax Collector- Property Maintenance Costs		106,376.51
Tax Collector- Tax Sale Costs		102,778.73
Payroll Reimbursements		70,821.57
Reimbursement of PY Costs		236,883.47
	A-4	\$ 1,107,795.69
Add: Excess Reserve in Animal Control	A-12	5,010.90
<u>Total Non-Budget Revenue</u>	A-1:A-2	<u>\$ 1,112,806.59</u>

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

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
<u>GENERAL GOVERNMENT</u>					
Office of the Mayor:					
Salaries and Wages	\$ 259,100.00	\$ 259,100.00	\$ 253,418.68	\$ 5,681.32	\$
Other Expenses	31,500.00	31,500.00	23,033.26	8,466.74	
City Council:					
Salaries and Wages	109,000.00	109,000.00	107,524.80	1,475.20	
Other Expenses	31,300.00	41,300.00	31,504.77	9,795.23	
Business Administrator:					
Salaries and Wages	220,000.00	220,000.00	196,533.22	23,466.78	
Other Expenses	27,500.00	27,500.00	9,430.73	18,069.27	
Corporation Counsel:					
Salaries and Wages	241,260.00	241,260.00	239,909.85	1,350.15	
Other Expenses	622,300.00	622,300.00	536,442.78	85,857.22	
City Clerk:					
Salaries and Wages	386,850.00	386,850.00	370,204.36	16,645.64	
Other Expenses	76,925.00	76,925.00	76,464.61	460.39	
<u>DEPARTMENT OF ADMINISTRATION AND FINANCE</u>					
Department of Finance:					
Salaries and Wages	304,345.00	305,845.00	284,444.05	21,400.95	
Other Expenses	276,500.00	276,500.00	192,568.13	83,931.87	
Personnel:					
Salaries and Wages	303,125.00	303,125.00	280,526.33	22,598.67	
Other Expenses	55,795.00	55,795.00	45,406.84	10,388.16	
Purchasing:					
Salaries and Wages	183,900.00	183,900.00	172,179.63	11,720.37	
Other Expenses	8,100.00	8,100.00	2,126.47	5,973.53	
Administrative Services:					
Other Expenses	209,000.00	209,000.00	174,806.23	34,193.77	
Division of Audit and Control:					
Salaries and Wages	511,673.00	511,673.00	509,668.01	2,004.99	
Other Expenses	108,150.00	108,150.00	60,604.26	47,545.74	
Audit	125,000.00	125,000.00	111,940.00	13,060.00	
Tax Collector:					
Salaries and Wages	325,469.00	325,469.00	324,483.40	985.60	
Other Expenses	34,850.00	34,850.00	32,470.16	2,379.84	
Tax Assessor:					
Salaries and Wages	235,792.00	235,792.00	235,791.99	0.01	
Other Expenses	34,950.00	34,950.00	22,667.74	12,282.26	
Community Relations and Social Services:					
Salaries and Wages	189,296.00	189,296.00	189,070.05	225.95	
Other Expenses	16,900.00	16,900.00	11,437.56	5,462.44	
Senior Citizens:					
Salaries and Wages	465,677.00	465,677.00	391,580.80	74,096.20	
Other Expenses	108,520.00	108,520.00	108,496.97	23.03	
Media:					
Salaries and Wages	176,130.00	176,130.00	175,738.46	391.54	
Other Expenses	32,700.00	32,700.00	32,582.30	117.70	
Information Technology:					
Salaries and Wages	292,865.00	292,865.00	288,171.70	4,693.30	
Other Expenses	306,386.00	306,386.00	304,298.94	2,087.06	
Community Development:					
Salaries and Wages	242,244.00	250,244.00	245,749.66	4,494.34	
Other Expenses	75,000.00	75,000.00	52,367.17	22,632.83	
Health and Social Services:					
Salaries and Wages	667,200.00	649,700.00	556,798.24	92,901.76	
Other Expenses	138,726.00	138,726.00	132,469.50	6,256.50	
Animal Control Services:					
Other Expenses	123,390.00	123,390.00	122,832.50	557.50	
<u>DEPARTMENT OF PUBLIC WORKS</u>					
Director:					
Salaries and Wages	195,676.00	195,676.00	194,555.56	1,120.44	
Other Expenses	9,500.00	9,500.00	6,266.17	3,233.83	
Engineering:					
Salaries and Wages	133,713.00	103,713.00	102,459.68	1,253.32	
Other Expenses	179,250.00	179,250.00	103,956.72	75,293.28	
Economic Development:					
Salaries and Wages	221,100.00	221,100.00	210,099.96	11,000.04	
Other Expenses	90,000.00	90,000.00	73,427.27	16,572.73	
Public Works:					
Salaries and Wages	3,034,525.00	3,034,525.00	2,954,403.81	80,121.19	
Other Expenses	419,100.00	419,100.00	414,236.13	4,863.87	
Solid Waste Management:					
Other Expenses	1,200,000.00	1,200,000.00	1,200,000.00		
Snow Removal:					
Other Expenses	130,000.00	130,000.00	95,737.50	34,262.50	

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

CITY OF 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>DEPARTMENT OF PUBLIC WORKS (CONTINUED)</u>					
Planning:					
Salaries and Wages	\$ 342,256.00	\$ 342,256.00	\$ 323,353.96	\$ 18,902.04	\$
Other Expenses	85,600.00	85,600.00	84,525.82	1,074.18	
Division of UCC and Inspections:					
Salaries and Wages	1,188,229.00	1,137,229.00	1,112,680.47	24,548.53	
Other Expenses	22,500.00	22,500.00	19,117.89	3,382.11	
Planning Board:					
Salaries and Wages	3,000.00	3,000.00	3,000.00		
Other Expenses	27,300.00	27,300.00	27,292.00	8.00	
Doard of Adjustment:					
Salaries and Wages	2,100.00	2,100.00	2,100.00		
Other Expenses	18,500.00	18,500.00	18,066.26	433.74	
Recreation:					
Salaries and Wages	280,788.00	289,788.00	282,625.27	7,162.73	
Other Expenses	159,000.00	159,000.00	131,283.16	27,716.84	
Seasonal Employees - Salaries and Wages	383,700.00	418,700.00	382,357.58	36,342.42	
Summer Pool Program:					
Salaries and Wages	80,000.00	100,000.00	99,166.21	833.79	
Other Expenses	40,000.00	40,000.00	33,872.09	6,127.91	
<u>DEPARTMENT OF PUBLIC AFFAIRS AND SAFETY</u>					
Auxiliary Police:					
Other Expenses	3,000.00	3,000.00		3,000.00	
Office of Emergency Management:					
Salaries and Wages	5,000.00	5,000.00		5,000.00	
Other Expenses	15,500.00	15,500.00	12,789.05	2,710.95	
Director of Police:					
Salaries and Wages	202,500.00	202,500.00	197,534.26	4,965.74	
Other Expenses	12,000.00	12,000.00	12,000.00		
School Crossing Guards:					
Salaries and Wages	270,000.00	272,000.00	263,199.81	8,800.19	
Other Expenses	3,500.00	3,500.00	3,500.00		
Police:					
Salaries and Wages	14,056,500.00	14,056,500.00	13,339,437.97	717,062.03	
Other Expenses	968,600.00	968,600.00	966,941.10	1,658.90	
Fire:					
Salaries and Wages	10,028,910.00	10,028,910.00	9,282,972.46	745,937.54	
Other Expenses	517,210.00	517,210.00	511,100.66	6,109.34	
Signal Systems:					
Salaries and Wages	240,600.00	240,600.00	212,562.20	28,037.80	
Other Expenses	42,000.00	42,000.00	41,681.27	318.73	
<u>COMMUNITY PURPOSES</u>					
Central Board of Veterans	1,000.00	1,000.00		1,000.00	
Independence Day	54,000.00	54,000.00	52,337.25	1,662.75	
Historic Preservation:					
Salaries and Wages	1,800.00	1,800.00	1,800.00		
Other Expenses	24,600.00	24,600.00	23,251.49	1,348.51	
Drake House Museum	13,650.00	13,650.00	13,650.00		
Cultural and Heritage	27,500.00	27,500.00	27,500.00		
Beautification Committee	500.00	500.00		500.00	
Youth Guidance Council	39,000.00	39,000.00	2,600.00	36,400.00	
Shade Tree Commission					
National Night Out	5,000.00	5,000.00	750.00	4,250.00	
Human Relations Commission	5,000.00	5,000.00	3,171.15	1,828.85	
Municipal Court:					
Salaries and Wages	868,903.00	868,903.00	868,683.19	219.81	
Other Expenses	76,435.00	76,435.00	75,381.16	1,053.84	
Public Defender:					
Salaries and Wages	70,000.00	70,000.00	56,001.14	13,998.86	
Insurance:					
Health Insurance	13,000,000.00	13,000,000.00	12,584,561.52	415,438.48	
Workers' Compensation Insurance	1,300,000.00	1,273,000.00	1,048,114.03	224,885.97	
Employee Group Insurance	2,641,900.00	2,641,900.00	2,466,773.36	175,126.64	
Payment for Health Insurance Opt Out	163,000.00	173,000.00	168,465.89	4,534.11	
Environmental Commission:					
Other Expenses	1,000.00	1,000.00		1,000.00	
Building Demolition:					
Other Expenses	70,000.00	70,000.00	48,016.50	21,983.50	

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

CITY OF PLAINFIELD

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2018

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
<u>UNCLASSIFIED</u>					
UTILITIES:					
Street Lighting	\$ 575,000.00	\$ 575,000.00	\$ 469,779.49	\$ 105,220.51	
Telephone	325,000.00	325,000.00	263,854.78	61,145.22	
Gasoline	155,000.00	190,000.00	177,717.71	12,282.29	
Electricity and Gas	575,000.00	575,000.00	462,661.42	112,338.58	
Fuel Oil	120,000.00	120,000.00	104,063.57	15,936.43	
Water Account	530,000.00	530,000.00	478,267.44	51,732.56	
City Summer Employment- Salaries and Wages	275,000.00	275,000.00	263,707.22	11,292.78	
Youth Commission	6,000.00	6,000.00	150.00	5,850.00	
Shade Tree Commission - Other Expenses	30,100.00	30,100.00	25,753.28	4,346.72	
Contribution to Accumulated Absences	25,000.00	25,000.00	7,242.02	17,757.98	
Salary Adjustments	25,000.00				
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>\$ 63,152,963.00</u>	<u>\$ 63,152,963.00</u>	<u>\$ 59,318,300.05</u>	<u>\$ 3,834,662.95</u>	<u>\$</u>
<u>CONTINGENT</u>	<u>\$ 10,000.00</u>	<u>\$ 10,000.00</u>	<u>\$</u>	<u>\$ 10,000.00</u>	<u>\$</u>
TOTAL OPERATIONS INCLUDING CONTINGENT- WITHIN "CAPS"	<u>\$ 63,162,963.00</u>	<u>\$ 63,162,963.00</u>	<u>\$ 59,318,300.05</u>	<u>\$ 3,844,662.95</u>	<u>\$</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>					
Deferred Charges:					
Deficit - Sewer Utility Budget	\$ 66,496.35	\$ 66,496.35	\$ 66,491.21	\$	\$ 5.14
General Capital Grant Cancellation	182,500.00	182,500.00	182,500.00		
Prior Year Bills:					
Planning Board	4,684.30	4,684.30	4,684.30		
Health Department	206.04	206.04	206.04		
Halsey Settlement	341,300.00	341,300.00	341,300.00		
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	1,600,000.00	1,600,000.00	1,495,298.91	104,701.09	
Consolidated Police and Firemen's Pension Fund	4,000.00	4,000.00		4,000.00	
Unemployment Insurance	5,000.00	5,000.00		5,000.00	
Police and Firemen's Retirement System	5,451,717.00	5,451,717.00	5,451,717.00		
Public Employees Retirement System	1,536,669.00	1,536,669.00	1,536,669.00		
Defined Contribution Retirement System	40,000.00	40,000.00	33,847.18	6,152.82	
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>	<u>\$ 9,232,572.69</u>	<u>\$ 9,232,572.69</u>	<u>\$ 9,112,713.64</u>	<u>\$ 119,853.91</u>	<u>\$ 5.14</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES-WITHIN "CAPS"	<u>\$ 72,395,535.69</u>	<u>\$ 72,395,535.69</u>	<u>\$ 68,431,013.69</u>	<u>\$ 3,964,516.86</u>	<u>\$ 5.14</u>
<u>OTHER OPERATIONS-EXCLUDED FROM "CAPS"</u>					
Maintenance of Free Public Library	<u>\$ 1,939,617.00</u>	<u>\$ 1,939,617.00</u>	<u>\$ 1,858,621.69</u>	<u>\$ 80,995.31</u>	<u>\$</u>
<u>TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"</u>	<u>\$ 1,939,617.00</u>	<u>\$ 1,939,617.00</u>	<u>\$ 1,858,621.69</u>	<u>\$ 80,995.31</u>	<u>\$</u>
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>					
Senior Citizens Service Program (SCSP)	\$ 88,547.00	\$ 88,547.00	\$ 88,547.00	\$	\$
Senior Citizens Service Program (SCSP)-Match	29,517.00	29,517.00	29,517.00		
Arts Grant	2,300.00	2,300.00	2,300.00		
Greening Grant (N.J.S.A. 40A 4-87+ \$5,000.00)		5,000.00	5,000.00		
Shelter, Housing, Transportation Program (SHTP)	19,470.00	19,470.00	19,470.00		
Shelter, Housing, Transportation Program (SHTP) - Match	2,163.00	2,163.00	2,163.00		
Local Share: Cash Match	74,975.00	74,975.00		74,975.00	
Level the Playing Field	25,470.00	25,470.00	25,470.00		
Supportive Services	39,000.00	39,000.00	39,000.00		
North Avenue Vault Repairs (N.J.S.A. 40A 4-87+ \$400,000.00)		400,000.00	400,000.00		
Clean Communities Program (N.J.S.A. 40A 4-87+ \$69,694.61)		69,694.61	69,694.61		
Recycling Tonnage Grant	53,907.57	53,907.57	53,907.57		
Community Services Block Grant (CSBG) (N.J.S.A. 40A 4-87+ \$31.18)	209,141.71	209,172.89	209,172.89		
Woman, Infant, Children Grant (WIC) (N.J.S.A. 40A 4-87+ \$747,963.00)		747,963.00	747,963.00		
UEZ Market Plan	100,000.00	100,000.00	100,000.00		
Childhood Lead (N.J.S.A. 40A 4-87+ \$825,000.00)	499,689.00	1,324,689.00	1,324,689.00		
Municipal Alliance Grant	33,379.00	33,379.00	33,379.00		
Municipal Alliance Grant - Match	8,345.00	8,345.00	8,345.00		
Federal Bulletproof Vest Partnership (N.J.S.A. 40A 4-87+ \$3,941.85)	14,925.09	18,866.94	18,866.94		
Drive Sober (N.J.S.A. 40A 4-87+ \$5,500.00)		5,500.00	5,500.00		
Comcast PEG Technology Grant	5,000.00	5,000.00	5,000.00		
Union County GAP Funding (N.J.S.A. 40A 4-87+ \$28,280.00)		28,280.00	28,280.00		
United Way - Flex Funds (N.J.S.A. 40A 4-87+ \$8,000.00)		8,000.00	8,000.00		
SSH (Soc Serv Homeless) (N.J.S.A. 40A 4-87+ \$40,000.00)		40,000.00	40,000.00		

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

CITY OF PLAINFIELD

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2018

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>					
P.A.S. United Way (N.J.S.A. 40A:4-87+ \$108,000.00)	\$	\$ 108,000.00	\$ 108,000.00	\$	\$
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>	\$ 1,205,829.37	\$ 3,447,240.01	\$ 3,372,265.01	\$ 74,975.00	\$
 <u>TOTAL OPERATIONS - EXCLUDE FROM "CAPS"</u>	 \$ 3,145,448.37	 \$ 5,386,857.01	 \$ 5,230,886.70	 \$ 155,970.31	 \$
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>					
Technology Acquisition	\$ 100,000.00	\$ 100,000.00	\$ 99,481.90	\$ 518.10	\$
911 Acquisition	280,000.00	280,000.00	265,701.56	14,298.44	
<u>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>	\$ 380,000.00	\$ 380,000.00	\$ 365,183.46	\$ 14,816.54	\$
 <u>MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	\$ 1,980,000.00	\$ 1,980,000.00	\$ 1,980,000.00	\$	\$
Interest on Bonds	448,000.00	448,000.00	448,000.00		
Payment on Bond and Capital Notes	859,000.00	859,000.00	859,000.00		
Interest on Notes	529,206.00	529,206.00	529,205.87		0.13
Capital Lease Payments	41,000.00	41,000.00	39,008.80		1,991.20
Green Acres Principal and Interest	51,500.00	51,500.00	51,433.51		66.49
Demolition Loan	6,250.00	6,250.00	6,250.00		
<u>TOTAL MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"</u>	\$ 3,914,956.00	\$ 3,914,956.00	\$ 3,912,898.18	\$	\$ 2,057.82
 <u>TOTAL GENERAL APPROPRIATIONS- EXCLUDED FROM "CAPS"</u>	 \$ 7,440,402.37	 \$ 9,681,813.01	 \$ 9,508,968.34	 \$ 170,786.85	 \$ 2,057.82
 SUBTOTAL GENERAL APPROPRIATIONS	\$ 79,835,938.06	\$ 82,077,348.70	\$ 77,939,982.03	\$ 4,135,303.71	\$ 2,062.96
RESERVE FOR UNCOLLECTED TAXES	4,034,140.99	4,034,140.99	4,034,140.99		
<u>TOTAL GENERAL APPROPRIATIONS</u>	\$ 83,870,079.05	\$ 86,111,489.69	\$ 81,974,123.02	\$ 4,135,303.71	\$ 2,062.96
 REF.	A-2		A-1	A:A-1	
Adopted Budget	A-2	\$ 83,870,079.05			
Appropriation by 40A:4-87	A-2	2,241,410.64			
		\$ 86,111,489.69			
 Reserve for Grants Appropriated	A-21		\$ 3,332,240.01		
Encumbrances Payable	A-15		1,387,472.01		
Accounts Payable	A-18		4,650.28		
Reserve for Uncollected Taxes	A-2		4,034,140.99		
Disbursements	A-4		75,149,510.84		
			\$ 83,908,014.13		
 Less: Refunds	A-4		1,933,891.11		
			\$ 81,974,123.02		

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

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TRUST FUND

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CITY OF PLAINFIELD

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>BALANCE DECEMBER 31, 2017</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-1	\$ 14,563.10	\$ 9,788.20
Other Funds:			
Cash	B-1	\$ 10,444,028.61	\$ 8,725,580.29
Due Current Fund	B-5	54,090.59	
		<u>\$ 10,498,119.20</u>	<u>\$ 8,725,580.29</u>
		<u>\$ 10,512,682.30</u>	<u>\$ 8,735,368.49</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to State of New Jersey	B-2	\$ 2.40	\$ 34.20
Due Current Fund	B-3	5,010.90	1,346.20
Reserve for Animal Control Expenditures	B-4	9,549.80	8,407.80
		<u>\$ 14,563.10</u>	<u>\$ 9,788.20</u>
Other Funds:			
Reserve for:			
Various Reserves and Deposits	B-6	\$ 9,615,784.90	\$ 7,895,839.91
Open Space Trust Deposits	B-8	591,114.80	357,169.34
State Unemployment Insurance	B-9	282,604.87	330,935.35
Payroll Deductions Payable	B-7	8,614.63	46,837.88
Due Current Fund	B-5		94,797.81
		<u>\$ 10,498,119.20</u>	<u>\$ 8,725,580.29</u>
		<u>\$ 10,512,682.30</u>	<u>\$ 8,735,368.49</u>

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

GENERAL CAPITAL FUND

CITY OF PLAINFIELDGENERAL CAPITAL FUNDBALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>BALANCE DECEMBER 31, 2017</u>
<u>ASSETS</u>			
Cash	C-2;C-3	\$ 7,016,051.04	\$ 9,008,090.49
Grants Receivable	C-7	1,108,000.00	567,987.50
UCIA Accounts Receivable	C-8		
Deferred Charge - Grant Receivable Cancellation			182,500.00
Deferred Charges to Future Taxation:			
Funded	C-4	9,686,175.68	11,749,888.02
Unfunded	C-6	29,512,331.72	26,971,331.72
		<u>\$ 47,322,558.44</u>	<u>\$ 48,479,797.73</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-14	\$ 9,220,000.00	\$ 11,200,000.00
Bond Anticipation Notes	C-16	29,075,000.00	26,534,000.00
Loans Payable	C-13	373,780.09	424,340.19
UCIA Leases Payable	C-15	92,395.59	125,547.83
Reserve for Encumbrances Payable	C-11	2,057,867.43	383,708.12
Contracts Payable	C-12	752,658.74	3,538,823.13
Improvement Authorizations-Funded	C-9	1,306,428.65	1,577,755.63
Improvement Authorizations-Unfunded	C-9	3,673,025.06	3,903,757.95
Capital Improvement Fund	C-10	235,978.90	335,978.90
Reserve for South Avenue Business District	C-5	50,000.00	50,000.00
Fund Balance	C-1	485,423.98	405,885.98
		<u>\$ 47,322,558.44</u>	<u>\$ 48,479,797.73</u>

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

CITY OF PLAINFIELD

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2017	C	\$	405,885.98
Increased by:			
Premium on Sale of Bond Anticipation Notes	C-2	\$	345,411.00
		\$	<u>751,296.98</u>
Decreased by:			
Anticipated Revenue - Current Fund	C-2		<u>265,873.00</u>
Balance, December 31, 2018	C	\$	<u><u>485,423.98</u></u>

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

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SEWER UTILITY FUND

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CITY OF PLAINFIELD

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2018 *</u>	<u>BALANCE DECEMBER 31, 2017</u>
<u>ASSETS</u>			
Operating Fund:			
Cash	D-5	\$ _____	\$ _____ 616.15
<u>TOTAL OPERATING FUND</u>	D	\$ _____ -0-	\$ _____ 616.15
Capital Fund:			
Fixed Capital	D-7	\$ _____	\$ _____ 1,439,000.00
<u>TOTAL CAPITAL FUND</u>	D	\$ _____ -0-	\$ _____ 1,439,000.00
		\$ _____ -0-	\$ _____ 1,439,616.15
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Accrued Interest on Bonds	D-6	\$ _____	\$ _____ 616.15
<u>TOTAL OPERATING FUND</u>	D	\$ _____ -0-	\$ _____ 616.15
Capital Fund:			
Serial Bonds Payable	D-9	\$ _____	\$ _____ 65,000.00
Deferred Reserve for Amortization	D-8	_____	_____ 1,374,000.00
<u>TOTAL CAPITAL FUND</u>	D	\$ _____ -0-	\$ _____ 1,439,000.00
		\$ _____ -0-	\$ _____ 1,439,616.15

* Sewer Utility Closed in 2018

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

CITY OF PLAINFIELD

SEWER UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED DECEMBER 31, <u>2018</u>	YEAR ENDED DECEMBER 31, <u>2017</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Canceled Accrued Interest on Bonds		\$	\$
Miscellaneous Revenue Not Anticipated	D-3:D-5	<u>5.48</u>	<u>8.12</u>
<u>TOTAL INCOME</u>		<u>\$ 5.48</u>	<u>\$ 8.12</u>
<u>EXPENDITURES</u>			
Debt Service	D-4	<u>\$ 66,496.35</u>	<u>\$ 58,281.25</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 66,496.35</u>	<u>\$ 58,281.25</u>
(Deficit) in Revenue		<u>\$ (66,490.87)</u>	<u>\$ (58,273.13)</u>
Adjustments to Income Before Fund Balance:			
Realized from General Budget for			
Anticipated Deficit	D-3:D-5	<u>\$ 66,490.87</u>	<u>\$ 58,273.13</u>
Fund Balance, January 1	D	\$ -0-	\$ -0-
Less: Close Sewer Utility Operating Fund		<u>-0-</u>	<u>-0-</u>
Fund Balance, December 31	D	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>

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

CITY OF PLAINFIELD

SEWER UTILITY CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE-REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2017 and December 31, 2018	D	\$ <u><u>-0-</u></u>

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

CITY OF 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/ (DEFICIT)</u>
Anticipated Deficit (General Budget)	D-1:D-5	\$ <u>66,496.35</u>	\$ <u>66,490.87</u>	\$ <u>(5.48)</u>
<u>BUDGET TOTALS</u>		\$ <u>66,496.35</u>	\$ <u>66,490.87</u>	\$ <u>(5.48)</u>
Non-Budget Revenue	D-1:D-3	<u> </u>	<u>5.48</u>	<u>5.48</u>
<u>BUDGET TOTALS</u>	D-4	\$ <u><u>66,496.35</u></u>	\$ <u><u>66,496.35</u></u>	\$ <u><u> </u></u>
<u>ANALYSIS OF NON-BUDGET REVENUE:</u>				
Interest on Sewer Charges	D-5		\$ <u>5.48</u>	
	D-1:D-3		\$ <u><u>5.48</u></u>	

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

CITY OF PLAINFIELD
SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

		<u>APPROPRIATIONS</u>		<u>EXPENDED</u>
		<u>BUDGET</u>	<u>BUDGET AFTER</u>	<u>PAID OR</u>
			<u>MODIFICATION</u>	<u>CHARGED</u>
<u>DEBT SERVICE:</u>				
Payment of Bond Principal		\$ 65,000.00	\$ 65,000.00	\$ 65,000.00
Interest on Bonds		<u>1,496.35</u>	<u>1,496.35</u>	<u>1,496.35</u>
		<u>\$ 66,496.35</u>	<u>\$ 66,496.35</u>	<u>\$ 66,496.35</u>
	<u>REF.</u>	D-3		
Disbursements	D-5			\$ 65,000.00
Accrued Interest on Bonds	D-6			<u>1,496.35</u>
	D-1			<u>\$ 66,496.35</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

CITY OF PLAINFIELDGENERAL FIXED ASSETS ACCOUNT GROUPBALANCE SHEET - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2018</u>	BALANCE DECEMBER <u>31, 2017</u>
General Fixed Assets:		
Land	\$ 14,810,966.00	\$ 14,810,966.00
Buildings and Improvements	10,694,500.00	10,694,500.00
Machinery and Equipment	<u>19,835,560.00</u>	<u>19,195,313.00</u>
	<u>\$ 45,341,026.00</u>	<u>\$ 44,700,779.00</u>
Investments in General Fixed Assets	<u>\$ 45,341,026.00</u>	<u>\$ 44,700,779.00</u>

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

NOTES TO FINANCIAL STATEMENTS

CITY OF PLAINFIELD

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018 AND 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Except as noted below, the financial statements of the City of Plainfield include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the City of Plainfield, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the City of Plainfield do not include the operations of the municipal library, first aid organization, volunteer fire companies, or the regional 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 the presentation of basic financial statements into three fund types, the

The accounting policies of the City of 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 City of 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 City 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

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 City's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the City's statutory 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 31 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 City as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

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

The City 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 City'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)

Accounting and Financial Reporting for Pensions

Under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date" (an amendment of GASB Statement No. 68), local government employers (or non-employer contributing entity in a special funding situation) are required 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 non-employer contributing entity that arise from other types of events.

Under GAAP, municipalities are required to recognize their proportionate share of net pension liability, deferred outflows of resources, deferred inflows of resources on the Statement of Net Position and the proportionate share of the pension related expense on the Statement of Activities.

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 City 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 City considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

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

A. Deposits (Continued)

The City of Plainfield had the following cash and cash equivalents at December 31, 2018:

	<u>Change Fund</u>	<u>Cash in Bank</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reconciled Balance</u>
Cuurent Fund	\$800.00	\$18,302,529.81	\$711,208.42	\$1,732,435.80	\$17,281,302.43
Grant Fund		3,588,761.87		9,235.64	3,579,526.23
Animal Contol Fund		14,544.90	\$18.20		14,563.10
Trust Other Fund		9,492,445.63	1,198,030.00	246,447.02	10,444,028.61
General Capital Fund		7,016,051.04			7,016,051.04
	<u>\$800.00</u>	<u>\$38,414,333.25</u>	<u>\$1,909,256.62</u>	<u>\$1,988,118.46</u>	<u>\$38,335,471.41</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 City does not have a specific deposit policy 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 NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$500,000.00 was covered by Federal Depository Insurance and \$37,914,333.25 was covered by NJ GUDPA.

B. Investments

The purchase of investments by the City 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;
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.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

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
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The City of Plainfield's investment activities during the year were in accordance with the above New Jersey Statute.

NOTE 3: MUNICIPAL DEBT

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

SUMMARY OF STATUTORY DEBT CONDITION ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.407%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 15,955,000.00	\$ 15,955,000.00	\$
General Debt	<u>39,106,111.81</u>	<u> </u>	<u>39,106,111.81</u>
	<u>\$ 55,061,111.81</u>	<u>\$ 15,955,000.00</u>	<u>\$ 39,106,111.81</u>

Net debt of \$39,106,111.81 divided by equalized valuation basis per N.J.S. 40A:2-2, as amended, of \$2,778,868,480.00 equals 1.407%.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2018</u>	<u>YEAR 2017</u>	<u>YEAR 2016</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 38,668,780.09	\$ 38,158,340.19	\$ 35,538,563.98
Sewer Utility:			
Bonds, Notes and Loans	<u>65,000.00</u>	<u>120,000.00</u>	<u>120,000.00</u>
Net Debt Issued	<u>\$ 38,668,780.09</u>	<u>\$ 38,223,340.19</u>	<u>\$ 35,658,563.98</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ <u>437,331.72</u>	\$ <u>437,331.72</u>	\$ <u>436,831.72</u>
Total Authorized But Not Issued	<u>\$ 437,331.72</u>	<u>\$ 437,331.72</u>	<u>\$ 436,831.72</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 39,106,111.81</u>	<u>\$ 38,660,671.91</u>	<u>\$ 36,095,395.70</u>

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

Equalized Valuation Basis* - December 31, 2018	<u>\$ 2,778,868,480.00</u>
3-1/2 of Equalized Valuation Basis (Municipal)	\$ 97,260,396.80
Net Debt	<u>39,106,111.81</u>
Remaining Borrowing Power	<u>\$ 58,154,284.99</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 City of Plainfield for the last three (3) preceding years.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

General Serial Bonds:

\$22,100,000.00 2015 Refunding Bonds due in annual Installments of \$1,890,000.00 to \$2,465,000.00 through September 2022 at an interest rate of 4 percent	<u>\$9,220,000.00</u>
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Green Acres Loan Payable:

\$165,000.00 2004 Loans due in semi-annual installments of \$4,000.21 to \$5,555.06 through January 2022 at an interest rate of 2.00%	\$37,749.26
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\$375,000.00 2007 Loans due in semi-annual installments of \$7,909.35 to \$11,543.91 through October 2026 at an interest rate of 2.00%	171,600.80
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\$200,000.00 2010 Loan due in semi-annual installments of \$6,642.86 through January 2028 at an interest rate of 2.00%	<u>114,430.03</u>
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\$323,780.09

N.J. DCA Unsafe Building Demolition Loan Payable:

\$125,000.00 Loan due in annual installments of \$6,250.00 through October 2026 at an interest rate of 0.00%	<u>\$50,000.00</u>
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Bonds and Notes Authorized But Not Issued:

There is \$437,331.72 General Capital Notes Authorized but not Issued at December 31, 2018.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

Calendar Year December <u>31</u>	<u>General Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,145,000.00	\$ 368,800.00	\$ 2,513,800.00
2020	2,255,000.00	283,000.00	2,538,000.00
2021	2,355,000.00	192,800.00	2,547,800.00
2022	<u>2,465,000.00</u>	<u>98,600.00</u>	<u>2,563,600.00</u>
	\$ <u>9,220,000.00</u>	\$ <u>943,200.00</u>	\$ <u>10,163,200.00</u>

SCHEDULE OF GREEN ACRES LOANS PAYABLE
AS OF DECEMBER 31, 2018

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2019	\$ 41,556.78	\$ 6,268.84	\$ 47,825.62
2020	42,392.06	5,433.57	47,825.63
2021	43,244.16	4,581.49	47,825.65
2022	38,502.76	3,712.27	42,215.03
2023	33,609.94	2,994.48	36,604.42
2024	34,285.50	2,318.91	36,604.41
2025	34,974.65	1,629.77	36,604.42
2026	35,677.64	926.79	36,604.43
2027	12,959.47	326.26	13,285.73
2028	<u>6,577.11</u>	<u>65.77</u>	<u>6,642.88</u>
	\$ <u>323,780.07</u>	\$ <u>28,258.15</u>	\$ <u>352,038.22</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF URBAN AND RURAL CENTERS UNSAFE BUILDING
DEMOLITION BOND LOAN PROGRAM AS OF DECEMBER 31, 2018

<u>Payment Number</u>	<u>Payment Due</u>	<u>PRINCIPAL</u>
13	10/23/19	\$ 6,250.00
14	10/23/20	6,250.00
15	10/23/21	6,250.00
16	10/23/22	6,250.00
17	10/23/23	6,250.00
18	10/23/24	6,250.00
19	10/23/25	6,250.00
20	10/23/26	<u>6,250.00</u>
		 \$ <u>50,000.00</u>

NOTE 4: SHORT-TERM DEBT

The City had the following short-term debt:

Bond Anticipation Notes:

Outstanding Bond Anticipation Notes are summarized as follows:

Bond Anticipation Notes:

\$29,075,000.00 bond anticipation notes issued 8/24/18 maturing
on 8/23/19 at an interest rate of 3.00%

\$ 29,075,000.00

NOTE 5: FUND BALANCES APPROPRIATED

Fund balance at December 31, 2018, which was appropriated and included as anticipated revenue in its own respective fund for the year ending December 31, 2019, was as follows:

Current Fund	\$6,766,565.00
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NOTE 6: 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 City bills and collects its own property taxes and also the taxes for the County and the Regional School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. City property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the City'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>\$703,783.11</u>	<u>\$1,825,467.51</u>

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the City, employees are allowed to accumulate unused sick pay over the life of their working careers, which may be taken as time off, or paid at a later date, at an agreed upon rate. As of December 31, 2018, the City estimates that the amount of such unpaid compensation is \$3,616,639.06. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, accumulated cost of such paid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget and no liability is accrued on December 31, 2018.

NOTE 8: 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.

Plan Descriptions

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.

NOTE 8: PENSIONS (CONTINUED)

Vesting and Benefit Provisions

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

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

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

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. During 2012 PERS provides for employee contributions of 6.5% 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 portions of the costs are contributed by the employees. The City's share of PERS and PFRS, which is based upon the annual billings received from the state, amounted to \$6,988,386.00 for 2018, \$7,017,106.00 for 2017 and \$6,759,947.00 for 2016.

NOTE 8: PENSIONS (CONTINUED)

Funding Policy (Continued)

The City's share for DCRP amounted to \$33,847.18 for 2018, \$42,800.00 for 2017 and \$28,208.00 for 2016.

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

Certain City employees are also covered by Federal Insurance Contribution Act.

Pension Contribution Deferral

The State of New Jersey has enacted Public Law 2009, C.19, which authorizes the State Department of Treasury, Division of Pensions and Benefits to provide non-state contributing employers the option of paying an amount that represents a fifty percent (50%) reduction of the normal and accrued liability payment of the required contributions to the Police and Fire Retirement System (PFRS) and the Public Employees Retirement System (PERS) which would have been due April 1, 2011. If the deferral is elected, the amount deferred must be repaid, with interest, over a period of fifteen years, beginning in April, 2012; however, the contributing employer is permitted to pay off the obligation at any time by contacting the Division of Pension and Benefits for a payoff amount. The Pension deferral activity for 2018 is as follows:

Retirement System	Original Amount Deferred	Balance December 31, 2017	2018 Payments	Balance December 31, 2018
PFRS	\$ 2,285,008.00	\$ 1,499,369.00	\$ 180,739.00	\$ 1,318,630.00
PERS	<u>427,039.00</u>	<u>278,031.00</u>	<u>34,567.00</u>	<u>243,464.00</u>
Total	<u>\$ 2,712,047.00</u>	<u>\$ 1,777,400.00</u>	<u>\$ 215,306.00</u>	<u>\$ 1,562,094.00</u>

The above information reflects the original deferral amount less the principal payments per the New Jersey Department of Pensions billing notices. The actuarially computed value of the balance at December 31, 2018 is not available from the State and is and therefore, is not presented.

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.

NOTE 8: PENSION PLANS (CONTINUED)

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

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 \$32,746,813.00 for the City of 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 City's proportion of the net pension liability was based on a projection of the City'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 City's proportion was 0.1663161100 percent, which was an increase of 0.0099570177 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 \$2,286,024.00 for the City of Plainfield's proportionate share of the total pension expense. The pension expense recognized in the City's financial statement based on the April 1, 2018 billing was \$1,448,500.00.

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	\$ 168,853.00	\$ 624,487.00
Changes of assumptions	10,470,689.00	5,396,132.00
Net difference between projected and actual earnings on pension plan investments	307,166.00	
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>1,652,300.00</u>	<u>3,386,992.00</u>
	<u>\$ 12,599,008.00</u>	<u>\$ 9,407,611.00</u>

NOTE 8: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Other local amounts reported by the State as the City'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:

Year Ended <u>June 30,</u>	<u>Amount</u>
2019	\$ 574,218.40
2020	32,266.40
2021	(1,909,515.60)
2022	(1,608,990.60)
2023	<u>(279,375.60)</u>
	<u>(\$3,191,397.00)</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. 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)		
Through 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

NOTE 8: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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).

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 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:

NOTE 8: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return (Continued)

<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%

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.

NOTE 8: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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, 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>
City's proportionate share of the pension liability	\$41,175,344.00	\$32,746,813.00	\$25,675,814.00

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>.

Police and Firemen's Retirement System (PFRS)

At June 30, 2018, the State reported a net pension liability of \$75,471,829.00 for the City of 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 City's proportion of the net pension liability was based on a projection of the City'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 City's proportion was 0.5577430445 percent, which was a decrease of 0.0186088896 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 \$4,543,741.00. The pension expense recognized in the City's financial statement based on the April 1, 2018 billing was \$5,100,821.00.

NOTE 8: 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 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	\$ 312,320.00	\$ 767,827.00
Changes of assumptions	19,342,127.00	6,478,241.00
Net difference between projected and actual earnings on pension plan investments	412,899.00	
Changes in proportion and differences between the City's contributions and proportionate share of contributions	<u>8,026,717.00</u>	<u>1,495,489.00</u>
	\$ <u>28,094,063.00</u>	\$ <u>8,741,557.00</u>

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

Year Ended <u>June 30</u>	<u>Amount</u>
2019	(\$657,179.60)
2020	(3,494,215.60)
2021	(7,427,380.60)
2022	(5,235,594.60)
2023	<u>(2,538,135.60)</u>
	<u>(\$19,352,506.00)</u>

NOTE 8: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS) (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. This actuarial valuation 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)		
Through 2026	2.10-8.98 Percent	2.10-8.98 Percent
Thereafter	3.10-9.98 Percent	3.10-9.98 Percent
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. 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.

NOTE 8: PENSION PLANS (CONTINUED)

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

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

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 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 8: 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 nonemployer 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, 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>5.51%</u>	At Current Discount Rate <u>6.51%</u>	1% Increase <u>7.51%</u>
City's proportionate share of the PFRS pension liability	\$101,009,677.00	\$75,471,829.00	\$54,407,756.00

NOTE 8: 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 City under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the City 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 City related to this legislation.

At June 30, 2018 and 2017, the State's proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is \$10,251,600.00 and \$9,966,240.00 respectively.

At June 30, 2018, the City's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

City's Proportionate Share of Net Pension Liability	\$75,471,829.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the City	<u>10,251,600.00</u>
	<u>\$85,723,429.00</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 9: LITIGATION

The City Attorneys' litigation confirmation letters indicate that the City is a defendant in certain lawsuits against the City claiming certain civil rights violations related to actions of Plainfield police officers which led to the arrest and conviction of such plaintiffs. Counsel has indicated that as of the date of audit, it is difficult to estimate a range of loss for such cases, but that demands against the City are significant.

NOTE 10: CONTINGENT LIABILITIES

The City participates in several 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 expenditure of funds for eligible purposes. The grants received and expended in 2018 were subject to a Single Audit under U.S. Office of Management and Budget (OMB) Federal Guidance and State of New Jersey OMB 15-08, which mandates that grant revenues and expenditures be audited in conjunction with the City's annual audit. Findings and questioned costs, if any, relative to financial assistance programs will be discussed in detail in Part II, Report Section of the 2018 audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2018, the City does not believe that any material liabilities will result from such audits.

NOTE 11: RISK MANAGEMENT

The City has established a self-insurance program in accordance with New Jersey Statue Chapter 40:10. The Statute enables the governing body of any local unit to provide insurance coverage for its exposure to a wide variety of property and liability casualty risks. The City self insures for auto liability, tort claims and workers compensation exposures. Additionally, the City is a member of the Public Entity Joint Insurance Fund for excess liability and building insurance and maintains insurance policies, covering fire, flood, fine arts, health and employee fidelity.

At December 31, 2018, the City's exposure for claims incurred under the above self-insurance programs are not presently determinable. There is a balance in the self-insurance trust fund of \$1,052,713.23 at December 31, 2018.

NOTE 11: RISK MANAGEMENT (CONTINUED)

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

<u>Year</u>	<u>Employee Contributions</u>	<u>City Contributions & Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$ 51,284.41	\$ 3,926.98	\$ 103,541.87	\$ 282,604.87
2017	37,128.23	44,721.63	164,836.07	330,935.35
2016	50,087.11	4,834.32	193,620.85	413,921.56

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	\$ 1,662,933.99	\$ 54,090.59
Grant Fund		1,657,923.09
Animal Control Fund		5,010.90
Trust Other Fund	54,090.59	
	<u>\$ 1,717,024.58</u>	<u>\$ 1,717,024.58</u>

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

NOTE 13: CAPITAL LEASES

During the State Fiscal Year 2005, the City entered into an agreement with Union County Improvement Authority to lease purchase various capital projects for \$993,742.51. The projects to be funded include the purchase of various items of equipment. In accordance with the lease agreement, the City will be obligated to make the following remaining principal and interest payments:

<u>Payment Number</u>	<u>Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total Payment</u>
28	06/01/19	\$	\$ 76.04	\$ 76.04
29	12/01/19	3,802.14	76.05	3,878.19
		<u>\$ 3,802.14</u>	<u>\$ 152.09</u>	<u>\$ 3,954.23</u>

During the State Fiscal Year 2007, the City entered into an agreement with Union County Improvement Authority to lease purchase various capital projects for \$1,940,840.62. The projects to be funded include the purchase of various items of equipment. In accordance with the lease agreement, the City will be obligated to make the following remaining principal and interest payments:

<u>Payment Number</u>	<u>Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total Payment</u>
25	02/15/19	\$	\$ 1,771.86	\$ 1,771.86
26	08/15/19	29,531.15	1,771.86	31,303.01
27	02/15/20		1,181.24	1,181.24
28	08/15/20	29,531.15	1,181.24	30,712.39
29	02/15/21		590.62	590.62
30	08/15/21	29,531.15	590.62	30,121.77
		<u>\$ 88,593.45</u>	<u>\$ 7,087.44</u>	<u>\$ 95,680.89</u>

NOTE 14: DEFERRED COMPENSATION PLAN

The City offers its employees a choice of two deferred compensation plans created in accordance with Internal Revenue Code Section 403 (b) and 457. The plans, available to all City employees, permit them to defer a portion of their salaries until future years. The City 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 City's Plans were 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. All assets of the Plan are held by independent administrators. The City has approved Nationwide Retirement Solutions and MetLife as administrators.

In accordance with IRS regulations, the accompanying financial statements do not include the City's Deferred Compensation Plan activities since the assets are not available to the City's general creditors. The City's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 15: DEFICIENCY AGREEMENT

On October 17, 1997, the City of Plainfield entered into a Deficiency Agreement with the Plainfield Municipal Utilities Authority (PMUA) to provide or appropriate annually the sum or sums as may be necessary to sufficiently provide for any deficit in the operation and maintenance and debt service requirements of the PMUA. This Deficiency Agreement may be terminated at any time, after the payment in full of all obligations and bonds of the PMUA.

Subject to the Deficiency Agreement, on February 1, 1999, the PMUA issued Revenue Bonds in the amount of \$16,415,000.00. October 1, 2003, the PMUA issued \$1,935,000.00 of Sewer System Revenue Bonds and \$5,414,003.75 of Solid Waste System Revenue Bonds. On December 17, 2009, the PMUA issued \$11,020,000.00 Revenue Refunding Bonds, which were issued to currently refund the outstanding balance of the Series 1999 Revenue Bonds.

As of December 31, 2018, the amount of outstanding debt subject to the Deficiency Agreement was as follows:

	<u>12/31/2018</u>	<u>12/31/2017</u>
Sewer Revenue Bonds, Series 2003	\$ 660,000.00	\$ 775,000.00
Sewer Revenue Bonds, Series 2009	2,775,000.00	3,280,000.00
Solid Waste Revenue Bonds, Series 2003	4,094,229.00	4,576,702.00
Solid Waste Revenue Bonds, Series 2007	761,543.00	915,358.00
Solid Waste Revenue Bonds, Series 2009	<u>1,975,000.00</u>	<u>2,375,000.00</u>
	<u>\$ 10,265,772.00</u>	<u>\$ 11,922,060.00</u>

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75

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.

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

Plan Description

The City's defined benefit OPEB plan, City of Plainfield Retiree Welfare Benefits Plan (the Plan), provides OPEB for all employees of the City 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 City. 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 and prescription benefits provided that they have met the eligibility requirements contained in the City's various labor agreements.

Employees Covered by Benefits Terms

Inactive employees or beneficiaries currently receiving benefits payments	501
Inactive employees entitled to but not currently receiving benefits payments	-0-
Active Employees	<u>415</u>
	<u>912</u>

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Single Employer Plan (Continued)

Contributions

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

Retirees and their dependents are required to contribute toward the cost of the postretirement medical and prescription 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 City's plan document, ranging from 3.5% to 35%.

Total OPEB Liability

The City's total OPEB liability of \$223,026,775.00 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:

<u>Year</u>	<u>Pre-65 Medical</u>	<u>Post-65 Medical</u>	<u>Medicare Part B Premium</u>
2019	6.10%	6.20%	5.00%
Ultimate Rate (2031 and later years)	4.90%	4.70%	5.00%

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

Single Employer Plan (Continued)

Actuarial Assumptions (Continued)

Mortality

Pre-Retirement: RP-2014 Headcount-Weighted Healthy Employee Male / Female
Mortality Projected with Scale MP-2018.

Post-Retirement: RP-2014 Headcount-Weighted Healthy Annuitant Male /
Female
Mortality Projected with Scale MP-2018.

Disabled: RP-2014 Headcount-Weighted Disabled Retiree 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 for unfunded plans should be the single rate that reflects 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). The plan is currently unfunded. We used the “20-Bond GO Index” to
establish a discount rate of 4.10% as of December 31, 2018 and 3.50% as of
December 31, 2017.

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

Single Employer Plan (Continued)

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/17	\$266,512,439
Changes for the year:	
Service cost	8,054,002
Interest Cost	9,489,192
Changes in assumptions or other inputs	(54,135,516)
Benefit payments	(6,893,342)
Net change in OPEB Liability	<u>(43,485,664)</u>
Balance at 12/31/18	<u>\$223,026,775</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 City, as well as what the City'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		
	1.00% <u>Decrease (3.10%)</u>	At Discount <u>Rate (4.10)</u>	1.00% <u>Increase (5.10%)</u>
Total OPEB Liability	\$262,892,174	\$223,026,775	\$191,837,875

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

Single Employer 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 City, as well as what the City'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		
	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% <u>Increase</u>
Total OPEB Liability	\$189,926,460	\$223,026,775	\$265,848,319

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 \$6,716,090. The OPEB expense recognized in the City's financial statement based on actual billing was \$6,224,872.65.

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

	Deferred Inflow of <u>Resources</u>	Deferred Outflow of <u>Resources</u>
Differences between expected and actual experience	\$17,447,546	-
Changes of assumptions	25,860,866	-
City's contributions subsequent to the measurement date	10,827,104	-
	<u>\$54,135,516</u>	<u>\$ -</u>

The \$10,827,104 reported as deferred outflows of resources related to OPEB resulting from city contributions subsequent to the measurement date (i.e. for the year ending June 30, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

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

Single Employer 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	(\$10,827,104)
2020	(10,827,104)
2021	(10,827,104)
2022	(10,827,100)
2023	-
	<u>(\$43,308,412)</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 (Continued)

Special Funding Situation

The City, 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 City for the special funding situation is \$47,014,942.00 and \$68,101,345.00 respectively.

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

City's proportionate share of the OPEB Liability	\$-0-
State of New Jersey's proportionate share of OPEB Liability associated with the City	<u>47,014,942</u>
	<u><u>\$47,014,942</u></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.

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.

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)

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 City of Plainfield has evaluated subsequent events occurring after the financial statement date through August 27, 2019 which is the date the financial statements were available to be issued. The City has determined the following subsequent events need to be disclosed.

Issuance of Debt

The City issued \$24,592,000 in bonds dated August 15, 2019 with interest rates ranging from 4.000% to 2.125% maturing annually through 2030.

The City also issued a Bond Anticipation Note in August, 2019 in the amount of \$6,725,000 due August 20, 2020 at 2.00%.

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CITY OF PLAINFIELD
SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2018

CITY OF PLAINFIELD

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	REF.	CURRENT FUND	GRANT FUND
Balance, December 31, 2017	A	\$ 18,577,568.60	\$ 3,589,580.80
Increased by Receipts:			
Taxes Receivable	A-8	\$ 97,350,028.82	\$
State of New Jersey-Senior Citizens and Veterans Deductions	A-7	155,672.40	
Interfunds	A-12:A-11	194,684.45	236,071.13
Miscellaneous Reserves	A-26	1,748,584.69	
Special Improvement District Tax Overpayments	A-27	454.25	
Special Improvement District Tax Prepaid	A-28	77.55	
Revenue Accounts Receivable	A-13	16,867,840.72	
Miscellaneous Revenue Not Anticipated	A-2	1,107,795.69	
Accounts Receivable - SID Taxes	A-23	155,172.22	
Prepaid Taxes	A-17	700,920.73	
Tax Overpayments	A-16	286,562.92	
Refunds-Appropriations	A-3	1,933,891.11	
Grants Receivable	A-20		4,341,049.83
Reserve for Grants-Appropriated	A-21		40,025.00
Tax Title Liens	A-9	34,459.59	
Petty Cash	A-5	250.00	
		<u>120,536,395.14</u>	<u>4,617,145.96</u>
		\$ 139,113,963.74	\$ 8,206,726.76
Decreased by Disbursements:			
Appropriations	A-3	\$ 75,149,510.84	\$
Appropriation Reserves	A-14	2,002,079.43	
Interfunds	A-12:A-11	239,439.73	40,025.00
Tax Overpayments	A-16	368,931.26	
Local District School Taxes Payable	A-24	26,873,885.00	
County Taxes Payable	A-25	14,774,000.72	
Municipal Open Space Taxes	A-2	242,278.00	
Reserve for Grants-Appropriated	A-21		4,587,175.53
Miscellaneous Reserves	A-26	1,878,113.32	
Special Improvement District Tax Overpayments	A-27	454.25	
Refund of Miscellaneous Revenue Anticipated	A-2	3,395.00	
Refund of Prior Year Revenue	A-2	292,543.66	
Accounts Payable	A-18	7,905.10	
Petty Cash	A-5	125.00	
		<u>121,832,661.31</u>	<u>4,627,200.53</u>
Balance, December 31, 2018	A	\$ <u>17,281,302.43</u>	\$ <u>3,579,526.23</u>

"A-5"

CITY OF PLAINFIELD

CURRENT FUND

SCHEDULE OF PETTY CASH

<u>OFFICE</u>	BALANCE		
	DECEMBER 31		
	2017	INCREASED BY	DECREASED BY
Senior Citizens	\$ 125.00	\$ 125.00	\$ 250.00
<u>REF.</u>	A	A-4	A-4

"A-6"

SCHEDULE OF CHANGE FUND

<u>OFFICE</u>	BALANCE	
	DECEMBER 31	
	2017 AND 2018	
Court	\$ 250.00	
Collector	550.00	
	\$ 800.00	
<u>REF.</u>	A	

"A-7"

CITY OF PLAINFIELD

CURRENT FUND

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

	<u>REF.</u>			
Balance, December 31, 2017 (Due From)	A		\$	281,233.23
Increased by:				
Senior Citizens Deductions Per Tax Billing	A-7	\$	76,000.00	
Veterans Deductions Per Tax Billing	A-7		100,250.00	
Senior Citizen & Veterans Deductions Allowed by Tax Collector	A-7		5,500.00	
SC & Veterans Deductions Allowed by Tax Collector- prior year			<u>2,458.00</u>	
				184,208.00
			\$	<u>465,441.23</u>
Decreased by:				
Received From State	A-4		155,672.40	
Senior Citizen & Veterans Deductions Disallowed by Tax Collector	A-7		1,000.00	
SC & Veterans Deductions Disallowed by Tax Collector- prior year			<u>19,043.00</u>	
				175,715.40
Balance, December 31, 2018 (Due From)	A		\$	<u>289,725.83</u>

ANALYSIS OF STATE SHARE OF 2018 SENIOR
CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing	A-7	\$	76,000.00	
Veterans Deductions Per Tax Billing	A-7		100,250.00	
Deductions Allowed by Tax Collector	A-7		<u>5,500.00</u>	
				\$ 181,750.00
Less:				
Deductions Disallowed by Tax Collector	A-7			<u>1,000.00</u>
	A-8			\$ <u>180,750.00</u>

CITY OF 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	CANCELED	TRANSFERRED TO TAX TITLE LIENS	OVERPAYMENTS APPLIED	BALANCE DECEMBER 31, 2018
Prior	\$ 2,642,263.66	\$	\$ 571,727.34	\$	\$	3,073,350.99	\$ 90,905.93	\$ 40,374.38	\$	\$ 9,359.70
2018		99,315,107.22		1,825,467.51		94,457,427.83	608,073.63	51,534.44	4,562.35	2,368,041.46
	\$ 2,642,263.66	\$ 99,315,107.22	\$ 571,727.34	\$ 1,825,467.51	\$ 97,530,778.82		698,979.56	\$ 91,908.82	\$ 4,562.35	\$ 2,377,401.16
REF.	A	A-8		A-2:A-17	A-2			A-9	A-2:A-16	A

REF.

Collector
Senior Citizens and Veterans Deductions

A-4	\$ 97,350,028.82
A-7	180,750.00
	\$ 97,530,778.82

ANALYSIS OF 2018 PROPERTY TAX LEVY

TAX YIELD

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

\$	\$9,164,300.02
	150,807.20
\$	\$9,315,107.22

A-8

TAX LEVY

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

\$ 26,873,885.00

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

\$	14,742,135.00
	22,331.25
	14,764,466.25

Local Tax for Municipal Purposes (Abstract)
Municipal Open Space Tax (Including Added)
Add: Taxes Under Billed
Local Tax for Municipal Purposes Levied

\$	57,298,112.68
	242,278.00
	136,365.29
	57,676,755.97
\$	\$9,315,107.22

CITY OF PLAINFIELD

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>			
Balance, December 31, 2017	A		\$	344,755.42
Increased by:				
Transfer From Taxes Receivable	A-8	\$	91,908.82	
Transfer From SID Taxes Receivable	A-23		1,511.98	
Transfer From Other			18,065.50	
Interest on Tax Sale			<u>7,644.36</u>	
				<u>119,130.66</u>
			\$	<u>463,886.08</u>
Decreased by:				
Receipts	A-4		34,459.59	
Canceled			19,326.45	
Transferred to Foreclosed Property			<u>193,846.59</u>	
				<u>247,632.63</u>
Balance, December 31, 2018	A		\$	<u><u>216,253.45</u></u>

"A-10"

CITY OF PLAINFIELD

CURRENT FUND

SCHEDULE OF FORECLOSED PROPERTY

	<u>REF.</u>		
Balance, December 31, 2017	A	\$	2,068,500.00
Increased by:			
Assessed Values on added properties			60,200.00
		\$	<u>2,128,700.00</u>
Decreased by:			
Sold			356,100.00
Balance, December 31, 2018	A	\$	<u><u>1,772,600.00</u></u>

"A-11"

GRANT FUND

SCHEDULE OF INTERFUNDS

Balance, December 31, 2017 (Due To)	A	\$	1,415,746.34
Increased by:			
Receipts	A-4	\$	236,071.13
Appropriated Reserves Canceled	A-21		195,143.51
Unappropriated Reserves Canceled	A-22		<u>2,500.00</u>
			433,714.64
		\$	<u>1,849,460.98</u>
Decreased by:			
Disbursements	A-4	\$	40,025.00
Receivables Canceled	A-20		<u>151,512.89</u>
			191,537.89
Balance, December 31, 2018 (Due To)	A	\$	<u><u>1,657,923.09</u></u>

CITY OF PLAINFIELD

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GRANT FUND</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>OTHER TRUST FUND</u>	<u>SEWER UTILITY OPERATING FUND</u>
Balance, December 31, 2017:						
Due From	A	\$ 1,511,890.35	\$ 1,415,746.34	\$ 1,346.20	\$ 94,797.81	\$
Receipts	A-4	\$ 194,684.45	\$ 40,025.00	\$ 4,714.80	\$ 148,888.40	\$ 1,056.25
Disbursements	A-4	239,439.73	236,071.13	3,368.60		
Canceled Receivables	A-20	151,512.89	151,512.89			
Transfer	A-19	1,056.25				1,056.25
Canceled Reserves		197,643.51	197,643.51			
Excess Reserve in Animal Control	A-2	5,010.90		5,010.90		
Balance, December 31, 2018:						
Due To	A	\$ 54,090.59	\$	\$	\$ 54,090.59	\$
Due From	A	1,662,933.99	1,657,923.09	5,010.90		-0-

CITY OF PLAINFIELD

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>ACCOUNTS</u>	<u>REF.</u>	BALANCE DECEMBER 30, 2017	ACCRUED IN 2018	<u>COLLECTED</u>	BALANCE DECEMBER 31, 2018
Licenses:					
Alcoholic Beverages	A-2	\$	\$ 68,440.00	\$ 68,440.00	\$
Other	A-2		119,069.60	119,069.60	
Fees and Permits:					
Other	A-2		634,519.32	634,519.32	
Construction Code Official	A-2		713,818.00	713,818.00	
Municipal Court:					
Fines and Costs	A-2	97,583.44	1,353,965.99	1,347,794.88	103,754.55
Interest and Costs on Taxes	A-2		651,178.35	651,178.35	
Parking Meters and Permits	A-2		586,922.45	586,922.45	
Interest on Investments and Deposits	A-2		447,147.46	447,147.46	
Cable TV Franchise Fees	A-2		508,695.16	508,695.16	
Consolidated Municipal Property Tax Relief Aid	A-2		1,651,434.00	1,651,434.00	
Energy Receipts Tax	A-2		6,126,565.00	6,126,565.00	
P.I.L.O.T.:					
Presbyterian Homes	A-2		185,656.86	185,656.86	
Cedarbrook Park Apartments	A-2		290,277.60	290,277.60	
Liberty Village	A-2		141,366.37	141,366.37	
Leland Gardens	A-2		279,955.60	279,955.60	
Covenant House	A-2		36,804.00	36,804.00	
Horizons at Plainfield	A-2		108,388.31	108,388.31	
Park Madison	A-2		389,542.98	389,542.98	
Park Madison - Other	A-2		70,415.81	70,415.81	
Allen Young Apartments	A-2		243,377.54	243,377.54	
Plainfield Housing Authority	A-2		32,515.00	32,515.00	
South 2nd Street Redevelopment	A-2		28,724.49	28,724.49	
Planning Fees	A-2		55,966.94	55,966.94	
Recreation Fees	A-2		33,869.00	33,869.00	
P.M.U.A. Revenue Sharing	A-2		1,736,160.00	1,736,160.00	
Certificates of Compliance	A-2		113,363.00	113,363.00	
Capital Surplus	A-2		265,873.00	265,873.00	
		\$ 97,583.44	\$ 16,874,011.83	\$ 16,867,840.72	\$ 103,754.55
<u>REF.</u>	A			A-4	A

CITY OF PLAINFIELD

CURRENT FUND

SCHEDULE OF 2017 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2017	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>				
Mayor's Office	\$ 44.28	\$ 44.28	\$	44.28
City Council	1,366.47	1,366.47		1,366.47
City Administrator	52.72	52.72		52.72
City Clerk	8,508.69	8,508.69	9.65	8,499.04
Deputy City Administrator	4,243.40	4,243.40		4,243.40
Corporation Counsel	1,999.68	1,999.68		1,999.68
Director of Administration and Finance	76.41	76.41		76.41
Personnel	33,983.62	33,983.62	88.15	33,895.47
Purchasing	19,105.66	19,105.66		19,105.66
Comptroller	55,292.14	55,292.14		55,292.14
Tax Collector	795.04	795.04		795.04
Assessments	0.01	0.01		0.01
Community Relations and Social Services	29,241.39	29,241.39		29,241.39
Senior Citizens	27,888.28	27,888.28	1,002.44	26,885.84
Health and Social Services	24,840.59	24,840.59	482.04	24,358.55
Director of Public Works	160.61	160.61	29.61	131.00
Engineering	24,737.71	24,737.71		24,737.71
Public Works	146,046.02	146,046.02	29,677.18	116,368.84
Planning	12,380.15	12,380.15	480.77	11,899.38
Recreation	4,207.99	4,207.99	175.89	4,032.10
Recreation - Seasonal Employees	31,814.89	31,814.89	5,410.11	26,404.78
Media	15,626.72	15,626.72	40.08	15,586.64
Director of Public Affairs and Safety	5,001.00	5,001.00		5,001.00
School Crossing Guards	5,250.10	5,250.10		5,250.10
Police	436,014.42	436,014.42	60,500.60	375,513.82
Fire	402,076.53	402,076.53	123,127.94	278,948.59
Signal	1,185.02	1,185.02	800.42	384.60
Municipal Court	28,248.11	28,248.11	229.78	28,018.33
Public Defender	862.77	862.77		862.77
Information Technology	8,326.02	8,326.02		8,326.02
Summer Pool Program	2,298.75	2,298.75		2,298.75
Community Development	16,492.01	16,492.01		16,492.01
Construction Official	154,844.08	154,844.08	1,502.85	153,341.23
Emergency Management	5,000.00	5,000.00		5,000.00
<u>OTHER EXPENSES</u>				
Mayor's Office	10,465.32	13,684.78	2,905.73	10,779.05
City Council	154.17	2,681.78	2,548.27	133.51
City Administrator	15,128.00	16,604.48	1,843.29	14,761.19
Deputy City Administrator	71,430.77	78,266.82	6,875.55	71,391.27
Corporation Counsel	34,094.95	291,617.72	67,909.59	223,708.13
City Clerk	3,625.58	7,650.97	2,605.67	5,045.30
Director of Administration and Finance	7,740.42	19,223.91	13,983.49	5,240.42
Personnel	30,052.06	34,635.54	6,391.85	28,243.69
Purchasing	4,862.10	5,025.64		5,025.64
Administrative Services	37,002.35	57,762.75	15,572.34	42,190.41
Comptroller	51,847.99	59,661.85	19,878.06	39,783.79
Audit	19,835.00	19,835.00		19,835.00
Tax Collector	4,305.07	7,104.79	2,338.56	4,766.23
Assessments	1,588.38	3,213.87	1,625.49	1,588.38
Community Relations and Social Services	5,637.64	9,111.01	2,934.37	6,176.64
Senior Citizens	37.60	29,776.66	23,610.76	6,165.90
Health and Social Services	61,441.16	77,945.05	16,270.89	61,674.16
Director of Public Works	3,923.78	5,841.94	1,918.16	3,923.78
Animal Control	1,500.00	21,815.00	20,315.00	1,500.00
Engineering	47,131.77	96,655.76	43,437.61	53,218.15
Public Works	711.43	263,774.45	252,978.62	10,795.83
Snow Removal	52,370.00	85,471.22	80,076.05	5,395.17
Planning	6,101.04	23,354.20	13,153.16	10,201.04
Planning Board	103.79	14,125.49	3,944.10	10,181.39
Board of Adjustment	3,011.29	5,162.20	2,115.91	3,046.29
Recreation	11,821.58	28,568.40	19,603.62	8,964.78
Summer Pool Program		13,538.87	13,538.87	

CITY OF PLAINFIELD

CURRENT FUND

SCHEDULE OF 2017 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2017	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED)</u>				
Media	\$ 24,439.24	\$ 29,689.24	\$ 18,535.34	\$ 11,153.90
Auxiliary Police	3,000.00	3,000.00		3,000.00
Director of Public Affairs and Safety	453.10	453.10		453.10
School Crossing Guards	2,301.25	3,500.00	1,198.75	2,301.25
Police	36,574.27	230,635.64	180,710.03	49,925.61
Fire	16,859.15	146,015.60	116,203.10	29,812.50
Emergency Management	3,158.00	7,505.00	4,347.00	3,158.00
Signal	664.01	5,586.28	4,133.93	1,452.35
Central Board of Veterans	1,000.00	1,000.00		1,000.00
Independence Day	2,347.40	3,549.08		3,549.08
Historic Preservation	1,473.39	3,117.14	1,637.50	1,479.64
Drake House		47.54		47.54
Cultural & Heritage	4,624.00	25,700.00	24,345.00	1,355.00
Beautification Committee	500.00	500.00		500.00
Youth Guidance Council	20,135.00	20,135.00		20,135.00
Shade Tree Commission	8,734.04	27,719.04	18,985.00	8,734.04
National Night Out	3,100.09	3,100.09		3,100.09
Human Relations Commission	45.96	2,458.75	1,821.79	636.96
Municipal Court	2,691.90	9,945.74	5,732.91	4,212.83
Building Demolition	66,775.00	66,775.00		66,775.00
Construction Official	246.38	3,287.20	2,335.12	952.08
Gasoline	29,116.35	58,586.16	21,761.19	36,824.97
Fuel Oil	33,401.32	37,846.10	10,745.67	27,100.43
Electricity	29,696.16	182,834.93	145,952.79	36,882.14
Telephone and Telegraph	74,667.17	90,992.62	16,286.64	74,705.98
Street Lighting		128,825.96	128,825.96	
Water Account	35,919.54	35,919.54		35,919.54
City Summer Youth	55,746.31	55,746.31	821.90	54,924.41
Youth Commission	4,735.23	5,235.23		5,235.23
Accumulated Absences Buyouts	53,978.48	53,978.48	50,000.00	3,978.48
Contingent	10,000.00	10,000.00		10,000.00
Public Employees Retirement System	109.71	109.71		109.71
Social Security System (O.A.S.I.)	51,727.00	51,727.00		51,727.00
Consolidated Police & Fire Pension	1,624.26	1,624.26		1,624.26
Health Insurance	529,230.83	798,459.16	305,543.02	492,916.14
Unemployment Insurance	5,000.00	5,000.00		5,000.00
Group Insurance Plan for Employees	218,804.20	246,326.10	17,666.68	228,659.42
Payment for Health Insurance Opt Out	1,994.48	1,994.48		1,994.48
Defined Contribution Retirement Plan	7,199.81	8,440.74	1,931.81	6,508.93
Environmental Commission	1,000.00	1,000.00		1,000.00
Community Development	24,072.90	34,684.19	9,449.99	25,234.20
Technology Acquisition	3,327.68	31,733.95	28,406.27	3,327.68
Capital Acquisition	14,298.44	14,298.44		14,298.44
Information Technology	7,680.24	28,037.10	18,477.85	9,559.25
Matching Funds for Grants	25,371.00	25,371.00		25,371.00
Maintenance for Public Library	36,022.94	36,022.94	9,194.43	26,828.51
	<u>\$ 3,447,780.75</u>	<u>\$ 5,338,635.27</u>	<u>\$ 2,006,982.19</u>	<u>\$ 3,331,653.08</u>

REF. A-14 A-1

Balance, December 31, 2017	A:A-14	\$ 3,447,780.75
Contracts Payable	A-29	5,400.00
Encumbrances Payable - Prior Year	A-15	1,885,454.52
		<u>\$ 5,338,635.27</u>

Disbursements	A-4	\$ 2,002,079.43
Accounts Payable	A-18	4,902.76
		<u>\$ #REF!</u>

CITY OF PLAINFIELD

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2017	A	\$ 1,885,454.52
Increased by:		
2018 Budget Appropriations	A-3	<u>1,387,472.01</u>
		\$ <u>3,272,926.53</u>
Decreased by:		
Transfer to Appropriation Reserves	A-14	<u>1,885,454.52</u>
Balance, December 31, 2018	A	\$ <u><u>1,387,472.01</u></u>

"A-16"

CITY OF PLAINFIELD

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2017	A	\$	168,957.80
Increased by:			
Overpayments in 2019	A-4		<u>286,562.92</u>
		\$	<u>455,520.72</u>
Decreased by:			
Refunded	A-4	\$	368,931.26
Applied to Receivable	A-8		4,562.35
Applied to Prepaid	A-17		<u>2,862.38</u>
			<u>376,355.99</u>
Balance, December 31, 2018	A	\$	<u><u>79,164.73</u></u>

"A-17"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2017	A	\$	1,825,467.51
Increased by:			
Collection of 2019 taxes	A-4	\$	700,920.73
Tax overpayments applied	A-16		<u>2,862.38</u>
			<u>703,783.11</u>
		\$	<u>2,529,250.62</u>
Decreased by:			
Applied to 2018 taxes	A-8		<u>1,825,467.51</u>
Balance, December 31, 2018	A	\$	<u><u>703,783.11</u></u>

"A-18"

CITY OF PLAINFIELD

CURRENT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2017	A	\$	539,893.10
Increased by:			
Appropriation Reserves	A-14	\$	4,902.76
2018 Appropriations - Payroll	A-3		<u>4,650.28</u>
			9,553.04
		\$	<u>549,446.14</u>
Decreased by:			
Disbursements	A-4		7,905.10
Canceled	A-1		<u>406,404.42</u>
			<u>414,309.52</u>
Balance, December 31, 2018	A	\$	<u><u>135,136.62</u></u>

"A-19"

SCHEDULE OF STATE AID RECEIVABLE

Balance, December 31, 2017	A	\$	1,056.25
Decreased by:			
Refund bond interest paid by state	A-12		<u>1,056.25</u>

CITY OF PLAINFIELD

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2017	A		\$ 7,839,918.78
Increased by:			
Budget Appropriation	A-2	\$ 3,332,240.01	
CDBG Programs	A-21	<u>951,000.00</u>	
			<u>4,283,240.01</u>
			\$ 12,123,158.79
Decreased by:			
Receipts	A-4	4,341,049.83	
Unappropriated Applied	A-22	553,907.57	
Canceled	A-1:A-11	<u>151,512.89</u>	
			<u>5,046,470.29</u>
Balance, December 31, 2018	A		\$ <u><u>7,076,688.50</u></u>

A detailed analysis of the grant receivables is on file in the finance office.

"A-21"

CITY OF PLAINFIELD

GRANT FUND

SCHEDULE OF RESERVE FOR
GRANT PROGRAMS-APPROPRIATED

	<u>REF.</u>		
Balance, December 31, 2017	A	\$	6,823,394.53
Increased by:			
Budget Appropriation	A-3	\$	3,332,240.01
Receipts - City Match	A-3:A-4		40,025.00
CDBG Programs	A-20		<u>951,000.00</u>
			4,323,265.01
		\$	<u>11,146,659.54</u>
Decreased by:			
Disbursements	A-4		4,587,175.53
Canceled	A-1:A-11		<u>195,143.51</u>
			4,782,319.04
Balance, December 31, 2018	A	\$	<u><u>6,364,340.50</u></u>

A detailed analysis of the grant reserves is on file in the finance office.

"A-22"

SCHEDULE OF RESERVE FOR GRANTS-
UNAPPROPRIATED

Balance, December 31, 2017	A	\$	3,190,358.71
Decreased by:			
Applied to Receivable	A-20	\$	553,907.57
Canceled	A-11		<u>2,500.00</u>
			556,407.57
Balance, December 31, 2018	A	\$	<u><u>2,633,951.14</u></u>

A detailed analysis of the grant reserves is on file in the finance office.

CITY OF PLAINFIELD

CURRENT FUND

SCHEDULE OF ACCOUNTS RECEIVABLE - SID TAXES

	<u>REF.</u>		
Balance, December 31, 2017	A	\$	8,317.67
Increased by:			
Levy			161,904.64
		\$	<u>170,222.31</u>
Decreased by:			
Receipts	A-4:A-8	\$	155,172.22
Transferred to Liens	A-9		1,511.98
Canceled			<u>1,817.00</u>
			<u>158,501.20</u>
Balance, December 31, 2018	A	\$	<u><u>11,721.11</u></u>

"A-24"

CITY OF PLAINFIELD

CURRENT FUND

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

REF.

Increased by:			
Levy	A-1:A-8	\$	<u>26,873,885.00</u>
Decreased by:			
Disbursements	A-4		<u>26,873,885.00</u>

"A-25"

SCHEDULE OF COUNTY TAXES PAYABLE

Balance, December 31, 2017	A	\$	31,865.72
Increased by:			
Levy	A-1:A-8	\$	14,742,135.00
Added and Omitted	A-1:A-8		<u>22,331.25</u>
			<u>14,764,466.25</u>
		\$	<u>14,796,331.97</u>
Decreased by:			
Disbursements	A-4		<u>14,774,000.72</u>
Balance, December 31, 2018	A	\$	<u>22,331.25</u>

CITY OF PLAINFIELD

CURRENT FUND

SCHEDULE OF MISCELLANEOUS CURRENT RESERVES

		<u>BALANCE</u> <u>DECEMBER 31, 2017</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE</u> <u>DECEMBER 31, 2018</u>
Due State of New Jersey:					
Construction Code DCA Fees		\$ 35,140.00	\$ 46,731.00	\$ 74,864.00	\$ 7,007.00
Marriage Licenses		7,225.00	8,900.00	14,350.00	1,775.00
Sale of Municipal Assets		292,773.29	238,767.26	205,000.00	326,540.55
Due PMUA			1,452,674.61	1,448,183.85	4,490.76
Special Improvement District		14,391.19	161,323.00	131,920.05	43,794.14
Due County- 5% PILOT		1,511.82	1,511.82	3,023.64	
Tax Appeals		510,716.89		205,871.78	304,845.11
		<u>\$ 861,758.19</u>	<u>\$ 1,909,907.69</u>	<u>\$ 2,083,213.32</u>	<u>\$ 688,452.56</u>
<u>REF.</u>		A			A
Receipts					
Due Special Improvement District		\$	1,748,584.69		
			<u>161,323.00</u>		
		\$	<u>1,909,907.69</u>		
Disbursements					
Miscellaneous Revenue Anticipated		\$		1,878,113.32	
Canceled				<u>205,000.00</u>	
				<u>100.00</u>	
		\$		<u>2,083,213.32</u>	

CITY OF PLAINFIELD

CURRENT FUND

SCHEDULE OF RESERVE FOR SPECIAL IMPROVEMENT DISTRICT TAX OVERPAYMENTS

	<u>REF.</u>		
Increased by:			
Receipts	A-4	\$	454.25
Decreased by:			
Disbursements	A-4		<u>454.25</u>

SCHEDULE OF RESERVE FOR SPECIAL IMPROVEMENT DISTRICT TAXES PREPAID

Increased by:			
Receipts - 2019 SID Taxes	A-4	\$	<u>77.55</u>
Balance, December 31, 2018	A	\$	<u><u>77.55</u></u>

CITY OF PLAINFIELD

CURRENT FUND

SCHEDULE OF RESERVE FOR CONTACTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2017	A	\$ 5,400.00
Decreased by:		
Transfer to Appropriation Reserves	A-14	<u>5,400.00</u>

CITY OF PLAINFIELD

TRUST FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		<u>ANIMAL CONTROL</u>	<u>OTHER</u>
Balance, December 31, 2017	B		\$ 9,788.20	\$ 8,725,580.29
Receipts:				
Due Current Fund	B-5	\$		1,105.08
Dog Registration Fees - Due State	B-2		800.40	
Reserve for Animal Control Expenditures	B-4		6,152.90	
Reserve for Open Space Trust Deposits	B-8			246,742.59
Reserve for State Unemployment Insurance	B-9			55,211.39
Various Reserves and Deposits	B-6			12,478,901.58
Reserve for Payroll Deductions Payable	B-7		6,953.30	47,569,153.71
			<u>16,741.50</u>	<u>60,351,114.35</u>
		\$		\$ 69,076,694.64
Disbursements:				
Dog Registration Fees - Due State	B-2	\$	832.20	
Due Current Fund	B-3:B-5		1,346.20	149,993.48
Reserve for Open Space Trust Deposits	B-8			12,797.13
Reserve for State Unemployment Insurance	B-9			103,541.87
Various Reserves and Deposits	B-6			10,758,956.59
Reserve for Payroll Deductions Payable	B-7			47,607,376.96
			<u>2,178.40</u>	<u>58,632,666.03</u>
Balance, December 31, 2018	B	\$	<u>14,563.10</u>	<u>\$ 10,444,028.61</u>

"B-2"

CITY OF PLAINFIELD

TRUST FUND

SCHEDULE OF ANIMAL CONTROL TRUST - DUE STATE OF NEW JERSEY

	<u>REF.</u>	
Balance, December 31, 2017	B	\$ 34.20
Increased by:		
Receipts	B-1	800.40
		\$ <u>834.60</u>
Decreased by:		
Disbursements	B-1	<u>832.20</u>
Balance, December 31, 2018	B	\$ <u><u>2.40</u></u>

"B-3"

ANIMAL CONTROL TRUST FUND

SCHEDULE OF DUE CURRENT FUND

Balance, December 31, 2017 (Due To)	B	\$ 1,346.20
Increased by:		
Excess Reserve for Expenditures- Due Current Fund	B-4	5,010.90
		\$ <u>6,357.10</u>
Decreased by:		
Disbursements	B-1	<u>1,346.20</u>
Balance, December 31, 2018 (Due To)	B	\$ <u><u>5,010.90</u></u>

"B-4"

CITY OF PLAINFIELD

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

	<u>REF.</u>	
Balance, December 31, 2017	B	\$ 8,407.80
Increased by:		
Receipts	B-1	<u>6,152.90</u>
		\$ 14,560.70
Decreased by:		
Excess Reserve for Expenditures -Due Current Fund	B-3	<u>5,010.90</u>
Balance, December 31, 2018	B	<u>\$ 9,549.80</u>

"B-5"

SCHEDULE OF DUE CURRENT FUND - TRUST OTHER

Balance, December 31, 2017 (Due To)	B	\$ 94,797.81
Increased by:		
Receipts	B-1	<u>1,105.08</u>
		\$ 95,902.89
Decreased by:		
Disbursements	B-1	<u>149,993.48</u>
Balance, December 31, 2018 (Due From)	B	<u>\$ 54,090.59</u>

CITY OF PLAINFIELD

TRUST FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER 31, 2017	INCREASES	DECREASES	BALANCE DECEMBER 31, 2018
Senior Citizen Building Fund	\$ 7,512.50	\$	\$	\$ 7,512.50
Recreation Trips	5,917.28	12,725.00	450.00	18,192.28
Public Defender	3,306.28	7,970.00	2,782.24	8,494.04
POAA	68,400.72	12,470.00	17,253.52	63,617.20
Engineering Escrow	172,432.92	62,709.00	17,904.48	217,237.44
Engineering	114,520.33	48,746.81	39,896.10	123,371.04
Municipal Alliance	94.91			94.91
Engineering Street Openings	46,601.93			46,601.93
National Night Out	41.26			41.26
July 4th Celebration	1,851.96			1,851.96
Construction Escrow	564,566.63	128,500.00	27,565.00	665,501.63
Cultural and Heritage	12,624.45			12,624.45
Redevelopment Projects Developers Escrow	37,218.15	183,259.47	94,275.15	126,202.47
Snow Removal	53,511.95	75,000.00		128,511.95
Reserve for Uniform Fire Safety	5,581.69	4,175.01	473.38	9,283.32
Relocation	2,319.32	7,596.00	1,958.00	7,957.32
Forfeited Funds	194,826.19	52,844.09	102,311.68	145,358.60
Beautification Committee	4,185.61			4,185.61
Reserve For 3rd Party Inspections	26,628.85			26,628.85
Reserve for Dedicated Fire Penalties	6,099.50	4,174.99	4,965.21	5,309.28
Roll Off Dumpsters	6,000.00	4,000.00	2,250.00	7,750.00
Recycling Center	7,135.18			7,135.18
Self Insurance	792,537.19	710,176.04	450,000.00	1,052,713.23
City Affairs	865.86	6,608.55	3,275.77	4,198.64
Workers Compensation	138,640.30	118,959.20		257,599.50
Auto Liability	227,922.32	78,997.51		306,919.83
Bilingual Day Care	1,227.70	5,939.30	6,785.53	381.47
Off-Site Construction-Woodland Ave.	47,924.00			47,924.00
Maintenance of Woodland Ave. Estates	20,000.00			20,000.00
Mt. Olive Church	2,180.00			2,180.00
Youth Guidance Council	1,550.00			1,550.00
Ratzman Trust	10,591.67		1,007.13	9,584.54
Shade Tree	2,922.83	1,790.00		4,712.83
Accumulated Absences	322,295.48	50,000.00	77,660.64	294,634.84
CHAP	52,790.43	220,110.00	169,999.00	102,901.43
Plainfield Promise		300,000.00		300,000.00
Drake House	100.00			100.00
Auto Liability - All Vehicles	115,356.97	137,945.95	156,733.18	96,569.74
Trust Escrow	384,657.35	1,387,606.62	1,373,815.54	398,448.43
Law Enforcement Trust Fund Forfeitures	39,876.23	60,928.27	51,524.36	49,280.14
CDBG Program Income	989.44	38,606.00	38,606.00	989.44
Redemption of Outside Liens	230,834.53	5,898,763.77	4,727,964.68	1,401,633.62
Tax Premiums	4,161,200.00	2,858,300.00	3,389,500.00	3,630,000.00
	\$ 7,895,839.91	\$ 12,478,901.58	\$ 10,758,956.59	\$ 9,615,784.90
REF	B	B-1	B-1	B

"B-7"

CITY OF PLAINFIELD

TRUST FUND

SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2017	B	\$ 46,837.88
Increased by:		
Receipts	B-1	47,569,153.71
		<u>\$ 47,615,991.59</u>
Decreased by:		
Disbursements	B-1	47,607,376.96
Balance, December 31, 2018	B	<u>\$ 8,614.63</u>

"B-8"

SCHEDULE OF RESERVE FOR OPEN SPACE TRUST DEPOSITS

Balance, December 31, 2017	B	\$ 357,169.34
Increased by:		
Municipal Open Space Tax Levy		\$ 242,278.00
Interest Earned		4,464.59
	B-1	<u>246,742.59</u>
		<u>\$ 603,911.93</u>
Decreased by:		
Disbursements	B-1	12,797.13
Balance, December 31, 2018	B	<u>\$ 591,114.80</u>

CITY OF PLAINFIELD

TRUST FUND

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE

	<u>REF.</u>		
Balance, December 31, 2017	B	\$	330,935.35
Increased by:			
Employee Contributions		\$	51,284.41
Interest Earned			<u>3,926.98</u>
	B-1		55,211.39
		\$	<u>386,146.74</u>
Decreased by:			
Disbursements	B-1		<u>103,541.87</u>
Balance, December 31, 2018	B	\$	<u><u>282,604.87</u></u>

CITY OF PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2017	C	\$	9,008,090.49
Increased by Receipts:			
Grants Receivable	C-7	\$	117,987.50
Deferred Charges To Future Taxation Unfunded	C-6		859,000.00
Fund Balance - Premium on Bond Anticipation Note	C-1		345,411.00
Deferred Charge Cancellation of Grant	C-8		182,500.00
Bond Anticipation Notes	C-15		<u>29,075,000.00</u>
			30,579,898.50
		\$	<u>39,587,988.99</u>
Decreased by Disbursements:			
Contracts Payable	C-12		3,076,091.71
Reserve for Encumbrances	C-11		152,308.98
Bond Anticipation Notes	C-15		26,534,000.00
Improvement Authorizations	C-9		2,543,664.26
Anticipated Revenue - Current Fund	C-1		<u>265,873.00</u>
			<u>32,571,937.95</u>
Balance, December 31, 2018	C	\$	<u><u>7,016,051.04</u></u>

"C-3"

CITY OF PLAINFIELD

GENERAL CAPITAL FUND

ANALYSIS OF CASH

<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2018</u>
Capital Improvement Fund	\$ 235,978.90
Improvement Authorizations Funded "C-9"	1,306,428.65
Unfunded Improvements Expended Listed on "C-6"	(434,792.31)
Unexpended Proceeds of Bond Anticipation Notes on "C-6"	3,670,485.65
Fund Balance	485,423.98
Contracts Payable	752,658.74
Reserve for Encumbrances	2,057,867.43
Reserve for South Avenue Business District	50,000.00
Grants Receivable	<u>(1,108,000.00)</u>
	<u>\$ 7,016,051.04</u>
<u>REF.</u>	C

"C-4"

CITY OF PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-FUNDED

	<u>REF.</u>		
Balance, December 31, 2017	C		\$ 11,749,888.02
Decreased by:			
Bonds Paid by Budget	C-13	\$ 1,980,000.00	
UCIA Leases Paid by Budget	C-15	33,152.24	
Loans Paid by Budget	C-12	<u>50,560.10</u>	
			<u>2,063,712.34</u>
Balance, December 31, 2018	C		\$ <u>9,686,175.68</u>

"C-5"

SCHEDULE OF RESERVE FOR SOUTH AVENUE BUSINESS DISTRICT

Balance, December 31, 2017 and December 31, 2018	C	\$ <u>50,000.00</u>
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"C-7"

CITY OF PLAINFIELD
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>		
Balance December 31, 2017	C	\$	567,987.50
Increased by:			
Improvement Authorizations	C-9		658,000.00
		\$	<u>1,225,987.50</u>
Decreased by:			
Receipts	C-2	\$	117,987.50
Balance, December 31, 2018	C	\$	<u><u>1,108,000.00</u></u>

An analysis of the Grants Receivable is on file in the Office of the City Comptroller.

"C-8"

SCHEDULE OF UCIA RECEIVABLE

Balance, December 31, 2017	C	\$	182,500.00
Decreased by:			
Receipts - Budget Appropriation	C-2		<u>182,500.00</u>

CITY OF PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2017	C	\$ 335,978.90
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-9	<u>100,000.00</u>
Balance, December 31, 2018	C	<u><u>\$ 235,978.90</u></u>

CITY OF PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2017	C	\$	383,708.12
Increased by:			
Improvement Authorizations	C-9	\$	1,865,274.56
Transfer from Contracts Payable	C-12		13,240.00
			<u>1,878,514.56</u>
		\$	<u>2,262,222.68</u>
Decreased by:			
Disbursements	C-12	\$	152,308.98
Reserve for Encumbrances Canceled	C-9		52,046.27
			<u>204,355.25</u>
Balance, December 31, 2018	C	\$	<u><u>2,057,867.43</u></u>

CITY OF PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2017	C	\$	3,538,823.13
Increased by:			
Improvement Authorizations	C-9		<u>722,981.62</u>
		\$	<u>4,261,804.75</u>
Decreased by:			
Disbursements	C-2	\$	3,076,091.71
Transfer to Reserve for Encumbrances	C-11		13,240.00
Canceled to Improvement Authorizations	C-9		419,814.30
			<u>3,509,146.01</u>
Balance, December 31, 2018	C	\$	<u><u>752,658.74</u></u>

CITY OF PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF LOANS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2017	C	\$ 424,340.19
Decreased by:		
Loan Paid by Budget	C-4	<u>50,560.10</u>
Balance, December 31, 2018	C	<u><u>\$ 373,780.09</u></u>

ANALYSIS OF BALANCE

Green Acres Loan	\$ 323,780.09
NJ Unsafe Building Demolition Loan	<u>50,000.00</u>
	<u><u>\$ 373,780.09</u></u>

CITY OF PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF UCIA LEASES PAYABLE

<u>ISSUER</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2018</u>
Union County Improvement Authority	2004	\$ 993,742.51	\$ 7,423.23	\$ 3,621.09	\$ 3,802.14
Union County Improvement Authority	2006	1,940,840.62	118,124.60	29,531.15	88,593.45
			<u>\$ 125,547.83</u>	<u>\$ 33,152.24</u>	<u>\$ 92,395.59</u>
			C	C-4	C

CITY OF PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

ORDINANCE	ORIGINAL DATE OF ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2017	INCREASED	DECREASED	BALANCE DECEMBER 31, 2018
1245-46 - Road Improvement Program	09/15/10	08/29/17	08/28/18	2.00%	\$ 4,410,000.00	\$ 4,095,000.00	\$ 4,410,000.00	\$ 4,095,000.00
1252 - Various Road Improvements	12/27/12	08/29/17	08/28/18	2.00%	7,044,000.00	6,773,000.00	7,044,000.00	6,773,000.00
1255 - Various Capital Improvements	05/13/13	08/29/17	08/28/18	2.00%	2,632,000.00	2,448,000.00	2,632,000.00	2,448,000.00
1258 - Road Improvements	05/11/15	08/29/17	08/28/18	2.00%	2,999,000.00	2,910,000.00	2,999,000.00	2,910,000.00
1259 - Capital Acquisitions & Improvements	08/31/16	08/29/17	08/28/18	2.00%	1,900,000.00	1,900,000.00	1,900,000.00	1,900,000.00
1260 - Various Capital Improvements	08/31/16	08/29/17	08/28/18	2.00%	2,216,000.00	2,216,000.00	2,216,000.00	2,216,000.00
1261 - Various Road Improvements	08/29/17	08/29/17	08/28/18	2.00%	5,333,000.00	5,333,000.00	5,333,000.00	5,333,000.00
1264 - Capital Acquisitions & Improvements	08/19/17	08/29/17	08/28/18	2.00%		3,400,000.00		3,400,000.00
					<u>\$ 26,534,000.00</u>	<u>\$ 29,075,000.00</u>	<u>\$ 26,534,000.00</u>	<u>\$ 29,075,000.00</u>
				REF.	C	C-2	C-2	C

CITY OF PLAINFIELD

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT AUTHORIZATION</u>	<u>BALANCE DECEMBER 31, 2018</u>
1227	Removal, Replacement and Upgrade of Underground Storage Tanks	\$ 88,474.95
1230	Various Capital Improvements	59,000.00
1234	Park Improvement - Ball Field Lights	97,559.98
1238	Various Capital Improvements	500.00
1239	Various General Improvements	57,275.00
1249	Library Improvements	114,000.00
1252	Various Road Improvements	137.94
1255	Various Capital Improvements	176.47
1258	Various Road Improvements	1,000.00
1260	Various Capital Improvements	725.00
Local Improvements:		
410	Infrastructure Improvements	17,982.38
412	Infrastructure Improvements	500.00
		<u>\$ 437,331.72</u>

"D-5"

CITY OF PLAINFIELD

SEWER UTILITY FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>		<u>OPERATING</u>
Balance, December 31, 2017	D		\$ 616.15
Increased by Receipts:			
Deficit-General Budget	D-1:D-3	\$ 66,490.87	
Miscellaneous Revenue Not Anticipated	D-1:D-3	<u>5.48</u>	
			<u>66,496.35</u>
			\$ <u>67,112.50</u>
Decreased by Disbursements:			
Appropriations	D-4	65,000.00	
Accrued Interest on Bonds	D-6	<u>2,112.50</u>	
			<u>67,112.50</u>

CITY OF PLAINFIELD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS

	<u>REF.</u>	
Balance, December 31, 2017	D	\$ 616.15
Increased by:		
Budget Appropriation	D-4	1,496.35
		<u>\$ 2,112.50</u>
Decreased by:		
Disbursements	D-5	<u>2,112.50</u>

"D-7"

CITY OF PLAINFIELD
SEWER UTILITY FUND
SCHEDULE OF FIXED CAPITAL

<u>DESCRIPTION</u>	BALANCE DECEMBER 31, <u>2017</u>	<u>CANCELED</u>
Various Sewer Utility System Improvements	\$ 289,000.00	\$ 289,000.00
Various Sewer utility Improvements	<u>1,150,000.00</u>	<u>1,150,000.00</u>
	<u>\$ 1,439,000.00</u>	<u>\$ 1,439,000.00</u>
<u>REF.</u>	D	D-8

"D-8"

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>DESCRIPTION</u>	BALANCE DECEMBER 31, <u>2017</u>	BOND <u>PAID</u>	<u>CANCELED</u>
Various Sewer Utility System Improvements	\$ <u>1,379,000.00</u>	\$ <u>60,000.00</u>	\$ <u>1,439,000.00</u>
	<u>\$ 1,379,000.00</u>	<u>\$ 60,000.00</u>	<u>\$ 1,439,000.00</u>
<u>REF.</u>	D	D-9	D-7

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CITY OF PLAINFIELD

PART II

SINGLE AUDIT SECTION

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

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL AND STATE FINANCIAL
ASSISTANCE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND STATE OF
NEW JERSEY OMB CIRCULAR 15-08

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Mayor and Members
of the City Council
City of Plainfield
County of Union
Plainfield, New Jersey 07061

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 City of Plainfield, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's regulatory financial statements, and have issued our report thereon dated August 27, 2019. Our report disclosed that, as described in Note 1 to the financial statements, the City of 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 City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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.

SUPLEE, CLOONEY & COMPANY

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. We noted other matters in the internal control which are discussed in Part III, General Comments and Recommendations section of the audit report.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted other matters 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 439

August 27, 2019



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL AND
STATE FINANCIAL ASSISTANCE PROGRAMS AND
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

The Honorable Mayor and Members
of the City Council
City of Plainfield
County of Union
Plainfield, New Jersey 07061

Report on Compliance for Each Major Federal and State Program

We have audited the City of Plainfield's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the City of Plainfield's major federal and State programs for the year ended December 31, 2018. The City's major federal and State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Plainfield's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08. Those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City of Plainfield's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

SUPLEE, CLOONEY & COMPANY

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

Opinion on Each Major Federal and State Program

In our opinion, the City of Plainfield complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2018.

Report on Internal Control Over Compliance

Management of the City of Plainfield is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Plainfield's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Plainfield's internal control over compliance.

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

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

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


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 439

August 27, 2019

CITY OF PLAINFIELD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2018

FEDERAL C.F.D.A. NUMBER	PASS THROUGH GRANTOR'S NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	2018 RECEIPTS	2018 EXPENDITURES	CUMULATIVE EXPENDITURES
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
PASS THROUGH FROM STATE OF NEW JERSEY						
Emergency Solutions Grant Program - Dudley House						
14.231	8020-083-100-022-8020		\$	252,147.00	\$ 384,580.00	\$ 398,080.00
PASS THROUGH FROM COUNTY OF UNION						
Community Development Block Grant XLII						
14.218	B-16-UC-34-0106	9/1/16		155,499.50	7,442.00	944,000.00
14.218	B-17-UC-34-0106	9/1/17		788,717.11	914,281.76	955,962.00
14.218	B-18-UC-34-0106	9/1/18			41,324.97	41,324.97
				<u>1,196,363.61</u>	<u>1,347,628.73</u>	<u>2,339,366.97</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
PASS THROUGH FROM STATE OF NEW JERSEY						
Community Services Block Grant-2016						
93.569	8050-052350-184-100-022	10/1/15			\$	\$ 207,993.12
93.569	8050-052350-184-100-022	10/1/16		97,893.48	4,786.44	206,736.12
93.569	8050-052350-184-100-022	10/1/17		32,820.86	178,160.15	178,160.15
PASS THROUGH FROM COUNTY OF UNION						
SSBG - Senior Citizen Service Center						
93.667	17-APC-118	1/1/17		22,092.70		88,547.00
93.667	18-APC-118	1/1/18		73,626.66	88,547.00	88,547.00
				<u>226,433.70</u>	<u>271,493.59</u>	<u>769,983.39</u>
U.S. DEPARTMENT OF AGRICULTURE						
PASS THROUGH FROM STATE OF NEW JERSEY						
Women, Infant, Children's Program						
10.557	4220-100-046-4560-113-J002-6140	10/1/17		659,196.00	501,534.42	738,430.58
10.557	4220-100-046-4560-113-J002-6140	10/1/18			118,774.23	118,774.23
				<u>659,196.00</u>	<u>620,308.65</u>	<u>857,204.81</u>
U.S. DEPARTMENT OF JUSTICE						
PASS THROUGH FROM STATE OF NEW JERSEY						
Edward Byrne Memorial Justice Assistance Grant (JAG) - 2015						
16.738		7/1/15		4,153.53		36,108.90
16.738		7/1/16		36,626.41		36,652.20
16.541		12/31/13			144.00	2,620.76
16.541		12/31/15			3,560.00	4,150.00
16.579		12/31/17		<u>40,779.94</u>	<u>3,704.00</u>	<u>79,531.86</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY						
Brownfields Assessment - Hazardous Substances						
66.818				5,332.21	630.96	200,000.00
66.818				10,182.20	1,558.10	191,538.40
66.818				37,656.41	37,156.41	43,348.91
66.818				55,623.50	52,311.25	70,053.25
66.818				<u>108,794.32</u>	<u>105,519.22</u>	<u>90,941.08</u>
						<u>595,881.64</u>
U.S. DEPARTMENT OF TRANSPORTATION						
PASS THROUGH FROM STATE OF NEW JERSEY						
North Jersey Transportation Planning Authority:						
Transportation Alternatives - North Ave. Streetscape Improvements						
20.205		1/1/14		\$	\$	\$
Department of Law and Public Safety:						
Division of Highway Traffic Safety:						
Drive Sober or Get Pulled Over						
20.616		12/7/18			2,200.00	2,200.00
					<u>2,200.00</u>	<u>2,200.00</u>

CITY OF PLAINFIELD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2018

<u>FEDERAL GRANTOR / PASS THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL C.F.D.A. NUMBER</u>	<u>PASS THROUGH GRANTOR'S NUMBER</u>	<u>GRANT PERIOD FROM TO</u>	<u>GRANT AWARD AMOUNT</u>	<u>2018 RECEIPTS</u>	<u>2018 EXPENDITURES</u>	<u>CUMULATIVE EXPENDITURES</u>
U.S. DEPARTMENT OF HOMELAND SECURITY FEMA - Assistance to Firefighters Grant	97.044	DHS-16-GPD-044-000-99	3/3/17 3/3/18	\$ 64,766.00	\$ 64,766.00	\$ 64,766.00	\$ 64,766.00
PASS THROUGH FROM STATE OF NEW JERSEY Office of Emergency Management FEMA Hazard Mitigation Grant FEMA Hazard Mitigation Grant	97.039 97.039	FEMA-DR-4086-NJ-271-R	4/29/15 10/29/18	250,000.00 250,000.00	\$ 64,766.00 \$ 117,247.91	\$ 52,481.91 \$ 117,247.91	3,682.50 52,481.91 120,940.41
GRAND TOTAL				\$ 2,296,333.57	\$ 2,468,102.10	\$ 4,765,109.08	

CITY OF PLAINFIELD
SCHEDULE OF STATE GRANT AND STATE AID FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2018

STATE GRANT/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT AWARD AMOUNT	2018 RECEIPTS	2018 EXPENDITURES	CUMULATIVE EXPENDITURES
DEPARTMENT OF HEALTH & SENIOR SERVICES					
Plainfield Partnership for Healthier Children - Lead Grant JFK		\$			
Health Officers Grant		39,000.00	4,750.00	9,500.00	19,000.00
		2,320.00			
Municipal Alliance on Alcohol and Drug Abuse-FY 2018		33,379.00	32,105.86	23,014.95	33,019.00
Social Services for the Homeless		33,379.00	5,017.02	7,954.52	7,954.52
Childhood Lead Exposure Prevention Grant (CLEP) - 1/1/18-6/30/18	DFHS18CHD030	40,000.00		4,093.00	4,093.00
Childhood Lead Exposure Prevention Grant (CLEP) - 7/1/18-6/30/19		499,689.00	478,512.00	468,274.64	489,451.12
		825,000.00	202,581.00	231,909.47	231,909.47
			<u>722,965.88</u>	<u>744,746.58</u>	<u>785,427.11</u>
DEPARTMENT OF TRANSPORTATION					
1984 Trust Fund-Municipal Aid:					
West Fourth Street (Section 2)		250,000.00			248,164.71
South Second Street		239,161.00	239,161.00	41,135.06	239,161.00
NJ DOT Municipal Aid - West Third Street (Section 2)	6320-480-078-AKE-6320	272,500.00	204,375.00	272,500.00	272,500.00
NJ DOT Municipal Aid - Summer Avenue	6320-480-078-AMS-6320	299,357.00	224,517.75	172,679.19	172,679.19
2010 Bikeway Program		229,000.00	164,896.88		
Safe Routes to School	6300-480-078-EFR-6300	304,000.00			
			<u>832,950.63</u>	<u>486,314.25</u>	<u>932,504.90</u>
DEPARTMENT OF ENVIRONMENTAL PROTECTION					
Clean Communities Program		69,694.61	69,694.61		69,694.61
Recycling Tonnage Program - FY 2015	4910-100-042-4910-224-V42Y-6020	43,144.44			
Recycling Tonnage Program - FY 2018	4910-100-042-4910-224-V42Y-6020	53,907.57		53,907.57	53,907.57
Green Acres Program		1,100,000.00			1,089,787.00
Hazard Discharge Site Remediation - Arlington Avenue		45,948.00			41,625.97
Hazard Discharge Site Remediation - City Yard	P-21545	64,108.00			4,740.12
Hazard Discharge Site Remediation - Central Business District	P-43437	841,129.00	199,095.00	138,596.86	201,566.02
Hazard Discharge Site Remediation - Central Business District	P-43439	122,641.00		46,843.32	57,780.11
Greening Union County Grant - FY 2016		20,000.00			20,000.00
Greening Union County Grant - FY 2017		9,700.00	9,700.00	8,294.00	8,294.00
Greening Union County Grant - FY 2018		5,000.00			
CSIP Reforestation/Tree Planting Grant	4870-100-042-4870-074	27,900.00			27,900.00
			<u>278,489.61</u>	<u>317,336.36</u>	<u>1,585,295.40</u>
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT					
Urban Enterprise Zone - Signs and Facades Program		513,530.00			412,076.42
Urban Enterprise Zone - Mural Project		150,000.00		93,214.98	11,000.00
Urban Enterprise Zone - Parking Study		60,000.00			59,633.14
Urban Enterprise Zone - Marketing Study		75,000.00			74,727.50
Urban Enterprise Zone - Marketing Branding		60,000.00		15,000.00	60,000.00
Urban Enterprise Zone - Marketing 2018		100,000.00		78,925.38	78,925.38
Urban Enterprise Zone - North Avenue Vault Repairs - Phase I		400,000.00		138,588.12	138,588.12
				<u>325,732.48</u>	<u>834,954.56</u>
DEPARTMENT OF LAW AND PUBLIC SAFETY					
Body Armor Replacement Fund - FY 2015		15,733.21			15,733.21
Body Armor Replacement Fund - FY 2016	1020-718-066-1020-001-YCJF-6120	10,685.22		5,587.41	10,675.74
Body Armor Replacement Fund - FY 2017	1020-718-066-1020-001-YCJF-6120	10,543.14		10,675.74	10,675.74
Body Armor Replacement Fund - FY 2018	1020-718-066-1020-001-YCJF-6120	9,406.65		5,464.80	5,464.80
Alcohol Education Rehabilitation Fund - 2015	9735-760-098-Y900-001-X100-6020	4,773.59			
Alcohol Education Rehabilitation Fund - 2016	9735-760-098-Y900-001-X100-6020	181.29			
				<u>21,727.95</u>	<u>31,873.75</u>

CITY OF PLAINFIELD
SCHEDULE OF STATE GRANT AND STATE AID FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2018

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT AWARD AMOUNT	2018 RECEIPTS	2018 EXPENDITURES	CUMULATIVE EXPENDITURES
PASS THROUGH FROM COUNTY OF UNION		\$	\$	\$	
Senior Citizens' Arts Program-FY 2014		2,400.00			2,400.00
Senior Citizens' Arts Program-FY 2015		2,400.00			2,400.00
Senior Citizens' Arts Program-FY 2016		2,300.00		173.83	2,300.00
Senior Citizens' Arts Program-FY 2017		2,200.00		200.00	2,200.00
Senior Citizens' Arts Program-FY 2018		2,300.00	2,300.00	1,913.31	1,913.31
Senior Focus		25,000.00	25,000.00	17,722.00	25,000.00
Safe Housing and Transportation-FY 2016		19,166.00			19,166.00
Safe Housing and Transportation-FY 2017		19,470.00	9,282.38	5,834.00	19,470.00
Safe Housing and Transportation-FY 2018		19,470.00	9,449.00	13,914.00	13,914.00
Level the Playing Field - Recreation		25,470.00			
Kids Recreational Trust - 2013		88,000.00			6,300.00
Kids Recreational Trust - 2014		37,500.00			37,500.00
Kids Recreational Trust - 2015		63,000.00			34,831.61
Kids Recreational Trust - 2016		45,450.00		33,255.55	
Kids Recreational Trust - 2014		85,000.00			85,000.00
Kids Recreational Trust - 2017		25,000.00			
Preserve Union County - Lampkin Street		2,500.00	1,250.00		
HEART Grant - 2017		39,000.00	3,914.27	4,264.34	4,264.34
Supportive Services		100,000.00	103,000.00		100,000.00
Infrastructure and Municipal Aid - 2017		65,555.00	23,233.49	13,776.54	33,907.67
United Way-Plainfield Action Services (P.A.S.)		108,000.00		16,358.98	16,358.98
United Way-(P.A.S.) - WIOA & YEPP - 7/1/18-6/15/19		8,000.00	4,000.00	1,000.00	1,000.00
United Way-(P.A.S.) - Flex Funds		14,000.00	1,134.00	2,520.00	14,000.00
Plainfield Action Services (P.A.S.) - GAP Funding		14,000.00			14,000.00
Plainfield Action Services (P.A.S.) - GAP Funding		28,280.00	19,747.00	20,152.00	20,152.00
		\$	\$ 205,310.14	\$ 131,084.55	\$ 456,077.91
			\$ 2,039,716.26	\$ 2,026,942.17	\$ 4,626,133.63
GRAND TOTAL					

CITY OF PLAINFIELD

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

YEAR ENDED DECEMBER 31, 2018

NOTE 1. GENERAL

The accompanying schedules of expenditures of financial assistance present the activity of all federal and state financial assistance programs of the City of Plainfield, County of Union, New Jersey. All federal and state financial assistance received directly from federal or state agencies, as well as federal financial assistance passed through other governmental agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the City's financial statements - regulatory basis. The City has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules of expenditures agree with the amounts reported in the related federal and state financial reports.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the City's statutory basis financial statements. These amounts are reported in the Current Fund, Grant Fund or General Capital Fund.

Receipts:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund	\$ <u>2,296,333.57</u>	\$ <u>2,039,716.26</u>	\$ <u>5,000.00</u>	\$ <u>4,341,049.83</u>
	\$ <u><u>2,296,333.57</u></u>	\$ <u><u>2,039,716.26</u></u>	\$ <u><u>5,000.00</u></u>	\$ <u><u>4,341,049.83</u></u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund	\$ <u>2,468,102.10</u>	\$ <u>2,026,942.17</u>	\$ <u>18,038.05</u>	\$ <u>4,513,082.32</u>
	\$ <u><u>2,468,102.10</u></u>	\$ <u><u>2,026,942.17</u></u>	\$ <u><u>18,038.05</u></u>	\$ <u><u>4,513,082.32</u></u>

NOTE 5. OTHER

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

CITY OF PLAINFIELD
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|--|------------|
| (1) Type of Auditor Report Issued: | Unmodified |
| (2) Internal Control Over Financial Reporting: | |
| (a) Material weaknesses identified? | No |
| (b) Significant deficiencies that are not considered to be material weaknesses? | No |
| (3) Noncompliance material to the financial statements to be noted during the audit? | No |

Federal Programs(s)

- | | |
|---|------------|
| (1) Internal Control Over Major Federal Programs: | |
| (a) Material weaknesses identified during the audit? | No |
| (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (2) Type of Auditor's Report issued on compliance for major federal program(s)? | Unmodified |
| (3) Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance and listed in Section III of this schedule? | No |

- (4) Identification of Major Federal Program(s):

<u>Program</u>	<u>C.F.D.A. Number</u>
Community Development Block Grant	14.218

- | | |
|---|-----|
| (5) Program Threshold Determination: | |
| Type A Federal Program Threshold > \$750,000.00 | |
| Type B Federal Program Threshold <= \$750,000.00 | |
| (6) Auditee qualified as a low-risk auditee under the Uniform Guidance? | Yes |

CITY OF PLAINFIELD
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Section I - Summary of Auditor's Results (Continued)

State Program(s)

(1) Internal Control Over Major State Programs:

(a) Material weaknesses identified? No

(b) Significant deficiencies that are not considered to be material weaknesses? No

(2) Type of Auditor's Report issued on compliance for major state program(s)? Unmodified

(3) Any audit findings disclosed that are required to be reported in accordance with Circular OMB 15-08 and listed in Section III of this schedule? No

(4) Identification of Major State Program(s):

<u>Program</u>	<u>Grant/Project Number</u>
Childhood Lead Exposure Prevention Grant (CLEP)	DFHS18CHD030

(5) Program Threshold Determination:

Type A State Program Threshold > \$750,000.00

Type B State Program Threshold <= \$750,000.00

(6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? Yes

CITY OF PLAINFIELD
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Section II - Financial Statement Audit - Reported Findings Under Government Auditing Standards

Internal Control Findings

None Reported.

Compliance Findings

None Reported

Section III - Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs - None Reported

State Programs - None Reported

Status of Prior Year Audit Findings - Not Applicable

PART III
CITY OF PLAINFIELD
STATISTICAL DATA
LIST OF OFFICIALS
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2018

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

	YEAR 2018		YEAR 2017	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 6,766,565.00	5.14%	\$ 6,423,030.00	4.86%
Miscellaneous - From Other Than				
Local Property Tax Levies	25,450,293.33	19.32%	29,322,451.24	22.18%
Collection of Delinquent Taxes				
and Tax Title Liens	3,091,225.58	2.35%	2,276,536.97	1.72%
Collections of Current Tax Levy	96,442,629.91	73.19%	94,203,466.35	71.24%
<u>Total Revenue</u>	<u>\$ 131,750,713.82</u>	<u>100.00%</u>	<u>\$ 132,225,484.56</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 82,075,285.74	65.81%	\$ 82,158,273.53	65.79%
County Taxes	14,764,466.25	11.84%	15,138,474.45	12.12%
Local School District Taxes	26,873,885.00	21.55%	25,153,129.00	20.14%
Municipal Open Space Taxes	242,278.00	0.19%	242,837.00	0.19%
Special Improvement District	161,323.00	0.13%	161,930.32	0.13%
Other Expenditures	595,100.19	0.48%	2,027,799.65	1.63%
<u>Total Expenditures</u>	<u>\$ 124,712,338.18</u>	<u>100.00%</u>	<u>\$ 124,882,443.95</u>	<u>100.00%</u>
Statutory Excess in Revenue	\$ 7,038,375.64		\$ 7,343,040.61	
Fund Balance - January 1	\$ 10,094,205.49		\$ 9,174,194.88	
	\$ 17,132,581.13		\$ 16,517,235.49	
Less: Utilization as Anticipated Revenue	6,766,565.00		6,423,030.00	
Fund Balance, December 31	<u>\$ 10,366,016.13</u>		<u>\$ 10,094,205.49</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>				
Miscellaneous	\$ 5.48	100.00%	\$ 8.12	100.00%
<u>Total Revenue</u>	<u>\$ 5.48</u>	<u>100.00%</u>	<u>\$ 8.12</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Debt Service	\$ 66,496.35	100.00%	\$ 58,281.25	100.00%
<u>Total Expenditures</u>	<u>\$ 66,496.35</u>	<u>100.00%</u>	<u>\$ 58,281.25</u>	<u>100.00%</u>
Excess in (Deficit) Revenue	\$ (66,490.87)		\$ (58,273.13)	
Adjustments to Income Before Fund Balance:				
Realized from General Budget for				
Anticipated Deficit	\$ 66,490.87		\$ 58,273.13	
Fund Balance - January 1	\$		\$	
Less: Close Sewer Utility Operating Fund				
Fund Balance, December 31	<u>\$ -0-</u>		<u>\$ -0-</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	CALENDAR YEAR <u>2018</u>	CALENDAR YEAR <u>2017</u>	CALENDAR YEAR <u>2016</u>
Municipal	\$ 4.731	\$ 4.650	\$ 4.558
Municipal Open Space	0.020	0.020	0.020
County	1.182	1.210	1.178
County Open Space	0.034	0.034	0.033
Local School	<u>2.219</u>	<u>2.072</u>	<u>2.034</u>
Total Tax Rate	<u>\$ 8.186</u>	<u>\$ 7.986</u>	<u>\$ 7.823</u>

Assessed Valuations:

2018	\$ <u>1,211,388,957.00</u>		
2017		\$ <u>1,214,186,163.00</u>	
2016			\$ <u>1,216,447,273.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of the 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 ENDED</u>	<u>TAX LEVY</u>	<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
December 31, 2018	\$ 99,315,107.22	\$ 96,287,457.69	96.95%
December 31, 2017	97,172,820.23	94,041,536.03	96.78%
December 31, 2016	95,495,904.39	92,723,194.84	97.10%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>YEAR ENDED</u>		<u>AMOUNT OF TAX TITLE LIENS</u>		<u>AMOUNT OF DELINQUENT TAXES</u>		<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
December 31, 2018	\$	216,253.45	\$	2,377,401.16	\$	2,593,654.61	2.61%
December 31, 2017		344,755.42		2,642,263.66		2,987,019.08	3.07%
December 31, 2016		483,729.19		2,220,134.31		2,703,863.50	2.83%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>YEAR ENDED</u>	<u>AMOUNT</u>
December 31, 2018	\$1,772,600.00
December 31, 2017	2,068,500.00
December 31, 2016	2,310,300.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR ENDED</u>	<u>BALANCE</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	December 31, 2018	\$10,366,016.13	\$6,766,565.00
	December 31, 2017	10,094,080.49	6,766,565.00
	December 31, 2016	9,174,194.88	6,423,030.00
	December 31, 2015	8,527,972.65	5,935,029.16
	December 31, 2014	6,807,326.93	5,600,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Adrian O. Mapp	Mayor	\$150,000.00
Charles McRae	Council President	**
Cory Storch	Council Member	**
Barry Goode	Council Member	**
Diane Toliver	Council Member	**
Joylette Mill-Ransome	Council Member	**
Steve Hockaday	Council Member	**
Elton Armady	Council Member	**
David Minchello	Corporation Counsel	*
Abubakar Jalloh	City Clerk, Assessment Search Officer	75,000.00
Carlos N. Sanchez	City Administrator	150,000.00
Ronald West	Director of Administration and Finance	750,000.00
Richard J. Gartz	Chief Financial Officer	750,000.00
David Marshall	Tax Collector	384,000.00
Cynthia Blake	Purchasing Agent	*
Carl Marshall	Magistrate	***
Raymona Iwer	Municipal Court Administrator	***
Carl Riley	Director of Public Safety	*
Oren Dabney	Director of Public Works	*
Tracy Bennett	Tax Assessor	*

*\$15,000.00 Public Employee's Blanket Bond

**\$25,000.00 Faithful Performance Blanket Position Bond City Council

***\$65,000.00 Faithful Performance Blanket Position Bond Municipal Court Personnel

All of the bonds were examined and were properly executed.

GENERAL 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 of P.L. 1971 c. 198 (C.40A:11-3), except by contract or agreement.

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-3 was allowed to be increased to \$40,000.00. In 2017, the City appointed a Qualified Purchasing Agent and raised the bid threshold to \$40,000.00.

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 City Counsel's opinion should be sought before a commitment is made.

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

- Remodel & Reconstruct Bathrooms & Showers at Fire Headquarters
- Breathing Air Compressor Apparatus
- Resurfacing of Sumner Avenue
- Rushmore Playground Improvements Phase II
- Milt Campbell Tennis Court Improvements
- North Avenue Vault and Sidewalk Repairs
- Milling and Paving of Several Roadways

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 or 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 authorizing contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 were awarded during 2018 for the professional services:

Engineering Services	Bond Counsel
Auditing Services	Corporation Counsel
Consulting Services	Labor/Personnel Counsel
Litigation/Defense Counsel	Planning/Redevelopment Services
Codification and Transcription Services	

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 1, 2018 adopted the following resolutions authorizing interest to be charged on delinquent taxes:

RESOLVED, by the City Council of the City of Plainfield, County of Union, State of New Jersey as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on first \$1,500.00 of taxes becoming delinquent after the due date and 18% per annum on any amount in excess on \$1,500.00, the same to be calculated from the date the tax was payable until the date of actual payment.
2. There will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.
3. Any payments made after the ten (10) day grace period will revert the interest charge back to the original due date.
4. The Tax Collector is directed to charge a 6% penalty on any delinquency in excess of \$10,000.00 (inclusive of interest, said delinquency is calculated to the end of the fiscal year) that remains delinquent at the end of the fiscal year, for that fiscal year.
5. The Tax Collector is hereby authorized to charge a fee of \$25.00 to cover all costs associated with the mailing of each notice on a particular property, not to exceed two (2) mailings per property.

TAX TITLE LIENS

The last tax sale for unpaid municipal taxes was held on October 11, 2018.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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, including the mailing of verification notices as follows:

<u>TYPE</u>	
Payment of 2019 Taxes	50
Payment of 2018 Taxes	50
Delinquent Taxes	25

OTHER COMMENTS

Interfund Balances

Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus creating interfund balances. Reference 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.

Other Departments

The audit of the condition of records maintained by the various departments of the City were designed to determine whether minimum levels of internal controls and accountability were maintained, that cash receipts were deposited or turned over to the Treasurer within 48 hours per N.J.S.A. 40A:5-15 and that the amounts collected were in accordance with various ordinances, statutes, contracts or agreements. Our audit revealed that City funds collected by the Planning, Fire and Public Works/Engineering Departments were not always deposited with 48 hours.

RECOMMENDATIONS

Other Departments

That all City funds collected by the Planning, Fire and Public Works/Engineering Departments be deposited within 48 hours of receipt.

