

SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

SUMMARY OR SYNOPSIS OF 2011 AUDIT REPORT OF
CITY OF PLAINFIELD AS REQUIRED BY N.J.S. 40A:5-7

COMBINED COMPARATIVE BALANCE SHEETS

<u>ASSETS</u>	<u>JUNE 30, 2011</u>	<u>JUNE 30, 2010</u>
Cash and Investments	\$ 20,515,108.60	\$ 31,364,142.98
Taxes, Assessments, Liens and Utility Charges Receivable	4,528,398.47	3,561,757.45
Property Acquired for Taxes-Assessed Value	7,178,604.19	7,135,452.90
Accounts Receivable	17,565,938.23	19,467,825.42
Fixed Capital - Utility	1,439,914.74	1,439,914.74
Fixed Capital Authorized and Uncompleted - Utility		
Deferred Charges to Future Taxation-General Capital	36,252,117.92	37,798,330.78
Deferred Charges to Revenue of Succeeding Years	373,496.87	486,673.59
General Fixed Assets	<u>28,391,265.40</u>	<u>28,391,265.40</u>
 <u>TOTAL ASSETS</u>	 <u>\$ 116,244,844.42</u>	 <u>\$ 129,645,363.26</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Bonds and Notes Payable	\$ 31,859,230.78	\$ 27,604,443.64
Improvement Authorizations	10,306,464.28	11,688,319.41
Other Liabilities and Special Funds	30,471,216.54	47,127,182.35
Amortization of Debt for Fixed Capital Acquired or Authorized	939,000.00	869,000.00
Reserve for Certain Assets Receivable	11,951,244.47	11,204,978.25
Fund Balance	2,326,422.95	2,760,174.21
Investment in General Fixed Assets	<u>28,391,265.40</u>	<u>28,391,265.40</u>
 TOTAL LIABILITIES, RESERVES AND FUND BALANCE	 <u>\$ 116,244,844.42</u>	 <u>\$ 129,645,363.26</u>

CITY OF PLAINFIELD

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

	YEAR ENDED JUNE <u>30, 2011</u>	YEAR ENDED JUNE <u>30, 2010</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 1,900,000.00	\$ 2,500,000.00
Miscellaneous - From Other Than Local		
Property Tax Levies	19,907,309.46	22,520,117.85
Collection of Delinquent Taxes and Tax Title Liens	2,872,792.96	2,775,979.49
Collection of Current Tax Levy	<u>82,786,358.24</u>	<u>79,215,292.39</u>
<u>TOTAL INCOME</u>	<u>\$ 107,466,460.66</u>	<u>\$ 107,011,389.73</u>
<u>EXPENDITURES</u>		
Budget Expenditures	\$ 69,458,055.43	\$ 71,106,421.13
County Taxes	13,334,090.36	13,255,300.36
Local District School Taxes	23,134,086.01	20,948,782.00
Other Expenditures	<u>146,643.16</u>	<u>313,351.69</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 106,072,874.96</u>	<u>\$ 105,623,855.18</u>
Excess in Revenue	\$ 1,393,585.70	\$ 1,387,534.55
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	<u>\$ 58,000.00</u>	<u>\$ 439,533.96</u>
Statutory Excess in Revenue	<u>\$ 1,451,585.70</u>	<u>\$ 1,827,068.51</u>
Fund Balance, July 1	<u>\$ 2,684,022.38</u>	<u>\$ 3,356,953.87</u>
	\$ 4,135,608.08	\$ 5,184,022.38
Less: Utilized as Anticipated Revenue	<u>1,900,000.00</u>	<u>2,500,000.00</u>
Fund Balance, June 30	<u><u>\$ 2,235,608.08</u></u>	<u><u>\$ 2,684,022.38</u></u>

CITY OF PLAINFIELD

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE
SEWER UTILITY OPERATING FUND

	YEAR ENDED JUNE <u>30, 2011</u>	YEAR ENDED JUNE <u>30, 2010</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Utility Capital Surplus Anticipated	\$	\$ 86,192.16
Miscellaneous	<u>207.07</u>	<u>2,118.60</u>
<u>TOTAL INCOME</u>	\$ <u>207.07</u>	\$ <u>88,310.76</u>
 <u>EXPENDITURES</u>		
Debt Service	\$ <u>84,274.99</u>	\$ <u>79,066.44</u>
<u>TOTAL EXPENDITURES</u>	\$ <u>84,274.99</u>	\$ <u>79,066.44</u>
Excess in Revenue	\$ <u>(84,067.92)</u>	\$ <u>9,244.32</u>
Adjustments to Income Before Fund Balance: Realized from General Budget for Anticipated Deficit	\$ <u>84,067.92</u>	\$ _____
Fund Balance, July 1	<u>19,079.76</u>	<u>9,835.44</u>
Fund Balance, June 30	\$ <u><u>19,079.76</u></u>	\$ <u><u>19,079.76</u></u>

RECOMMENDATIONS

Purchasing:

- *That all City purchases be made through the Purchasing Agent.
- *That the encumbrance accounting system required by the Division of Local Government services be adequately maintained.
- *That open purchase orders be reviewed periodically and cancelled if no longer valid.

Tax Collector:

- That all tax receipts be deposited within 48 hours of receipt.
- *That a detailed analysis of tax sale premiums and outside lien redemption balances at year end be maintained.
- *That third party lien redemptions be remitted to the outside lienholders in a timely manner.
- That the Tax Collector's monthly reports be filed with the Finance Office on a timely basis.

Finance:

- *That the Current Fund General Ledger be accurately maintained.
- *That the City obtain the necessary actuarial information required to report the long-term liabilities related to its Other Post-Employment Benefits (OPEB) Programs.
- *That grants receivable and appropriated grant reserves from prior year be reviewed and cleared of record where appropriate; the grant appropriation ledger should then be reviewed for proper disposition.
- *That the City establish monthly closing procedures to ensure that bank accounts are accurately and promptly reconciled on a monthly basis.
- *That Dedication by Rider approval be requested from the State of New Jersey for Trust reserves and that Trust reserves not eligible for rider approval be cancelled of record.
- *That the City enhance internal controls over the authorization of expenditures to ensure that sufficient appropriations exist and to prevent overexpenditures.
- *That interfund balances be cleared of record.
- *That unsupported balance sheet items in the sewer utility fund be cancelled of record.
- *That efforts be made to collect delinquent Payment in Lieu of Taxes (PILOT) receivables.

RECOMMENDATIONS (CONTINUED)

Finance (continued):

*That all the County portion of PILOT payments be remitted to the County of Union.

That a corrective action plan be filed with the Division of Local Government Services on a timely basis.

That expenditures be reviewed to ensure that they are charged to the correct budgeting line item.

Payroll:

That vacation, sick and comp time be reviewed to ensure that it is charged correctly.

That the City's use of payroll processing and disbursement services be brought into compliance with the requirements of N.J.A.C. 5:30-17.

Departments:

*That all departments remit funds collected to the Finance Office within 48 hours of receipt.

*That monthly animal control State reports be reconciled with license fees collected.

That all City Departments maintain accurate records of monies collected.

That receipts collected by the City's Departments be reconciled with the amounts recorded by the Finance Office.

City Clerk:

*That official minutes of actions taken by the City Council should be prepared in a timely manner and should be bound in official minute books.

Fixed Assets:

*That the Fixed Assets Ledger be updated for all additions and deletions.

Surety Coverage:

That the surety bond covering the Tax Collector be increased to at least the minimum established by N.J.A.C. 5:30-8.3.

*Unresolved prior year recommendations

A Corrective Action Plan, which outlines actions the City of Plainfield will take to correct the findings listed above, will be prepared in accordance with federal and state requirements. A copy of it will be placed on file and made available for public inspection in the Office of the City Clerk in the City of Plainfield.

The above summary or synopsis was prepared from the report of audit of the City of Plainfield, County of Union, for the state fiscal year ended June 30, 2011. This report of audit, submitted by Suplee, Clooney & Company, Registered Municipal Accountants and Certified Public Accountants, is on file at the City Clerk's office and may be inspected by any interested person.

Abubakar Jalloh, RMC
Municipal Clerk