

REPORT OF AUDIT
COUNTY OF PASSAIC
STATE OF NEW JERSEY
DECEMBER 31, 2012

COUNTY OF PASSAIC

STATE OF NEW JERSEY

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PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

COUNTY OF PASSAIC, N.J.

TABLE OF CONTENTS

PART I

<u>Exhibit</u>		<u>Page</u>
	Independent Auditor's Report	1
	<u>CURRENT FUND</u>	
A	Comparative Balance Sheet - Regulatory Basis	5
A-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	7
A-2	Statement of Revenues - Regulatory Basis	8
A-3	Statement of Expenditures - Regulatory Basis	12
	<u>TRUST FUNDS</u>	
B	Comparative Balance Sheet - Regulatory Basis	22
B-1	Schedule of Changes in Fund Balance - Other Trust Fund - Regulatory Basis	24
	<u>GENERAL CAPITAL FUND</u>	
C	Comparative Balance Sheet - Regulatory Basis	25
C-1	Statement of Changes in Fund Balance - Regulatory Basis	26
	<u>GENERAL FIXED ASSETS</u>	
D	Statement of General Fixed Assets - Regulatory Basis	27
	Notes to Financial Statements Year Ended December 31, 2012	28
	Supplementary Data	70

COUNTY OF PASSAIC, N.J.

**TABLE OF CONTENTS
(continued)**

<u>Exhibit</u>		<u>Page</u>
<u>SUPPLEMENTARY SCHEDULES</u>		
<u>CURRENT FUND</u>		
A-4	Schedule of Cash and Investments	72
A-5	Schedule of Cash - Change Fund	73
A-6	Schedule of Cash - Petty Cash	73
A-7	Schedule of Federal and State Grants Receivable	74
A-8	Schedule of Revenue Accounts Receivable	78
A-9	Schedule of Interfunds	79
A-10	Schedule of Appropriation Reserves	80
A-11	Schedule of Accounts Payable	83
A-12	Schedule of Encumbrances Payable	84
A-13	Schedule of Commitments Payable	85
A-14	Schedule of Appropriated Reserves for Grants	86
A-15	Schedule of Miscellaneous Reserves	91
A-16	Schedule of Unappropriated Reserves for Grants	92
A-17	Schedule of Interfunds	93
A-18	Schedule of Deferred Charge	94
A-19	Schedule of Deferred Charges - 40A:4-53 Special Emergency	95
<u>TRUST FUND</u>		
B-2	Schedule of Cash	96
B-3	Schedule of Various Trust Deposits	97
B-4	Schedule of Reserve for Dedicated Trusts	98
B-5	Schedule of Open Space Trust Expenditures	99
B-6	Schedule of Open Space Grant Commitments Payable	99
B-7	Schedule of Open Space Levy - Due to Municipalities	100
B-8	Schedule of Reserve for Confiscated Trust Fund	100
B-9	Schedule of Reserve for Workmen's Compensation	101
B-10	Schedule of Reserve for Health Benefit Funds	102
B-11	Schedule of Reserve for Liability Insurance	102
B-12	Schedule of Housing Voucher Program	103
B-13	Schedule of Interfunds	104

COUNTY OF PASSAIC, N.J.

**TABLE OF CONTENTS
(continued)**

<u>Exhibit</u>		<u>Page</u>
<u>GENERAL CAPITAL FUND</u>		
C-2	Schedule of Cash	105
C-3	Analysis of Cash	106
C-4	Schedule of Receivables	110
C-5	Schedule of Deferred Charges to Future Taxation - Funded	112
C-6	Schedule of Deferred Charges to Future Taxation - Unfunded	113
C-7	Schedule of Improvement Authorizations	119
C-8	Schedule of Accounts Payable	124
C-9	Schedule of Commitments Payable	124
C-10	Schedule of Green Acres Loan Payable	125
C-11	Schedule of Amounts Due to the Township of Wayne	125
C-12	Schedule of Capital Improvement Fund	126
C-13	Schedule of Reserve for Final Payments and Litigation	126
C-14	Schedule of Reserve for Payment of Bonds and Notes	127
C-15	Schedule of Interfunds	128
C-16	Schedule of Reserve for Salt Shed - West Milford	129
C-17	Schedule of Reserve for EFA State Loan Payments	129
C-18	Schedule of Reserve for Interest - Fire Academy	130
C-19	Schedule of Reserve for Administration Building Settlement	131
C-20	Schedule of Reserve for Interest - DOT Programs	131
C-21	Schedule of Reserve for Unappropriated Grants	132
C-22	Schedule of Reserve for Grants Receivable	132
C-23	Schedule of Reserve for Bonding Payments	133
C-24	Schedule of Accrued Interest Payable	133
C-25	Schedule of Bond Anticipation Notes Payable	134
C-26	Schedule of General Serial Bonds Payable	136
C-27	Schedule of State Educational Facilities Authority Loans Payable	153
C-28	Schedule of New Jersey Green Trust Loans Payable	154
C-29	Schedule of Capital Leases Payable	155
C-30	Schedule of Bonds and Notes Authorized But Not Issued	159

COUNTY OF PASSAIC, N.J.

**TABLE OF CONTENTS
(continued)**

<u>Exhibit</u>		<u>Page</u>
	<u>PART II</u>	
	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	161
	Independent Auditor's Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance as Required by Circular A-133 and N.J. OMB Circular 04-04	163
	Schedule of Expenditures of Federal Awards	166
	Schedule of Expenditures of State Awards	173
	Notes to the Schedules of Expenditures of Federal and State Awards	181
	Schedule of Findings and Questioned Costs	182
	General Comments and Recommendations	186
	Comments and Recommendations	189
	Status of Prior Years' Audit Findings/Recommendations	193

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INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Chosen Freeholders
County of Passaic
Paterson, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Office of the County Clerk, County of Passaic in the State of New Jersey, as of December 31, 2012 and 2011, 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 funds for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic 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 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 financial statements based on our audit. We did not audit the financial statements of the Community Development Grant Fund as of December 31, 2012 and 2011 which represents 12.8 and 19.1 percent, respectively, of the assets of the Trust Fund for the years then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Community Development Grant Fund, is based solely upon the reports of the other auditors. 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



The Honorable Board of Chosen Freeholders
County of Passaic
Page 2.

Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 entity'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 entity'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 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 financial statements, the financial statements are prepared by the County of Passaic 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 each fund of the County of Passaic as of December 31, 2012 and 2011, or changes in financial position for the years then ended.



Basis for Qualified Opinion on Regulatory Basis Accounting Principles

The County did not maintain a current actuarial report as required by Government Accounting Standards Board (GASB), Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. State of New Jersey Local Finance Notice 2007-15 also dictates that municipalities follow the guidelines established by this GASB.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*”, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2012 and 2011, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2012 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Passaic’s basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of federal financial awards and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2013 on our consideration of the County of Passaic'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 County of Passaic's internal control over financial reporting and compliance.



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Registered Municipal Accountant
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Certified Public Accountants
Pompton Lakes, New Jersey

September 19, 2013



COUNTY OF PASSAIC

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2012 and 2011

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 45,731,865	48,416,302
Investments	A-4	508,889	505,773
Change Fund	A-5	675	675
Cash - Fiscal Agent for Health Benefits		<u>570,000</u>	<u>570,000</u>
		<u>46,811,429</u>	<u>49,492,750</u>
Receivables and Other Assets with Full Reserves:			
Revenue Accounts Receivable	A-8	753,779	600,719
Amount Due from:			
Net Payroll	A-9	4,810	4,810
Confiscated Trust Fund	A-9	3,229	
Community Development Trust Fund	A-9	<u>10,399</u>	
		<u>772,217</u>	<u>605,529</u>
Deferred Charges:			
Overexpenditure of Appropriations	A-18	80,422	
Special Emergency Authorization	A-18	<u>4,518,444</u>	<u>5,648,055</u>
		<u>4,598,866</u>	<u>5,648,055</u>
		<u>52,182,512</u>	<u>55,746,334</u>
Federal and State Grant Fund:			
Grants Receivable	A-7	42,813,361	39,821,159
Due from Current Fund	A-17	<u>148,274</u>	<u>2,090,302</u>
		<u>42,961,635</u>	<u>41,911,461</u>
Total Assets		<u>\$ 95,144,147</u>	<u>97,657,795</u>

COUNTY OF PASSAIC

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2012 and 2011

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-10 \$	11,855,033	12,240,680
Accounts Payable	A-11	515,894	635,563
Encumbrances Payable	A-12	5,720,479	5,561,952
Due to State & Federal Grants Fund	A-9	148,274	2,090,302
Due to Other Trust Fund	A-9	215,486	494,626
Due to Clearing Account	A-9		2,407
Due to General Capital Fund	A-9	2,003,630	1,540,755
Due to Self-Insurance Trust	A-9	41	477
Miscellaneous Reserves	A-15	3,539,409	4,961,328
		<u>23,998,246</u>	<u>27,528,090</u>
Reserve for Receivables	Contra	772,217	605,529
Fund Balance	A-1	<u>27,412,049</u>	<u>27,612,716</u>
		<u>52,182,512</u>	<u>55,746,335</u>
Federal and State Grant Fund:			
Accounts Payable	A-11	43,010	43,010
Commitments Payable	A-13	11,127,758	6,535,698
Reserve for State and Federal Grants - Appropriated	A-14	31,783,034	35,228,251
Reserve for State and Federal Grants - Unappropriated	A-16	7,833	104,501
		<u>42,961,635</u>	<u>41,911,460</u>
Total Liabilities, Reserves and Fund Balance	\$	<u>95,144,147</u>	<u>97,657,795</u>

See accompanying notes to financial statements.

COUNTY OF PASSAIC

Comparative Statement of Operations and Changes in Fund Balance-Regulatory Basis

Current Fund

Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenues and Other Income:		
Fund Balance Utilized	\$ 20,000,000	18,000,000
Miscellaneous Revenue Anticipated	116,340,412	126,929,809
Receipts from Current Taxes	304,999,886	298,991,500
Non-Budget Revenue	2,762,573	4,262,753
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	6,669,189	6,893,777
Prior Year Interfunds Returned	4,810	
Cancellation of Liabilities	2,058,879	71,998
Cancellation of Appropriated Grants	394,507	
Total Revenues and Other Income	<u>453,230,256</u>	<u>455,149,837</u>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	129,079,453	126,444,809
Other Expenses	206,841,204	214,530,873
Capital Improvement Fund	700,000	700,000
Debt Service	52,279,217	51,295,936
Deferred Charges and Statutory Expenditures	44,101,442	47,691,381
Interfunds and Receivables Originating in Current Fund	18,438	1,167,871
Grant Receivables Canceled	393,702	5,001
Prior Years' Charges		40,168
Refunds	97,889	
Total Expenditures	<u>433,511,345</u>	<u>441,876,039</u>
Excess Revenue Over Expenditures	19,718,911	13,273,798
Adjustments to Income Before Surplus:		
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	80,422	5,648,055
Statutory Excess to Surplus	19,799,333	18,921,853
Fund Balance, January 1,	<u>27,612,716</u>	<u>26,690,863</u>
	47,412,049	45,612,716
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>20,000,000</u>	<u>18,000,000</u>
Fund Balance, December 31,	<u>\$ 27,412,049</u>	<u>27,612,716</u>

See accompanying notes to the financial statements.

COUNTY OF PASSAIC

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$ 20,000,000	20,000,000	
Miscellaneous Revenues:			
County Clerk	570,000	683,478	113,478
Register	1,933,000	2,610,166	677,166
Surrogate	365,000	358,235	(6,765)
Sheriff	490,000	469,231	(20,769)
Interest on Investments and Deposits	55,000	38,697	(16,303)
Road Opening Permits	332,500	355,891	23,391
Rental Income	215,000	219,348	4,348
Prosecutor's Office - Confiscated Money	75,000		(75,000)
State Aid - County College Bonds (N.J.S.A. 18A:64-22.6)	1,500,000	1,511,188	11,188
Division of Youth and Family Services	3,451,660	3,451,660	
Supplemental Social Security Income	1,864,451	1,497,311	(367,140)
Maintenance of Patients in State Institutions for Mental Diseases	16,708,842	16,708,842	
Maintenance of Patients in State Institutions for Mentally Retarded	7,824,089	7,824,089	
County Patients - State Hospital	13,086	11,499	(1,587)
LEOTEF	17,960	17,960	
UASI PLANNER/PROJECTS	470,000	470,000	
Weatherization ARRA	110,500	110,500	
C.S.B.G. Non Discretionary 2011	225,673	225,673	
HUD - Spruce St Apartments	218,163	218,163	
Community Justice Program	49,200	49,200	
INSURANCE FRAUD	250,000	250,000	
Homeland Security - FY11	504,432	504,432	
Violence Against Women Act	26,322	26,322	
SANE Project	57,000	57,000	
UASI	623,595	623,595	
Click it or Ticket	4,000	4,000	
LEOTEF	16,140	16,140	
CEHA 2012	221,526	221,526	
C.S.B.G. Non Discretionary 2012	47,804	47,804	
Human Services 2012 BERN	19,385	19,385	
Transportation and TIP	404,914	404,914	
NJ 513 - Housing First Collaborative II	1,101,420	1,101,420	
NJ 513 - PC Housing First	221,400	221,400	
NJ 513 - PC Paterson Park Apartments	806,760	806,760	
County Housing First	235,260	235,260	
NJ-513 - New Passaic County Housing First	19,776	19,776	
Passaic County Housing First Collaborative III	369,480	369,480	
Urban Areas Security Initiative	345,000	345,000	
Aging Area Nutrition 2012	37,907	37,907	
Emergency Management Assistance	50,000	50,000	
NCA Program Support	10,000	10,000	

COUNTY OF PASSAIC

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Farmers Market Nutrition Program	2,000	2,000	
Juvenile Detention Alternatives Innovations Funding	62,600	62,600	
Workforce Investment (PIC)	381,416	381,416	
Workforce Investment Allocation	1,817,131	1,817,131	
Workforce New Jersey	5,631,504	5,631,504	
Workforce Investment (PIC)	311,764	311,764	
Department of Labor - WIA Adult	1,799,182	1,799,182	
Department of Labor - WIA Dislocated Worker	1,480,768	1,480,768	
PHLP LINCS Agencies (old BT grant)	597,775	597,775	
Preakness Gero-Psych Program	338,210	338,210	
Plan Conformance	70,000	70,000	
Subregional Transportation Planning	98,415	98,415	
Victims of Crime Act (VOCA)	197,229	197,229	
Workforce Investment (PIC)	40,660	40,660	
Weatherization DOE 2011	147,315	147,315	
Weatherization DOE 2010	106,740	106,740	
Weather Improvement Program (HIP)	624,805	624,805	
Weatherization LIHEAP	482,305	482,305	
CSBG Non-Discretionary 2012	248,285	248,285	
Community Development Block Grant (CDBG)	805,450	805,450	
Right to Know Program	15,213	15,213	
Disability Employment Initiative (DEI)	240,750	240,750	
Aging Area Nutrition FY12	2,139	2,139	
LEOTEF	24,070	24,070	
Multi-Jurisdictional Narcotics Task	169,637	169,637	
2012 Body Armor P.C.P.O.	7,418	7,418	
Radon Awareness Program (RAP)	1,000	1,000	
LIHEAP Assistance 2012	46,955	46,955	
Universal Service Fund	48,378	48,378	
Clean Communities Entitlement	61,891	61,891	
Passaic County Film Festival	2,000	2,000	
Workforce Learning Link Program	135,000	135,000	
JARC	320,000	320,000	
Family Court Services	281,101	281,101	
State Community Partnership	514,393	514,393	
Juvenile Accountability Block Grant	34,814	34,814	
Body Armor PCSD	42,763	42,763	
Casino Revenue	1,133,836	1,133,836	
Area Plan Grant - Aging Area Nutrition	1,778,474	1,778,474	
Area Plan Grant	1,823,064	1,823,064	
UASI Projects	81,000	81,000	
2012 Homeless Grant	20,000	20,000	
Added and Omitted Taxes	600,000	618,421	18,421
Board Inmates at County-State	310,000	180,225	(129,775)
Title IV D Parent Locator Program	735,000	865,057	130,057

COUNTY OF PASSAIC

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fringe Benefits	7,300,000	8,206,642	906,642
Indirect Costs - Grants	300,000	374,998	74,998
Preakness Hospital - Medicaid Reimbursements	32,150,000	33,700,000	1,550,000
Maintenance in Lieu of Rent - Martin Luther King - Soc. Serv.	956,000	1,201,719	245,719
State School Building Aid (Chapter 12)	34,700	34,377	(323)
Park Fees	1,425,000	1,730,885	305,885
Telephone Commissions	190,000	421,347	231,347
Capital Surplus	1,000,000	1,000,000	
Site Plan Fees	60,000	48,402	(11,598)
Radio Tower Rental	31,000	31,710	710
Security Contract Passaic Valley Water	608,000	608,080	80
Reserve for Payment of Bonds	1,500,000	1,500,000	
County Clerk P.L. 2001 C370	107,435	107,435	
Register P.L. 2001 C370	1,167,907	1,167,907	
Surrogate P.L. 2001 C370	110,000	110,000	
Sheriff P.L. 2001 C370	202,506	202,506	
	<u>112,676,242</u>	<u>116,340,412</u>	<u>3,664,170</u>
Total Miscellaneous Revenues			
Amount to be Raised by Taxation - County Purpose Tax	<u>304,999,887</u>	<u>304,999,886</u>	<u>(1)</u>
Total Budget Revenues	<u>\$ 437,676,129</u>	<u>441,340,298</u>	<u>3,664,169</u>
Nonbudget Revenue		<u>2,762,573</u>	
		<u>\$ 444,102,871</u>	

COUNTY OF PASSAIC
Statement of Revenues-Regulatory Basis
Current Fund
Year Ended December 31, 2012

Miscellaneous Revenue Not Anticipated:	
State of New Jersey	\$ 129,321
Sales of Equipment	151,351
Duplication of Records	6,564
Vending Machine Commissions	18,806
ID Bureau	20,211
Payroll Deduction Fees	8,113
Bail Bond Forfeitures	71,466
Jail - Fees	173,534
Reimbursements	632,816
Board of Appeals	6,100
Refunds - Prior Year Expenses	231,361
Towing/Impound Fees	26,005
Dynamic/EMS Collections	4,916
SSA Treasury - Incentive	44,804
Police Academy Registration & Fees	120,549
SCAAP Grant	298,473
Hurricane Irene	467,327
General Election Fees	168,625
PC Tech Vocational School	64,219
Port Authority NY/NJ	16,775
Travelers Payment - Replacement of Property	39,546
Miscellaneous	61,691
	<u>2,762,573</u>
	<u>\$ 2,762,573</u>

See accompanying notes to the financial statements.

COUNTY OF PASSAIC
Statement of Expenditures-Regulatory Basis
Current Fund
Year Ended December 31, 2012

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>	<u>Over- expended</u>
OPERATIONS:						
GENERAL GOVERNMENT						
Administration Executive						
Board of Freeholders						
Salaries and Wages	340,500	240,200	230,001	10,199		
Other Expenses	75,000	68,592	62,385	6,207		
Contribution to Public Access Libraries	70,000	70,000		70,000		
County Administrator						
Salaries and Wages	527,844	527,844	428,732	99,112		
Other Expenses	282,900	122,207	60,631	61,576		
Finance Section						
Finance Department						
Salaries and Wages	914,262	941,413	1,021,835			80,422
Other Expenses	275,600	275,600	207,005	68,595		
Postage	200,000	184,686	184,037	649		
Audit	91,800	91,800		91,800		
Legal Department						
County Counsel						
Salaries and Wages	988,000	968,000	915,446	52,554		
Other Expenses	75,000	75,000	70,648	4,352		
Other Expenses Ethics	10,000	10,000	9,954	46		
County Adjuster						
Salaries and Wages	204,745	154,745	130,337	24,408		
Other Expenses	8,200	8,200	1,487	6,713		
Clerk of the Board						
Salaries and Wages	366,930	367,230	364,845	2,385		
Other Expenses	31,185	31,185	23,213	7,972		
Personnel						
Salaries and Wages	273,210	263,210	248,241	14,969		
Other Expenses	63,000	63,000	59,988	3,012		
State and National Association of County Officials						
	10,299	10,299	10,299			
County Clerk						
Salaries and Wages	805,670	750,670	709,019	41,651		
Other Expenses	23,000	23,000	19,779	3,221		

COUNTY OF PASSAIC
Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>	<u>Over- expended</u>
County Register						
Salaries and Wages	995,717	1,050,717	1,026,115	24,602		
Other Expense	30,000	30,000	15,884	14,116		
Prosecutor's Office						
Salaries and Wages	17,915,646	17,915,646	17,166,659	748,987		
Other Expenses	503,675	503,675	447,843	55,832		
Countywide Police Radio	85,000	85,000	84,397	603		
Purchasing Department						
Salaries and Wages	772,251	762,251	746,724	15,527		
Other Expenses	41,600	39,600	27,430	12,170		
Other Expenses-Bulk Purchasing	86,550	86,550	42,375	44,175		
MIS Department (Finance Department)						
Other Expenses	958,777	1,062,231	1,058,797	3,434		
Building and Grounds						
Salaries and Wages	5,270,276	5,215,276	5,147,671	67,605		
Other Expenses	3,219,000	3,250,167	3,206,526	43,641		
Other Expenses-Parking	400,000	396,000	395,520	480		
Other Expenses-Welfare Board	30,000	30,000	27,477	2,523		
Photostat						
Other Expenses	152,000	138,156	63,241	74,915		
Economic Development						
Salaries and Wages	142,522	144,765	144,765			
Other Expenses	20,400	20,400	18,788	1,612		
Surrogate						
Salaries and Wages	1,026,437	1,016,437	993,766	22,671		
Other Expenses	49,400	34,400	18,040	16,360		
Insurances: Group Hospitalization, Medical						
Surgical, Major Med. for Employees	38,000,000	39,200,000	38,257,425	942,575		
Group Life Insurance for Employee	40,000	12,000	8,000	4,000		
Surety Bond Premium	6,000	6,000		6,000		
Worker's Compensation	4,500,000	5,900,000	5,889,159	10,841		
Other Insurance	650,000	650,000	281,447	368,553		
Drug Plan	14,750,000	13,550,000	13,144,474	405,526		
Dental Plan	585,000	585,000	503,137	81,863		
Disability Insurance	322,000					

COUNTY OF PASSAIC
Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>	<u>Over- expended</u>
REGULATION						
Sheriff's Office						
Salaries and Wages	11,741,668	9,714,415	9,714,380	35		
Other Expenses	125,000	110,000	82,344	27,656		
Weights and Measures						
Salaries and Wages	407,100	407,100	406,652	448		
Other Expenses	9,000	9,000	8,386	614		
Board of Taxation						
Salaries and Wages	344,346	344,346	342,248	2,098		
Office Expenses	19,000	19,000	6,866	12,134		
Medical Examiner						
Other Expenses-Contractual State of NJ	1,250,000	1,250,000	836,992	413,008		
Board of Elections						
Salaries and Wages	250,000	288,500	288,500			
Other Expenses	563,050	498,050	487,956	10,094		
Superintendent of Elections						
Salaries and Wages	1,018,042	1,183,677	1,125,460	58,217		
Other Expenses	915,300	649,665	501,925	147,740		
Elections-County Clerk	230,000	200,000	172,026	27,974		
County Emergency Management						
Salaries and Wages	136,465	136,465	102,506	33,959		
Other Expenses	18,000	18,000	17,565	435		
Planning Board (NJS 40:273)						
Salaries and Wages	320,500	320,500	318,182	2,318		
Other Expenses	23,000	23,000	17,716	5,284		
Construction Board of Appeals	5,000	5,000		5,000		
ROADS & BRIDGES DEPT.						
Roads and Bridges Dept.						
Salaries and Wages-Roads	510,000	510,000	47,569	462,431		
Salaries and Wages-Mosquito	734,197	741,700	741,299	401		
Other Expenses-Roads	1,802,000	1,452,000	995,701	456,299		
Other Expenses-Mosquito	49,750	42,247	36,496	5,751		
Engineering						
Salaries and Wages	670,000	670,000	574,909	95,091		
Other Expenses	17,100	17,100	16,507	593		

COUNTY OF PASSAIC
Statement of Expenditures-Regulatory Basis
Current Fund
Year Ended December 31, 2012

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>	<u>Over- expended</u>
CORRECTIONAL AND PENAL						
Jail and Workhouse						
Salaries and Wages - Jail	35,742,223	39,439,949	39,439,948	1		
Salaries and Wages - Patrol	11,278,300	9,607,827	9,607,826	1		
Other Expenses	2,836,000	2,836,000	2,783,876	52,124		
Other Expenses-Medical Expenses	3,704,300	3,844,300	3,752,706	91,594		
HEALTH AND WELFARE						
Crippled Children	36,000	36,000	36,000			
Mental Health Board (30:9A-3)						
Salaries and Wages	211,579	223,970	167,333	56,637		
Mental Health Program (40:5-29)						
Contractual	744,300	744,300	744,300			
Aid to Bergen-Passaic Unit for the Mentally Retarded (NJS 40:23-8.11)						
	54,000	54,000	54,000			
Alcohol and Drugs						
Addiction Program Contractual	192,500	180,109	160,892	19,217		
Maintenance of Patients in State Institutions:						
Mentally Diseased and Mentally Retarded	29,097,843	29,097,843	28,414,266	683,577		
Welfare Board-Administration	12,772,178	12,772,178	12,772,178			
Administration-Fringe Benefits	5,700,000	5,700,000	5,700,000			
Supplement Security Income	1,864,451	1,864,451	1,546,000	318,451		
Aid to Dependent Children (NJS 44:10-1 ST Seq	1,723,021	1,723,021	1,723,021			
New Jersey Bureau of Children's Services	3,451,660	3,451,660	3,451,660			
Department of Youth Services						
Salaries and Wages	220,527	220,527	203,781	16,746		
Other Expenses	3,818,712	3,818,712	3,742,471	76,241		
Medical	673,260	673,260	673,260			
Preakness Hospital						
Salaries and Wages	29,562,412	29,639,912	29,559,570	80,342		
Other Expenses	6,023,638	5,906,138	5,498,121	408,017		
Camp Hope (40:23-6. 1 to 16)						
Salaries and Wages	452,800	455,200	452,193	3,007		
Other Expenses	44,010	44,010	38,956	5,054		

COUNTY OF PASSAIC
Statement of Expenditures-Regulatory Basis
Current Fund
Year Ended December 31, 2012

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>	<u>Over- expended</u>
Div. of Senior Services, Disabilities, & Vets Affairs, Etc.						
Salaries and Wages	202,561	198,561	188,486	10,075		
Other Expenses	19,250	19,250	17,924	1,326		
County Health Dept. Chapter 329 PL 1975						
Salaries and Wages	491,200	491,200	441,489	49,711		
Other Expenses	24,100	24,100	16,481	7,619		
EDUCATIONAL						
Office of County Superintendent of Schools						
Salaries and Wages	502,139	502,410	502,051	359		
Other Expenses	29,026	28,755	27,229	1,526		
Passaic County Vocational School	7,044,585	7,044,585	7,044,576	9		
County Extensive Services						
Salaries and Wages	118,000	113,000	109,348	3,652		
Other Expenses	73,632	73,632	64,441	9,191		
Passaic County Community College	12,621,000	12,621,000	10,628,295	1,992,705		
Reimbursement for Residents Attending Out of County Two Year College (NJS18:A:64A-23)	175,000	175,000	136,126	38,874		
RECREATIONAL						
Park and Recreational Department						
Salaries and Wages-Parks	1,015,970	943,950	939,836	4,114		
Salaries and Wages-Golf Course	1,372,462	1,452,422	1,441,674	10,748		
Other Expenses-Parks	80,000	80,000	78,307	1,693		
Other Expenses-Golf Course	499,487	499,487	495,972	3,515		
Passaic County Historical Society (NJS 40:32-6)	25,000	25,000	25,000			
UNCLASSIFIED						
Equipment, Office, Car, Other	50,000					
Sick Leave Payment	500,000	200,000	156,985	43,015		
Matching Funds for Grants	376,567	376,567	42,722	333,845		
Aid to Children Care Coordination Committee (4C'S) (NJS 40:23)	22,500	22,500		22,500		
Aid to Women's Haven NJS 30:14-11	15,750	15,750	15,750			
Aid to D.I.A.L (40:23-811)	54,000	54,000	54,000			

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>	<u>Over- expended</u>
Para-Transit						
Salaries and Wages	75,000	70,000	67,593	2,407		
Other Expenses	55,000	55,000	54,909	91		
Police Academy						
Salaries and Wages	479,996	479,996	460,599	19,397		
Other Expenses	70,315	70,315	57,835	12,480		
Aid to Health & Welfare Councils (NJS 40-23-8.28)	834,592	834,592	832,592	2,000		
Salaries and Wage Adjustment	325,000	325,000		325,000		
Utilities (40A:4-45 4H)						
Gasoline	1,250,000	1,380,000	1,351,475	28,525		
Telephone and Telegraph	1,000,000	1,135,000	1,110,458	24,542		
Natural Gas & Electric	5,700,000	5,470,000	4,808,442	661,558		
Street Lighting	500,000	420,000	393,087	26,913		
Heating Oil	110,000	126,500	109,999	16,501		
Water	720,000	720,000	663,618	56,382		
Garbage	450,000	260,000	181,358	78,642		
Debt Service Fees	50,000	50,000	44,865	5,135		
Aid to Housing First	90,000	90,000	65,000	25,000		
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
County Match						
Aging Area Plan	1,900,000	1,900,000	1,900,000			
Casino Revenue Grant	1,077,313	1,077,313	1,077,313			
Juvenile Accountability Block Grant	34,814	34,814	34,814			
State Community Partnership (JJC)	514,393	514,393	514,393			
Click It or Ticket	4,000	4,000	4,000			
Weatherization ARRA	110,500	110,500	110,500			
C.S.B.G. Non Discretionary 2011	225,673	225,673	225,673			
C.S.B.G. Non Discretionary 2012	47,804	47,804	47,804			
C.S.B.G. Non Discretionary 2012	248,285	248,285	248,285			
LEOTEF	17,960	17,960	17,960			
HUD - Spruce St. Apartments	218,163	218,163	218,163			
LIHEAP Assistance 2012	46,955	46,955	46,955			
Heating Improvement Program (HIP)	624,805	624,805	624,805			
Weatherization DOE 2010	106,740	106,740	106,740			
Weatherization DOE 2011	147,315	147,315	147,315			
Workforce Investment (PIC)	381,416	381,416	381,416			

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>	<u>Over- expended</u>
Workforce Investment (PIC)	311,764	311,764	311,764			
Farmers Market Nutrition Program	2,000	2,000	2,000			
JARC	320,000	320,000	320,000			
Community Justice Program	49,200	49,200	49,200			
N.C.A. Program Support	10,000	10,000	10,000			
Community Development Block Grant (CDBG)	805,450	805,450	805,450			
LEOTEF	16,140	16,140	16,140			
CEHA 2012	221,525	221,525	221,525			
PHLP LINC'S Agencies (old BT grant)	597,775	597,775	597,775			
Multi-Jurisdictional Narcotics Task	169,637	169,637	169,637			
2012 Body Armor P.C.P.O	7,418	7,418	7,418			
Victims of Crime Act (VOCA)	197,229	197,229	197,229			
Preakness Gero-Psych Program	338,210	338,210	338,210			
Plan Conformance	70,000	70,000	70,000			
Right to Know Program	15,213	15,213	15,213			
Disability Employment Initiative (DEI)	240,750	240,750	240,750			
Emergency Mgt. Assistance (EMA)	50,000	50,000	50,000			
Passaic County Film Festival	2,000	2,000	2,000			
Body Armor PCSD	42,763	42,763	42,763			
Subregional Transportation	98,415	98,415	98,415			
Human Services 12BERN	19,385	19,385	19,385			
Transportation and TIP	404,914	404,914	404,914			
Family Court Services	281,101	281,101	281,101			
Clean Communities Entitlement	61,891	61,891	61,891			
Aging Area Plan Grant FY12	2,139	2,139	2,139			
Radon Awareness Program (RAP)	1,000	1,000	1,000			
Juvenile Detention Alternatives Innovations Funding	62,600	62,600	62,600			
Homeland Security - FY11	504,432	504,432	504,432			
Violence Against Women Act	26,322	26,322	26,322			
Universal Service Fund	48,378	48,378	48,378			
Insurance Fraud	250,000	250,000	250,000			
LEOTEF	24,070	24,070	24,070			
Workforce Investment-WIB	1,817,131	1,817,131	1,817,131			
UASI Planner/Projects	470,000	470,000	470,000			
Department of Labor - WIA Adult	1,799,182	1,799,182	1,799,182			
Department of Labor - WIA Dislocated Worker	1,480,768	1,480,768	1,480,768			
Weatherization LIHEAP	482,305	482,305	482,305			

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>	<u>Over- expended</u>
Workforce Learning Link Program	135,000	135,000	135,000			
Workforce Investment NJ	5,631,504	5,631,504	5,631,504			
Workforce Investment (PIC)	40,660	40,660	40,660			
SANE Project	57,000	57,000	57,000			
UASI	623,595	623,595	623,595			
NJ 513 - Housing First Collaborative II	1,101,420	1,101,420	1,101,420			
NJ 513 - Housing First Collaborative III	369,480	369,480	369,480			
NJ 513 - PC Housing First	221,400	221,400	221,400			
NJ 513 - PC Paterson Park Apartments	806,760	806,760	806,760			
County Housing First	235,260	235,260	235,260			
NJ 513 - PC New Passaic County Housing First	19,776	19,776	19,776			
Urban Areas Security Initiative	345,000	345,000	345,000			
Area Plan Grant-Aging Area Nutrition 2012	37,907	37,907	37,907			
Casino Revenue	1,133,836	1,133,836	1,133,836			
Area Plan Grant - Aging Area Nutrition	1,823,064	1,823,064	1,823,064			
Area Plan Grant	1,778,474	1,778,474	1,778,474			
UASI Projects	81,000	81,000	81,000			
2011 Homeless	20,000	20,000	20,000			
Total Operation (item 8(A))	336,042,139	335,790,235	324,934,986	10,935,671		80,422
Contingent	50,000	50,000	39,952	10,048		
Total Operation Including Contingent	336,092,139	335,840,235	324,974,938	10,945,719		80,422
Detail:						
Salaries and Wages	129,226,497	128,999,031	126,674,573	2,404,880		80,422
Other Expenses (Including Continent)	206,865,642	206,841,204	198,300,365	8,540,839		
Capital Improvement						
Capital Improvement Fund	500,000	500,000	500,000			
Acquisition of Various Equipment	200,000	200,000	191,533	8,467		
Total Capital Improvements	700,000	700,000	691,533	8,467		
County Debt Service						
Payment of Bond Principal						
County College Bonds	3,500,000	3,500,000	3,359,000		141,000	
State Aid- County College Bonds	1,525,000	1,525,000	611,000		914,000	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>	<u>Over- expended</u>
(N.J.S. 18A:64A-22.6)						
Vocational School Bonds	800,000	800,000	335,000		465,000	
Other Bonds	25,000,000	25,000,000	24,795,880		204,120	
Payment of Bond Anticipation Notes	210,000	210,000			210,000	
Interest on Bonds						
County College Bonds	1,050,000	1,050,000	845,571		204,429	
State Aid- County College Bonds (N.J.S. 18A:64A-22.6)	550,000	550,000			550,000	
Vocational School Bonds	200,000	200,000	38,281		161,719	
Other Bonds	11,565,000	11,565,000	11,087,894		477,106	
Interest on Notes	1,330,000	1,330,000	1,054,530		275,470	
Passaic County Utilities Authority	4,500,000	4,500,000	4,285,624		214,376	
Green Trust Loan	350,000	350,000	329,661		20,339	
EFA Loan	205,000	205,000	195,887		9,113	
PCIA Loan						
Prosecutors Building	470,000	470,000	470,000			
Preakness Healthcare Center	5,700,000	5,700,000	4,821,437		878,563	
Green Trust Loan	49,452	49,452	49,452			
Total County Debt Service	<u>57,004,452</u>	<u>57,004,452</u>	<u>52,279,217</u>		<u>4,725,235</u>	
Deferred Charges and Statutory Expenditures						
Special Emergency Authorization 5 Years - (40A:4-55)	1,129,611	1,129,611	1,129,611			
Prior Year Bills-Summary						
Genova, Burns & Giantomasi	41,559	41,559	41,559			
Autozone East	3,514	3,514	3,514			
Angelo Bariso	4,279	4,279	4,279			
American Basic	75	75	75			
Cablevision	59	59	59			
John Castiglione	14	14	14			
Mark Dacey	125	125	125			
Eagle Medical Services	275	275	275			
Eagle Point Gun	1,755	1,755	1,755			
Maria Hall	90	90	90			
Maria Hendry	1,157	1,157	1,157			
Ruth Henry	30	30	30			
Jersey Paper Plus	1,434	1,434	1,434			
JML Medical	318	318	318			

COUNTY OF PASSAIC
Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>	<u>Over- expended</u>
KLJ Transcription Services	56	56	56			
Mario Supply Co	97	97	97			
Edith Murphy	1,157	1,157	1,157			
Paper Plus, Inc.	825	825	825			
PSE&G	13,251	13,251	13,251			
Statutory Charges:						
Contribution to PERS	13,178,266	13,178,972	13,178,972			
Social Security System (O.A.S.I.)	13,338,931	13,338,931	12,812,136	526,795		
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	500,000	750,000	732,542	17,458		
Police and Fire Retirement System	12,782,660	12,783,858	12,783,858			
County Pension Fund	2,750,000	2,750,000	2,441,045	308,955		
Defined Benefit Pension	100,000	100,000	52,361	47,639		
Total Deferred Charges & Statutory Expenditures	<u>43,849,538</u>	<u>44,101,442</u>	<u>43,200,595</u>	<u>900,847</u>		
Total General Appropriations	<u>\$ 437,646,129</u>	<u>437,646,129</u>	<u>421,146,283</u>	<u>11,855,033</u>	<u>4,725,235</u>	<u>80,422</u>
		Adopted Budget	413,991,437			
		Added by N.J.S.A. 40A:4-87	<u>23,654,692</u>			
		<u>\$</u>	<u>437,646,129</u>			
		Cash \$	383,914,703			
		Reserve for Encumbrances	5,720,479			
		Grants Appropriated	<u>31,511,101</u>			
		<u>\$</u>	<u>421,146,283</u>			

See accompanying notes to financial statements.

COUNTY OF PASSAIC

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2012 and 2011

<u>Assets</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Other Trust Fund:			
Cash	B-2	\$ 41,269,225	39,436,559
Due from Current Fund	B-13	215,486	494,626
Intrafund - Due from Register Deeds to Homeless Trust	B-13	505	
		<u>41,485,216</u>	<u>39,931,185</u>
Confiscated Trust Fund:			
Cash	B-2	<u>2,008,294</u>	<u>2,586,002</u>
		<u>2,008,294</u>	<u>2,586,002</u>
Self Insurance Fund:			
Cash	B-2	199,448	224,050
Deficit in Workers' Compensation	B-9		
Due from Current Fund	B-13	41	477
		<u>199,489</u>	<u>224,527</u>
Community Development Grant Fund:			
Cash	B-2	<u>6,385,191</u>	<u>10,080,724</u>
		<u>6,385,191</u>	<u>10,080,724</u>
Total Assets		<u>\$ 50,078,190</u>	<u>52,822,438</u>

COUNTY OF PASSAIC

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2012 and 2011

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Other Trust Fund:			
Various Trust Deposits	B-3	\$ 978,615	1,354,508
Reserve for Dedicated Revenues	B-4	19,621,587	19,952,356
Reserve for Open Space Expenditures	B-5	7,350,926	11,969,585
Open Space Grant Commitments Payable	B-6	13,374,532	6,495,685
Intrafund - Due from Register Deeds to Homeless Trust	B-13	505	
Open Space - Due to Municipalities	B-11	157,062	157,062
Fund Balance	B-1	<u>1,989</u>	<u>1,989</u>
		<u>41,485,216</u>	<u>39,931,185</u>
Confiscated Trust Fund:			
Due to Current Fund	B-13	3,229	
Reserve for Confiscated Trust Fund	B-7	<u>2,005,065</u>	<u>2,586,002</u>
		<u>2,008,294</u>	<u>2,586,002</u>
Self Insurance Fund:			
Due to Other Trust Fund	B-13		
Reserve for Workmen's Compensation	B-9	10,317	33,410
Reserve for Health Benefits	B-10	187,373	187,279
Reserve for Liability Insurance	B-11	<u>1,799</u>	<u>3,838</u>
		<u>199,489</u>	<u>224,527</u>
Community Development Grant Fund:			
Amount Due to Current Fund	B-14	10,399	
Reserve for: Housing Voucher Program	B-12	<u>6,374,792</u>	<u>10,080,724</u>
		<u>6,385,191</u>	<u>10,080,724</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 50,078,190</u>	<u>52,822,438</u>

See accompanying notes to financial statements.

COUNTY OF PASSAIC

Statement of Changes in Fund Balance-Regulatory Basis

Other Trust Fund

Year Ended December 31, 2012

Balance - December 31, 2011	\$ <u>1,989</u>
Balance - December 31, 2012	\$ <u><u>1,989</u></u>

See accompanying notes to financial statements.

COUNTY OF PASSAIC

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

December 31, 2012 and 2011

<u>Assets</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Cash	C-2/C-3	\$ 39,614,455	33,392,329
Grants Receivable	C-4	72,544,266	56,139,816
State EFA Receivable		1,975,000	1,975,000
Due from Current Fund Fund	C-15	2,003,630	1,540,755
Deferred Charges to Future Taxation:			
Funded	C-5	376,441,832	360,745,781
Unfunded	C-6	<u>146,562,379</u>	<u>123,772,699</u>
Total Assets		<u>\$ 639,141,562</u>	<u>577,566,380</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-26	\$ 287,481,000	272,594,000
Green Acres Loan Payable	C-10	484,633	799,777
State EFA Loans Payable	C-27	350,000	515,000
Greent Trust Loans Payable	C-28	406,199	447,004
Bond Anticipation Notes	C-25	43,222,000	66,348,350
Capital Leases Payable	C-29	87,720,000	86,390,000
Improvement Authorizations:			
Funded	C-7	47,783,208	57,173,955
Unfunded	C-7	80,645,831	57,228,330
Accounts Payable	C-8	264,927	264,927
Commitments Payable	C-9	43,831,516	15,699,262
Due to the Township of Wayne	C-11	1,100	1,100
Capital Improvement Fund	C-12	202,954	307,854
Reserve for Final Payments and Litigation	C-13	160,258	160,258
Reserve for Payment of Bonds and Notes	C-14	10,800,906	3,414,184
Reserve for Salt Shed - West Milford	C-16	296,619	296,619
Reserve for State EFA Loan Payments	C-17	500,000	500,000
Reserve for Interest for Fire Academy	C-18	1,100,991	1,100,438
Reserve for Administration Building Settlement	C-19	9,786	9,786
Reserve for Interest for DOT Projects	C-20	12,239	11,818
Reserve for Unappropriated Grants	C-21	599,398	2,791,118
Reserve for Grants Receivable	C-22	27,916,474	5,735,507
Reserve for Bonding Payments	C-23	8,890	24,700
Accrued Interest Payable	C-24		95,060
Fund Balance	C-1	<u>5,342,633</u>	<u>5,657,333</u>
Total Liabilities		<u>\$ 639,141,562</u>	<u>577,566,380</u>

Footnote: There were Bonds and Notes Authorized But Not Issued on December 31, 2012 and 2011 of \$103,602,115 and \$57,687,854, respectively.

See accompanying notes to the financial statements.

COUNTY OF PASSAIC

Statement of Changes in Fund Balance-Regulatory Basis

General Capital Fund

Year Ended December 31, 2012

Balance - December 31, 2011		\$	5,657,333
Increased by:			
Premium on Bond/Note Sales			<u>765,403</u>
			6,422,736
Decreased by:			
Premium on Bond/Note Sales - State Share	80,103		
Due to Current Fund - Anticipated Revenue	<u>1,000,000</u>		
			<u>1,080,103</u>
Balance - December 31, 2012		\$	<u><u>5,342,633</u></u>

See accompanying notes to the financial statements.

COUNTY OF PASSAIC

Comparative Statement of General Fixed Assets-Regulatory Basis

December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<u>General Fixed Assets:</u>		
Land	\$ 322,609,561	322,340,736
Buildings	296,713,772	295,498,627
Equipment	53,013,345	51,319,068
Construction in Progress	<u>5,478,080</u>	<u>2,258,775</u>
	<u>\$ 677,814,758</u>	<u>671,417,206</u>
 Investment in Fixed Assets	 <u>\$ 677,814,758</u>	 <u>671,417,206</u>

See accompanying notes to financial statements.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the County of Passaic have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 County accounts for its financial transactions through the following separate funds and account group which differ from the fund structure required by GAAP.

A. Reporting Entity

The County of Passaic (the "County") was organized under an act of the New Jersey Legislative on February 7, 1837 and operates under an elected Freeholder form of County government. The County's major operations include the County judiciary system; law enforcement, recreation, road and bridge maintenance and construction, the County correctional and penal system, health and welfare, education and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will be by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the counties in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the County does not include the operations of the autonomous agencies including the Passaic County Utilities Authority, Passaic County Community College, Vocational-Technical High School, Employees Retirement System, Welfare Board and the Private Industry Council of Passaic County which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The County uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain County functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those funds.

The County has the following funds and account group:

Current Fund - This fund is used to account for the resources and expenditures for governmental operations of a general nature, including Federal and State grants for operations.

Trust Funds - Trust funds are used to account for assets held by the government in a trustee capacity. Funds held by the County as an agent for individual, private organizations or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the County as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits and deposited funds with the County as collateral.

Confiscated Trust Fund - This fund is created to account for assets seized by local and county law enforcement agencies. Any seized assets forfeited are allocated to the respective agencies or returned upon the conclusion of each legal case filed.

Self-Insurance Fund - This fund is used to account for expenditures for Worker's Compensation and General Liability insurance claims and premiums.

Community Development Grant Fund - This fund is used to account for grant proceeds and related expenditures for Housing and Urban Development Grant Entitlements.

General Capital Fund - This fund is used to account for the receipts and disbursements of funds used for the acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

General Fixed Assets Account Group - To account for all fixed assets of the County. The County's infrastructure is not reported in the group.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting

A modified accrual basis of accounting is followed by the County of Passaic. Under this method of accounting revenues are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for counties by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units.

Property Tax Revenues - Real property taxes are assessed to each municipality within the County, based upon a County wide assessment at true equalized value. Taxes are payable in four quarterly installments on February 15, May 15, August 15 and November 15. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the municipality for the preceding year. The installment due the third and fourth quarters is determined by taking the full tax as levied for the current year against the municipality, less the amount previously charged as the first and second installments, the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 6% per annum. In accordance with the accounting principles prescribed by the State of New Jersey, taxes receivable are realized as revenue when collected. Since delinquent taxes are fully reserved, no provision has been made to estimate that portion of the taxes receivable that are uncollectible. GAAP requires property tax revenues to be recognized in the account period when they become subsequent to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the County's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the County's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the County and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

The County is not required to adopt budgets for the following funds:

Trust Funds
General Capital Fund

The governing body shall introduce and approve the annual budget not later than January 26, of the fiscal year. The budget shall be adopted not later than February 25, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the County budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the County. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Government Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2012, the Governing Body approved additional revenues and appropriations of \$23,654,692 in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body.

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 an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves does not exist under GAAP.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Self-Insurance Contributions - Payments to self-insurance funds are charged to current budget appropriations. GAAP requires payments to be accounted for as an operating transfer and not as an expenditure.

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.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost which approximates fair value and are limited by N.J.S.A. 40A:5-15.1 to bonds or obligations of, or guaranteed by, the Federal Government and bonds or other obligations of Federal or local units having a maturity date not more than twelve months from the date of purchase.

Incurred But Not Reported (IBNR) Reserves - The County has not created a reserve for any potential unreported losses which have taken place but in which the County has not received notices or report of losses. Additionally, the County has not recorded a liability for those claims filed, but which have not been paid. GAAP requires the establishment of reserves for such potential claims.

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the County establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the County may levy taxes on all taxable property within the local unit to repay the debt. Annually, the County raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

General Fixed Assets - The County of Passaic has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. 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.

Fixed assets purchased after December 31, 1989 are stated at cost.

Fixed assets purchased prior to December 31, 1989 are stated as follows:

Land	Assessed Value
Buildings	Fair Market Value (Replacement Cost at Time of Acquisition or construction Completion)
Equipment	
Acquired Prior to 12/31/85	Replacement Cost
Acquired After 12/31/85	Actual Cost Where Available or Estimated Replacement
Construction Work in Progress	Actual Cost

No depreciation has been provided for in the financial statements.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

The County did not perform an update of its fixed assets inventory for the year ended December 31, 2012.

Use of Estimates - The preparation of financial statements requires management of the County to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Comparative Data - Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the County's financial position and operations. However, comparative data has not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

C. 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 County presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2012, \$-0- of the County's bank balance of \$145,069,547 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The County places no limit on the amount the County may invest in any one issuer.

NOTE 3. COUNTY DEBT

Long-term debt as of December 31, 2012 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable - General					
Obligation Debt	\$272,594,400	\$45,052,600	\$30,166,000	\$287,481,000	\$33,791,000
Capital Leases	86,390,000	57,425,000	56,095,000	87,720,000	2,430,000
Other Liabilities:					
Compensated Absences	41,576,917	8,351,951	7,058,985	42,869,883	
New Jersey:					
DEP Loans	799,777		315,144	484,633	321,478
EFA Loans	515,000		165,000	350,000	175,000
Green Trust Loans	447,004		40,805	406,199	41,625
Deferred Pension	<u>10,741,613</u>		<u>286,073</u>	<u>10,455,540</u>	<u>324,289</u>
	<u>\$413,064,711</u>	<u>\$110,829,551</u>	<u>\$94,127,007</u>	<u>\$429,767,255</u>	<u>\$37,083,392</u>

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the County are general obligation bonds, backed by the full faith and credit of the County. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 3. COUNTY DEBT, (continued)

The County's debt is summarized as follows:

	<u>2012</u>	<u>2011</u>
Issued		
General		
Bonds, Notes and Loans	\$331,943,832	\$340,704,131
Less: Funds Temporarily Held to Pay Bonds and Notes	10,800,906	5,943,369
Additional Borrowing for County College Refunding Bonds	<u>36,172,000</u> <u>19,903,896</u>	<u>33,798,000</u> <u>21,970,000</u>
	<u>66,876,802</u>	<u>61,711,369</u>
Net Debt Issued	265,067,030	278,992,762
Authorized But Not Issued		
General		
Bonds, Notes and Loans	<u>103,602,115</u>	<u>57,687,854</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$368,669,145</u>	<u>\$336,680,616</u>

The summarized statement of debt condition which follows is extracted from the County's Annual Debt Statement, indicates a statutory net debt of .73% and .67% at December 31, 2012 and 2011, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2012</u>			
General debt	<u>\$435,545,947</u>	<u>\$66,876,802</u>	<u>\$368,669,145</u>
<u>2011</u>			
General debt	<u>\$398,391,985</u>	<u>\$61,711,369</u>	<u>\$336,680,616</u>

The County's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2012</u>	<u>2011</u>
2% of equalized valuation basis (county)	\$1,005,087,746	\$1,058,651,720
Net debt	<u>368,669,145</u>	<u>336,680,616</u>
Remaining Borrowing Power	<u>\$636,418,601</u>	<u>\$721,971,104</u>

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 3. COUNTY DEBT, (continued)

The County's long-term debt consisted of the following at December 31, 2012 and 2011:

Paid by Current Fund:

General Obligation Bonds

	<u>2012</u>	<u>2011</u>
\$41,940,000, 1993 Bonds, due in annual installments of \$395,000 to \$2,925,000 through Sept. 1, 2016, interest at various rates from 4.00% to 5.20%	\$	\$2,045,000
\$5,404,000, 1996 Bonds, due in annual installments of \$260,000 to \$395,000 through Nov. 2012, interest at 5.35%		359,000
\$30,700,000, 1998 Bonds, due in annual installments of \$700,000 to \$2,500,000 through Sept. 2020, interest at various rates from 5.88% to 6.77%	15,700,000	17,200,000
\$665,000, 1998 Bonds, due in annual installments of \$220,000 to \$225,000 through Sept. 2018-2020, interest at 6.77%	665,000	665,000
\$14,965,000, 2001 Bonds, due in annual installments of \$250,000 to \$1,665,000 through Sept. 15, 2015, interest at 4.20%	4,765,000	6,265,000
\$9,485,000 2002 Bonds, due in annual installments of \$155,000 to \$1,430,000 through Sept. 15, 2014, interest at various rates from 3.50% to 3.65%	2,780,000	4,045,000
\$1,033,000 2002 Bonds, due in annual installments of \$85,000 to \$98,000 through Sept. 15, 2014, interest at various rates from 3.50% to 3.65%	183,000	268,000
\$2,515,000 2002 Bonds, due in annual installments of \$45,000 to \$365,000 through Sept. 15, 2014, interest at various rates from 3.50% to 3.75%	720,000	1,055,000
\$6,560,000 2003 Bonds, due in annual installments of \$25,000 to \$880,000 through Feb. 15, 2021, interest at various rates from 2.00% to 5.75%	3,615,000	4,105,000

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

	<u>2012</u>	<u>2011</u>
NOTE 3. COUNTY DEBT, (continued)		
\$11,997,000 2003 Bonds, due in annual installments of \$50,000 to \$2,027,000 through Aug. 15, 2016, interest at various rates from 4.20% to 4.25%	\$1,500,000	\$8,427,000
\$2,010,000 2003 Bonds, due in annual installments of \$165,000 to \$170,000 through Aug. 15, 2015, interest at 4.20%	510,000	680,000
\$21,855,000 2003 Bonds, due in annual installments of \$1,915,000 to \$2,925,000 through Mar. 1, 2016, interest at 5.20%	7,870,000	7,870,000
\$19,495,000, 2004 Bonds, due in annual installments of \$1,025,000 to \$3,745,000, through March 15, 2016, interest at various rates from 3.00% to 3.50%	10,295,000	11,595,000
\$12,220,000, 2004 Bonds, due in annual installments of \$1,095,000 to \$1,295,000, through May 1, 2017, interest at various rates from 3.00% to 3.375%	5,880,000	7,120,000
\$41,870,000, 2004 Bonds, due in annual installments of \$580,000 to \$2,650,000, through September 1, 2021, interest at various rates from 2.25% to 4.75%	8,335,000	18,600,000
\$4,788,000, 2004 Bonds, due in annual installments of \$250,000 to \$488,000, through October 15, 2017, interest at 3.60%	2,223,000	2,598,000
\$4,784,000, 2004 Bonds, due in annual installments of \$418,000 to \$566,000, through May 1, 2014, interest at 3.25%	1,101,000	1,616,000
\$20,000,000, 2005 Bonds, due in annual installments of \$25,000 to \$2,275,000, through June 1, 2019, interest at various rates from 3.75% to 4.00%	1,600,000	15,075,000
\$20,000,000, 2006 Bonds, due in annual installments of \$25,000 to \$2,600,000 through June 1, 2026, interest at various rates from 4.375% to 4.50%	19,550,000	19,650,000

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

	<u>2012</u>	<u>2011</u>
NOTE 3. COUNTY DEBT, (continued)		
\$3,050,000, 2006 Bonds, due in annual installments of \$200,000 to \$300,000 through November 15, 2018, interest at various rates from 3.625% to 4.00%	\$1,700,000	\$1,950,000
\$3,050,000, 2006 Bonds, due in annual installments of \$200,000 to \$300,000 through November 15, 2018, interest at various rates from 3.625% to 4.00%	1,700,000	1,950,000
\$5,950,000, 2007 Bonds, due in annual installments of \$350,000 to \$625,000 through November 15, 2019, interest at various rates from 3.625% to 4.00%	3,975,000	4,425,000
\$5,950,000, 2007 Bonds, due in annual installments of \$350,000 to \$625,000 through November 15, 2019, interest at various rates from 3.625% to 4.00%	3,975,000	4,425,000
\$48,625,000, 2008 Bonds, due in annual installments of \$25,000 to \$4,225,000 through May 1, 2028, interest at various rates from 4.00% to 4.50%	48,400,000	48,500,000
\$2,938,000, 2008 Bonds, due in annual installments of \$135,000 to \$438,000 through May 1, 2019, interest at various rates from 4.00% to 5.00%	2,248,000	2,458,000
\$8,077,000, 2008 Bonds, due in annual installments of \$540,000 to \$812,000 through May 1, 2020, interest at various rates from 4.00% to 5.00%	5,767,000	6,382,000
\$8,540,000, 2009 Bonds, due in annual installments of \$1,310,000 to \$1,550,000 through Sept. 15, 2015, interest at various rates from 3.00% to 5.00%	4,525,000	5,890,000
\$2,190,000, 2009 Bonds, due in annual installments of \$330,000 to \$390,000 through Sept. 15, 2015, interest at various rates from 3.00% to 5.00%	1,135,000	1,525,000
\$2,160,000, 2009 Bonds, due in annual installments of \$330,000 to \$390,000 through Sept. 15, 2015, interest at various rates from 3.00% to 5.00%	1,075,000	1,435,000

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

	<u>2012</u>	<u>2011</u>
NOTE 3. COUNTY DEBT, (continued)		
\$19,671,000, 2010 Bonds, due in annual installments of \$250,000 to \$2,796,000 through April 1, 2024, interest at various rates from 2.00% to 4.00%	\$19,121,000	\$19,421,000
\$945,000, 2010 Bonds, due in annual installments of \$75,000 to \$130,000 through April 1, 2019, interest at various rates from 2.00% to 3.50%	780,000	870,000
\$2,130,000, 2010 Bonds, due in annual installments of \$150,000 to \$240,000 through April 1, 2021, interest at various rates from 2.00% to 4.00%	1,820,000	1,980,000
\$10,045,000, 2010 Bonds, due in annual installments of \$1,620,000 to \$1,700,000 through June 1, 2016, interest at various rates from 2.00% to 3.00%	6,740,000	8,425,000
\$4,389,000, 2010 Bonds, due in annual installments of \$187,000 to \$374,000 through July 31, 2027, interest at various rates from 1.660% to 6.540%	4,010,000	4,202,000
\$1,177,000, 2010 Bonds, due in annual installments of \$80,000 to \$152,000 through Aug. 1, 2021, interest at various rates from 2.00% to 3.00%	1,012,000	1,097,000
\$1,176,000, 2010 Bonds, due in annual installments of \$80,000 to \$151,000 through Aug. 1, 2021, interest at various rates from 2.00% to 3.00%	1,011,000	1,096,000
\$26,415,000, 2011 Bonds, due in annual installments of \$475,000 to \$4,480,000 through May 1, 2020, interest at various rates from 2.00% to 5.00%	22,820,000	26,415,000
\$610,000, 2011 Bonds, due in annual installments of \$125,000 to \$180,000 through May 1, 2015, interest at various rates from 2.00% to 5.00%	485,000	610,000
\$300,000, 2011 Bonds, due in annual installments of \$60,000 to \$90,000 through May 1, 2015, interest at various rates from 2.00% to 5.00%	240,000	300,000

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

	<u>2012</u>	<u>2011</u>
NOTE 3. <u>COUNTY DEBT</u>, (continued)		
\$11,695,000, 2012 Refunding Bonds, due in annual installments of \$1,705,000 to \$2,225,000 through February 1, 2019, interest at various rates from 3.00% to 4.00%	\$11,695,000	\$
\$23,155,000, 2012 Bonds, due in annual installments of \$1,025,000 to \$2,050,000 through April 1, 2026, interest at various rates from 2.00% to 3.00%	23,155,000	
\$13,570,000, 2012 Bonds, due in annual installments of \$900,000 to \$1,570,000 through April 1, 2022, interest at various rates from 2.00% to 3.00%	13,570,000	
\$4,250,000, 2012 Series A College Bonds, due in annual installments of \$365,000 to \$495,000 through June 1, 2022, interest at various rates from 1.50% to 3.00%	4,250,000	
\$4,250,000, 2012 Series B College Bonds, due in annual installments of \$365,000 to \$495,000 through June 1, 2022, interest at various rates from 1.50% to 3.00%	4,250,000	
\$10,200,000, 2012 Refunding Bonds, due in annual installments of \$145,000 to \$2,895,000 through August 15, 2021, interest at various rates from 1.50% to 4.00%	10,200,000	
\$530,000, 2012 Bonds, due in annual installments of \$120,000 to \$205,000 through August 15, 2015, interest rate of 3.00%	<u>530,000</u>	
	<u>\$287,481,000</u>	<u>\$272,594,000</u>

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 3. COUNTY DEBT, (continued)

Intergovernmental Loans Payable

The County has entered into a loan agreement with New Jersey Department of Environmental Protection for the financing relating to the Acquisition of Sterling Forest.

\$564,657 Loan, due in semi-annual installments of \$19,124 to \$24,526 through August 28, 2021, interest at 2.0%	\$406,199
\$5,300,000, 1994 Loan due in semi-annual installments of \$114,032 to \$163,154 through May 3, 2014, interest at 2.00%	484,633

The County has entered into a loan agreement with the New Jersey Educational Facilities Authority for the financing related to the acquisitions for the County College of Passaic.

\$1,975,000, 1999 Loan due in semi-annual installments of \$90,000 to \$175,000 through Sept. 1, 2014, interest at 4.80 % to 6.80%	350,000
	<u>\$1,240,832</u>

The County's principal and interest for long-term debt issued and outstanding at December 31, 2012 is as follows:

Calendar Year	Bonds		Loans		Total
	Principal	Interest	Principal	Interest	
2013	\$33,791,000	\$11,323,092	\$538,103	\$34,648	\$45,686,843
2014	35,069,000	9,956,515	380,615	18,074	45,424,204
2015	34,687,000	8,575,578	43,315	6,227	43,312,120
2016	31,659,000	7,192,493	44,186	5,356	38,901,035
2017	19,956,000	6,070,561	45,074	4,468	26,076,103
2018-2022	85,417,000	17,662,002	189,539	8,628	103,277,169
2023-2027	42,677,000	4,918,236			47,595,236
2028-2031	<u>4,225,000</u>	<u>95,063</u>			<u>4,320,063</u>
	<u>\$287,481,000</u>	<u>\$65,793,540</u>	<u>\$1,240,832</u>	<u>\$77,401</u>	<u>\$354,592,773</u>

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 4. BOND ANTICIPATION NOTES

The County issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2012, the County had \$43,222,000 in outstanding bond anticipation notes due December 27, 2013 at an interest rate of 1.25%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2012.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Cede & Co.	\$36,726,350	\$	\$36,726,350	\$0
Morgan Stanley & Co.		39,281,000		39,281,000
Jefferies & Co., Inc.		3,941,000		3,941,000
The Bank of NY Mellon	<u>29,622,000</u>		<u>29,622,000</u>	<u>0</u>
	<u>\$66,348,350</u>	<u>\$43,222,000</u>	<u>\$66,348,350</u>	<u>\$43,222,000</u>

NOTE 5. CAPITAL LEASES PAYABLE

In 2005 and 2006, the County entered into two lease agreements with the Passaic County Improvement Authority to fund improvement projects at the Prosecutor's office and Preakness Healthcare Center in the amounts of \$6,000,000 and \$87,960,000, respectively. In 2012, the County entered into a \$57,425,000 refunding capital lease agreement for the Preakness Healthcare Center capital lease to take advantage of debt savings. Annual debt service requirements for these capital leases are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$2,430,000	\$3,476,771	\$5,906,771
2014	2,545,000	3,363,947	5,908,947
2015	2,670,000	4,544,788	7,214,788
2016	2,790,000	3,118,033	5,908,033
2017-2021	15,905,000	13,644,729	29,549,729
2022-2026	18,945,000	10,127,304	29,072,304
2027-2031	21,085,000	6,096,317	27,181,317
2032-2036	<u>21,350,000</u>	<u>1,863,501</u>	<u>23,213,501</u>
	<u>\$87,720,000</u>	<u>\$46,235,390</u>	<u>\$133,955,390</u>

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 6. FIXED ASSETS

The following is a summary of the General Fixed Assets Account Group as of December 31, 2012 and 2011.

<u>2011</u>	Restated Balance <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>Dec. 31, 2011</u>
Land	\$322,340,736	\$	\$	\$322,340,736
Buildings and Building Improvements	292,355,082	3,143,545		295,498,627
Machinery and Equipment	49,053,646	2,265,422		51,319,068
Construction in Progress	<u>2,258,775</u>			<u>2,258,775</u>
	<u>\$666,008,239</u>	<u>\$5,408,967</u>	<u>\$</u>	<u>\$671,417,206</u>
<u>2012</u>	Balance <u>Dec. 31, 2011</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>Dec. 31, 2012</u>
Land	\$322,340,736	\$268,825	\$	\$322,609,561
Buildings and Building Improvements	295,498,627	1,215,145		296,713,772
Machinery and Equipment	51,319,068	1,694,277		53,013,345
Construction in Progress	<u>2,258,775</u>	<u>3,219,305</u>		<u>5,478,080</u>
	<u>\$671,417,206</u>	<u>\$6,397,552</u>	<u>\$</u>	<u>\$677,814,758</u>

NOTE 7. INTERFUND BALANCES AND ACTIVITIES

Balances due to/from other funds at December 31, 2012 consist of the following:

\$3,229	Due to the Current Fund from the Confiscated Trust Fund for reimbursement of expenses.
2,003,630	Due to the General Capital Fund from the Current Fund for reimbursement of budget expenditures.
4,810	Due to the Current Fund from the Net Payroll Account for excess funds transferred.
148,274	Due to the Grant Fund from the Current Fund to establish grants in the Grant Fund.
215,486	Due to the Other Trust Fund from the Current Fund to cover fund transfers and overpayments.
41	Due to the Liability Insurance Trust from the Current Fund for reimbursement of void check.
<u>10,399</u>	Due to the Current Fund from the Community Development Grant Fund for reimbursement of expenses.
<u>\$2,385,869</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 8. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. The following deferred charges are shown on the balance sheets of the County of Passaic:

	<u>Balance Dec. 31, 2012</u>	<u>Balance Succeeding Year budget</u>
Current Fund:		
Overexpenditure of Current Appropriations	<u>\$80,422</u>	<u>\$80,422</u>
Total Deferred Charges	<u>\$80,422</u>	<u>\$80,422</u>

NOTE 9. FUND BALANCES APPROPRIATED

Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective funds for the succeeding years were as follows:

	<u>2012</u>	<u>2011</u>
Current Fund	<u>\$18,000,000</u>	<u>\$20,000,000</u>

NOTE 10. ACCUMULATED VACATION AND SICK PAY (UNAUDITED)

Under the existing policies of the county, certain employees are allowed to accumulate (with certain restrictions) unused vacation and sick pay over the life of their working careers and to redeem such unused leave time in cash upon retirement or by extended absence immediately preceding retirement.

The maximum sick leave benefits an employee is entitled to at retirement is \$15,000. Employees are entitled to carryover one year vacation time (with certain exceptions).

It is estimated that the current cost of such unpaid compensation, which was not audited by us would approximate \$42,869,883 and \$41,576,917 at December 31, 2012 and 2011, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM

Substantially all of the County's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Description of Systems, Contribution Information and Funding Policies:

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the System is mandatory for substantially all full time employees of the State 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. The System's Board of Trustees is primarily responsible for the administration of the System.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Public Employees' Retirement System (PERS), (continued)

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Police and Firemens' Retirement System (PFRS)

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Police and Firemens' Retirement System (PFRS), (continued)

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The County of Passaic opted for this deferral in 2009 in the amount of \$10,741,613.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.0% for PERS and 8.5% for PFRS of the employee's annual compensation, as defined through June 30, 2007. Under Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, the PERS and employee contribution rate will increase to 5.5 percent effective July 1, 2007. Employers are required

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The County's contribution to the various plans, equal to the required contributions for each period, were as follows:

<u>Years Ended</u> <u>December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2012	\$13,178,972	\$12,783,858
2011	12,485,756	15,020,589
2010	10,789,874	14,437,268

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS. A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

The County's contribution to the plan, equal to the required contribution for each period was as follows:

<u>Years Ended</u> <u>December 31,</u>	<u>DCRP</u>
2012	\$52,361
2011	30,114
2010	14,639

County Retirement System

The System's designated purpose is to provide retirement allowances and other benefits to its members. The County of Passaic Employees' Retirement System was established on January 1, 1949 under Chapter 310, P.L. 1948 until 1966 when it became subject to Chapter 210, P.L. 1966. The Plan is a defined benefit plan covering employees of the County employed by the County prior to July 1, 1967. The System's Board of Commissioners is responsible for its organization and administration.

Vesting and Benefit Provisions - Participants are eligible to receive normal retirement benefits upon completion of 20 years of service and attainment of age 55, or upon completion of 35 years of service regardless of age. Benefits under the plan are calculated on the basis of 50% of salary. In addition, a member who has completed 25 years of service and attained age 55 is entitled to an additional 1% salary for each year of service over 25 years up to age 70.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension benefits partially vest after 20 years of credited service. If a member has completed 20 years of credited service and is separated from service either voluntarily or involuntarily prior to age 55, the member may elect to receive 100% of his/her total employee contribution without interest, or

- (i) A deferred pension commencing at age 55 equal to 50% of salary times the ratio of his/her service divided by the service he/she would have accrued at age 55.
- (ii) A pension to commence immediately equal to 50% of salary reduced on an actuarial equivalent basis for commencement prior to age 55.

If an active member dies, an annual survivorship benefit is payable to the member's surviving spouse, as long as he/she remains unmarried or to any minor children up to age 18. The death benefit payable is equal to 2 ½% of salary multiplied by the number of years of service. However, in no event will such annual survivorship benefit exceed 25% of the member's final compensation at the time of death, except for a \$2,500 minimum annual benefit. For members who were members of certain prior retirement systems, the annual survivorship benefit is equal to 50% of salary.

If a retired member dies, 50% of the member's pension (normal or disability) will be continued to the member's surviving spouse, as long as he/she remains unmarried, or to any minor children up to age 18. However, in no event will such survivorship benefit exceed 25% of the member's final compensation at the time of retirement, except for a \$2,500 minimum annual benefit. For members who were members of certain prior retirement systems, the annual survivorship benefit is equal to 50% of the member's final compensation at the time of retirement.

A surviving spouse will qualify for a death benefit if he/she married the employee before the member's retirement. Also, he/she must have married the employee before the member attained age 50 unless the employee continues in the employment of the County for at least five years after such marriage.

If an active member becomes permanently and totally disabled he/she is entitled to retire and receive a pension equal to 2 ½% of salary multiplied by the number of years of service up to a maximum of 20 years. However, if the disability is the result of injury, accident or sickness arising out of and in the course of employment, the pension will be equal to 50% of salary regardless of the amount of service. For members who were transferred from certain prior retirement systems, the pension is equal to 50% of salary regardless of the reason for the disability.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Contribution Policy - Each active member is required to contribute 6% of salary per annum. The County is required to contribute 10% of each active member's salary per annum, plus an addition 1% per annum in each succeeding fiscal year (cumulative) after 1966 until the actuary of the Plan certified to the County that the County's contributions, together with the contribution of the members and all Plan earnings, are sufficient to meet the liabilities of the Retirement System on a fully funded reserve basis. Pension payments to retirement employees and beneficiaries are adjusted each year by a percentage equal to 60% of the change in the Consumer Price Index. These pension increases are not to be included with the benefits that are refunded under this System, but rather are to be funded by the County by annual appropriations.

Pension Benefit Obligations

The actuarial present value of accumulated plan benefits at December 31, 2012 are detailed below:

	Base Pension Only
Vested benefits:	
Retired Members	\$26,081,054
Active Members	<u>2,359,417</u>
Total Actuarial Present Value of Plan Benefits	28,440,471
Less: Net Assets Available for Benefits	<u>19,759</u>
Deficiency	<u><u>\$28,420,712</u></u>
	<u>5.0%</u>
Potential Liability	\$28,440,471
Assets	<u>19,759</u>
Potential Deficiency	<u><u>\$28,420,712</u></u>

The rates above are assumed rates of return. The different rates are used to project what the potential liabilities and deficiencies would be in variant situations.

Under State Law, the County is permitted to issue bonds to fund its unfunded liability for the Closed Pension Fund. On September 1, 1998, the County issued \$30,765,000 General Obligation Refunding Bonds, to refund previously issued 1995 bonds which was originally intended to fund its unfunded liability, including the cost of living adjustment, for the closed pension fund.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 12. SELF-INSURANCE WORKMEN'S COMPENSATION PLAN

The County has established a workmens compensation plan for its employees. The County funds the entire cost of the plan. Claims are paid directly by the plan up to a maximum of \$300,000 for any one accident or occurrence, with any excess benefit being reimbursed through a Re-Insurance Agreement with Continental Casualty Corporation up to \$1,000,000 for any one accident or occurrence. The County has not created a loss reserve for claims incurred which were unpaid at December 31, 2012 and 2011. In addition, the County has not created a reserve for any potential unreported losses which have taken place but in which the County has not received notices or report of losses. The effect on the financial statements from these omissions could not be determined, but is probably material. A contingent liability exists with respect to reinsurance which would become an actual liability in the event the reinsuring company might be unable to meet their obligations to the County under existing reinsurance agreements. Exhibit B-9 summarizes the 2012 transactions of the plan.

NOTE 13. SELF-INSURANCE LIABILITY PLAN

The County has established a liability trust reserve for the purpose of funding payments that may arise from any general, auto or other liability claims against the County on a self-insured basis. The County funds the entire cost of the plan. Claims are paid directly by the plan up to a maximum of \$1,000,000 for any one accident or occurrence, with any excess benefit being reimbursed through a Re-Insurance Agreement with Coregis Insurance Company up to \$5,000,000 for any one accident or occurrence. The County has not created a loss reserve for claims incurred which were unpaid at December 31, 2012 and 2011. In addition, the County has not created a reserve for any potential unreported losses which have taken place but in which the county has not received notices or report of losses. The effect on the financial statements from these omissions could not be determined, but is probably material. Exhibit B-11 summarizes the 2012 transactions of the plan.

NOTE 14. SELF-INSURANCE HEALTH BENEFITS PLAN

The County has established a Health Benefits plan for its employees. The County funds the entire cost of the plan. Claims are paid directly by the plan up to a maximum of \$150,000 per employee per year, with any excess benefit being reimbursed through a Re-Insurance Agreement with Pacific Mutual Insurance Company up to \$1,000,000 per employee per year. The County has not created a loss reserve for claims incurred which were unpaid at December 31, 2012 and 2011. In addition, the County has not created a reserve for any potential unreported losses which have taken place but in which the County has not received notices or report of losses. The effect on the financial statements from these omissions could not be determined, but is probably material. A contingent liability exists with respect to reinsurance which would become an actual liability in the event the reinsuring company might be unable to meet their obligations to the County under existing reinsurance agreements. Exhibit B-10 summarizes the 2012 transactions of the plan.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 15. CLAIMS AND JUDGEMENTS

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2012 and 2011, significant amounts of grant expenditure have not been audited by the various grantor agencies but the County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the County.

NOTE 16. RELATED PARTY TRANSACTIONS

In March 1987, the County of Passaic organized the Passaic County Utilities Authority (the "Authority"). The purpose of the Authority is to implement the County's Solid Waste Management Plan. The following is a synopsis of the County's related party transactions with the Authority.

a. Overlapping Debt/Contingent Liability

The Authority has issued several series of bonds over the years since 1987 pursuant to a resolution of the authority adopted on August 12, 1987 and entitled, "*The Passaic County Utilities Authority General Bond Resolution Authorizing the Issuance of Solid Waste Disposal Revenue Bonds*", as amended and supplemented as necessary in connection with each bond issuance (collectively, the "Landfill Resolution").

- \$43,010,000 Solid Waste Disposal Revenue Bonds, Refunding Series 2004 consisting of \$34,200,000 in aggregate principal amount of its Solid Waste Disposal Revenue Bonds (Tax Exempt Series 2004A) and \$8,810,000 Solid Waste Disposal Revenue Bonds (Taxable Series 2004B) (collectively, the "2004 Refunding Bonds") issued pursuant to the Landfill Bond Resolution, as amended and supplemented;

- \$18,805,000 Solid Waste System Project Bonds, Refunding Series 2008 issued pursuant to the Landfill Bond Resolution, as amended and supplemented.

On March 11, 2004 the Appellate Division decided In The Matter Of The Petition Of The Passaic County Utilities Authority For A Declaratory Ruling Regarding The Continuing Obligation Of Pen Pac, Inc., To Provide Transfer Station Services And For The Establishment Of Rates For Such Transfer Station Services, Department of Environmental Protection, DEP Docket No. SR92101003J (see note 12(2)) in favor of Pen Pac for an award of approximately \$3,238,000. In addition, interest is due for the period from July 2000 to August 2001 to compensate Pen Pac, Inc. For the Commissioner's delay in issuing the final decision.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 17. PRIOR YEAR DEFEASANCE DEBT

In prior years, the County defeased certain serial bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the County's financial statements. On September 1, 2004, March 1, 2001, September 1, 1998, September 1, 1995, February 1, 1994, September 1, 1993 and December 1, 1992, \$15,890,000, \$31,145,000, \$30,100,000, \$4,875,000, \$18,981,000, \$36,879,000 and \$17,134,000 of bonds outstanding were defeased, respectively.

NOTE 18. LITIGATION

General Litigation

In the opinion of William J. Pascrell, III, Esq., County Counsel, there is no litigation of any nature now pending or threatened restraining or enjoining the issuance or the delivery of the Obligations or the levy or the collection of any taxes to pay the interest on or the principal of the Obligations, or in any manner questioning the levy or the collection of taxes, or affecting the validity of the Obligations or the levy or the collection of taxes. Neither the authority or the proceedings for the issuance of the Obligations nor the title of any of the present officers of the County to their respective offices is being contested. Neither the corporate existence or boundaries of the County is being contested; no authority or proceedings for the issuance of the Obligations has or have been repealed, revoked or rescinded; and all actions or proceedings in regard to the issuance of the Obligations taken by governing body subsequent to the adoption of the Open Public Meetings Act of New Jersey have been in compliance with said Act.

LITIGATION AFFECTING THE PASSAIC COUNTY UTILITIES AUTHORITY

A discussion of certain pending litigation that could have an adverse impact on the financial condition of the Authority is set forth below and has been provided by McManimon, Scotland & Baumann, LLC, General Counsel to the Authority.

1. In the Matter of the Petition of the Passaic County Utilities Authority for a Ruling Regarding the Continuing Obligation of Pen Pac, Inc. to Provide Transfer Station Services and for the Establishment of Rates for Such Transfer Station Services, DEP Docket No. SR92101003J and OAL Docket No. 00788-93N

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 18. LITIGATION, (continued)

A Verified Petition in the above matter was filed by the Authority on or about October 12, 1992. From December 12, 1992 to approximately November 11, 1997, Pen Pac provided solid waste transfer station services to the Authority. Inasmuch as Pen Pac was a public utility during this period, its rates were subject to regulation by the Department of Environmental Protection ("DEP"). The services were provided by Pen Pac during this period pursuant to interim rates, which are subject to adjustment, as determined in a rate proceeding, for over or underrecovery by Pen Pac. The rate case sought to determine a final rate for Pen Pac's services for the years 1993, 1994 and 1995. Calendar year 1996 was also included in the proceeding.

The matter was litigated and following denials of cross petitions for certification to the New Jersey Supreme Court on June 30, 2004, resulted in a final determination on June 30, 2004 that Pen Pac is owed \$3,238,792 for services performed by it in calendar years 1993 through 1996. In addition, the Commissioner determined that interest is due in the amount of \$256,313. On August 15, 2005, Final Judgment was entered in the Superior Court of New Jersey against the Authority in the amount of \$3,495,105.00.

On March 2, 2007, the Court issued a written opinion, which ordered the implementation of mandamus relief by way of ordering the Authority to 1) turn over \$701,230.41 in bondholder restricted Bank of New York accounts to PenPac; 2) to turn over \$1,702,220.84 in allegedly unrestricted accounts to PenPac; and 3) to assign all future income derive from the Passaic Investors mortgage receivable, held by the Authority, to PenPac. That decision was memorialized by Order entered on March 12, 2007. The March 12, 2007 Order effectively transferred all of the Authority's monetary assets to PenPac, excepting only Bank of New York accounts associated with the 1999 and 2004 Series Bonds, which the trial court found were validly pledged to the bondholders. The rest of the assets were found to be free and available to satisfy PenPac's Judgment.

The Authority authorized an appeal, to the Superior Court of New Jersey - Appellate Division, from the March 12, 2007 mandamus implementation Order on March 21, 2007, and accordingly, the Notice of Appeal and associated documentation were filed with the Appellate Division shortly thereafter. A motion to stay the March 12, 2007 Order was also contemporaneously made in accordance with the Rules of Court. Unfortunately, on September 5, 2008, the Supreme Court of New Jersey denied Certification, effectively rendering the March 12, 2007 Order of the trial court final, and dissolving the stay granted pending the outcome of the appeal.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 18. LITIGATION, (continued)

As a result of the finality of the March 12, 2007 Mandamus Order, the Authority adopted a resolution at a special meeting held on September 25, 2008 to comply with its terms, and: 1) turned over \$701,230.41 in bondholder restricted Bank of New York accounts to PenPac; 2) turned over \$1,702,220.84 in allegedly unrestricted accounts to PenPac; and, 3) assigned all future income derived from the Passaic Investors mortgage receivable, held by the Authority, to PenPac.

On remand, the DEP determined that PenPac was entitled to an additional \$1.3 million of under recovery for services rendered for calendar year 1997, as well as for interest on the overall award (the "Remand Award"). The Remand Award was reduced to judgment on March 5, 2009 in the third matter listed above, **PenPac, Inc. v. Passaic County Utilities Authority**, Docket No. PAS-L-2615-08 (Superior Court of New Jersey, Law Division - Passaic County).

Post-judgment discovery is ongoing in this newest matter, and some paper discovery has been exchanged, and depositions held. It is not clear where PenPac's collection efforts against the Authority will proceed from here. After compliance with the March 12, 2007 Order last fall, there are no Authority assets left from which PenPac may satisfy its initial Judgment, or the newest Judgment on the Remand Award. Time will tell if PenPac will attempt other efforts to collect on the balance of its Judgment(s). It is simply not clear at this time whether PenPac will attempt to collect from the County of Passaic, or otherwise seek adverse action against the Authority from the Local Finance Board. Thus, we cannot predict what further impact post-judgment collection activities will have on the Authority at this time.

2. Technical default under the terms of the 1987 General Bond Resolution

By adopting the 1987 General Bond Resolution and issuing bonds thereunder, the Authority covenanted that certain required amounts would be on deposit in applicable debt service accounts on the first business day of each Fiscal Year. If, on that date, the funds on deposit in such accounts do not meet the required levels, the Authority is required to take all steps necessary to obtain funds to satisfy the debt service payments when they come due. Most importantly, the Authority has met all debt service payment obligations when they have come due. However, the Authority is in technical default of these provisions of the General Bond Resolutions insofar as the reserve balances have not been at required levels on the dates set for review thereof and additional deposits to the appropriate accounts have not been made to bring them to required levels.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 18. LITIGATION, (continued)

**1. PenPac, Inc. v. County of Passaic
Superior Court of New Jersey, Docket No. PAS-L-2635-11**

Plaintiff, PenPac, Inc., filed a Verified Complaint against the County of Passaic in the Superior Court of New Jersey, Passaic County on June 6, 2011. Plaintiff filed an Amended Verified Complaint on December 8, 2011.

Plaintiff's claims arise from judgments for underrecovery entered on its behalf against the Passaic County Utilities Authority (the "PCUA") in the wake of the Atlantic Coast decision by the Third Circuit which invalidated New Jersey's waste flow system. Plaintiff was able to collect all that it could from the PCUA, then turned its attention to the County to collect the remainder that was still outstanding. Plaintiff alleges that, because the County: (1) guarantees all of the PCUA's bond obligations; (2) pays all of the PCUA's invoices for operating expenses; and (3) wholly supports the insolvent PCUA, it should be responsible for paying the remainder of the judgments that is still outstanding. Plaintiff also claims that, because the PCUA is insolvent and serves no public purpose, the County should be compelled to dissolve the PCUA. The County disagrees with those claims and has filed an Answer in opposition to them.

On September 19, 2011, our office filed a Motion to Dismiss the Verified Complaint pursuant to R. 4:6-2(e). On December 2, 2011, the Honorable Randal Chiocca, J.S.C. defined the motion without prejudice, allowing the parties to conduct discovery, but indicated that the County could renew its application after discovery ended.

After discovery concluded on August 13, 2012, our office filed a Motion for Summary Judgment. On September 4, 2012, Plaintiff filed a Cross-Motion for Summary Judgment. On October 23, 2012, Judge Chiocca conducted oral argument on the respective motions. On October 25, 2012, Judge Chiocca rendered his decision on the motions on the record and granted summary judgment in the County's favor in its entirety (which was memorialized by Order dated that same day).

On December 4, 2012, Plaintiff filed a Notice of Appeal with the Appellate Division. On December 18, 2012, our office filed a Civil Case Information Statement.

On January 16, 2013, our office received a scheduling order setting out a briefing schedule for Plaintiff's appeal. These dates were extended by a month by consent. On March 25, 2013, Plaintiff filed its Brief and Appendix in support of its Appeal. On April 24, 2013, our office filed the Brief and Appendix in opposition.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 18. LITIGATION, (continued)

**2. Estate of Rivera v. County of Passaic, et al
Docket No. 2:09-cv-05218**

This is a wrongful death claim that arose from the death of Jessie Rivera while incarcerated at the Court for the District of New Jersey, Newark Vicinage. The complaint alleged Passaic County jail. A complaint was filed on September 9, 2009 in the United States District violations of Mr. Rivera's civil rights resulting in his death while detained in prison.

The named defendants in the Complaint were County of Passaic, Passaic County Sheriff's Department, Jerry Speziale, Sheriff of Passaic County, Passaic County Bureau of Corrections, Passaic County Jail, Charles Meyers, Warden of Passaic County Jail, Kirk Nixon, Passaic County Court Administrator, Passaic County Probation Department, City of Paterson, Passaic County Diagnostic Center, Dr. David Tutone, Dr. Dasher, State of New Jersey, and New Jersey Department of Corrections. This office was retained to represent the County employee, Doctor David Tutone. An Answer was filed on behalf of David Tutone on or about April 5, 2010.

Following considerable discovery, the case was settled in 2012. As a result of the settlement, Passaic County paid the Estate of Jesse Rivera \$600,000 and subsequently paid attorney's fees and costs to Plaintiffs' counsel in the amount of \$500,000. The final payment was in December 2012 and this matter is concluded.

3. Brown et. al. v. County of Passaic

On February 25, 2010, Plaintiffs (seven former investigators employed by the Passaic County Prosecutors Office) filed a Two Count Complaint against the County of Passaic and James F. Avigliano, as Passaic County Prosecutor in the Superior Court of New Jersey, Passaic Count. Plaintiffs alleged they were forced to retire or terminated because of their age in violation of the New Jersey Law Against Discrimination (LAD). The Second Count of Plaintiffs' Complaint was dismissed by the Court on Defendants' Motion to Dismiss and one Plaintiff voluntarily withdrew his claims. With respect to the remaining six Plaintiffs, the matter proceeded through discovery to trial. On July 12, 2012, the jury returned a verdict in favor of the Plaintiffs in the total amount of \$3,812,600 (including punitive damages). As a prevailing party, Plaintiffs are also entitled to their attorneys' fees award however, that application has not yet been made by Plaintiffs' counsel. Defendants intend to continue to vigorously oppose this matter and intend to file an appeal.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 18. LITIGATION, (continued)

4. Mambelli v. County of Passaic et al.

This matter proceeded to a non-binding mediation with a retired of the Superior Court of New Jersey (in August of 2012).

At that time, the parties were able to enter into a monetary settlement of \$585,000.00, which would be inclusive of legal fees. In addition, there was to be enhanced conditions placed on the status of the plaintiff's employment (i.e.: a possible promotion). Unfortunately, the parties could not resolve their differences on that issue, and the plaintiff has rejected that settlement in its entirety and has demanded in excess of \$1,000,000.00 - as of October 5, 2012.

This matter will be proceeding to trial at the latter part of 2012, or the early part of 2013. The retired Superior Court Judge (mediator) has stated that the compensatory, punitive damage and attorneys' fees aspects of this matter could go beyond 2.7 million dollars.

As such, we are respectfully requesting a three million dollar reserve on this matter.

5. Tundo, Racanelli, Gilgorri v. the County of Passaic

This matter involves another convoluted episode of employment issues at the Passaic county Sheriff's Department.

The plaintiffs were laid off pursuant to the New Jersey Civil Service Act under the mass lay-off of 2008. However, they were never re-hired, for a number of reasons.

Thereafter, Civil Service ordered that the plaintiffs be reinstated, and the Department requested that they fill out re-employment applications. The plaintiffs had refused to fill out those applications, and we are not involved in litigation at the Federal Court Level.

This is a very dangerous situation, because it is a winner-take-all scenario. If the jury or a Court determines that these three individuals were not properly re-hired, they will be entitled to back wages for calendar years 2009, 2010, 2011 and 2012, which would include health benefits and pension contributions. In addition, they could possibly be entitled to additional compensatory damages as well as possibly punitive damages.

In light of the substantial back wage component to this case (for each of the plaintiffs), it is respectfully requested that a reserve for three million dollars be placed on this matter.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 18. LITIGATION, (continued)

Cedestino Malave, William Malave and Elvin Sanchez v. Laura B. Freytes as Passaic County Superintendent of Elections and the County of Passaic
U.S. District Court, District of New Jersey, Docket No. 2:11-CV 3393-FSH-PS.

Plaintiffs, Cedestino Malave, William Malave, and Elvin Sanchez, filed a complaint against the Passaic County Superintendent of Elections, Laura B. Freytes (“Freytes”), and the County of Passaic, in federal district court on June 13, 2011.

The claims in the complaint arise from Freytes’ termination of Plaintiffs, William Malave and Elvin Sanchez on June 12, 2009, from the Office of the Superintendent of Elections where they had been employed as voting machine technicians. Plaintiffs, William Malave and Elvin Sanchez allege that their termination was in retaliation for 1) complaints they made regarding health and safety conditions at the Elections warehouse, 2) their objection to training Superintendent Freytes’ son-in-law, Robert Vargas, on the election data system, and 3) their involvement in grievances against the Superintendent. Plaintiffs, William Malave and Elvin Sanchez allege that their terminations violated the New Jersey Conscientious Employee Protection Act (“CEPA”) and their constitutional rights to free speech and due process pursuant to 42 U.S.C. § 1983. Plaintiff, Cedestino Malave alleges that he was retaliated against by Defendant Freytes because of his association with his brother, William Malave and with Elvin Sanchez. He claims he was subjected to retaliatory conduct by Freytes for filing grievances against her, with such conduct including the threatening of his employment, surveillance of him around the office, and receiving threatening and intimidating remarks. Plaintiff, Cedestino Malave further alleges that Defendant Freytes demanded that he fabricate a report to the Attorney General’s Office.

In December 2011, Defendants, the County of Passaic and Laura B. Freytes filed Motions to Dismiss Plaintiffs’ Complaint pursuant to Fed. R. Civ. P. 12 (b)(6). Despite these motions, the court ordered the parties to proceed with discovery and entered a Pretrial Scheduling Order with a discovery end date of October 1, 2012. On July 17, 2012, Plaintiffs filed a Voluntary Dismissal with Prejudice dismissing the County of Passaic as a defendant in the action. Notwithstanding this dismissal, Defendant, Laura B. Freytes maintained that her Claim for Indemnity against the County of Passaic as pled in her Answer to Plaintiffs’ Complaint, would be pursued. The County of Passaic thereafter filed a limited Answer to Freytes’ Claim for Indemnity.

On December 26, 2012, Plaintiffs’ federal court action was dismissed by the Honorable Faith S. Hochberg, United States District Judge, pursuant to Fed. R. Civ. P. 12(b)(6) for failure to state a claim upon which relief can be granted.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 18. LITIGATION, (continued)

Cedestino Malave, William Malave and Elvin Sanchez v. Laura B. Freytes as Passaic County Superintendent of Elections v. County of Passaic and State of New Jersey
Superior Court of New Jersey, Law Division, Passaic County
Docket No. PAS-L-304-13.

Plaintiffs, Cedestino Malave, William Malave, and Elvin Sanchez, filed their complaint in state court against Defendants, Laura Freytes and the Passaic County Superintendent of Elections, on January 23, 2013. Defendants/Third-Party Plaintiffs filed an Answer and Third-Party Complaint against the Third-Party Defendants, the County of Passaic and the State of New Jersey, on or about March 9, 2013 which was served on the County on March 21, 2013. In their State court Complaint, Plaintiffs raises two causes of action as follows: 1) a deprivation of rights under Article 1, Sections 1, 6, and 18 of the New Jersey Constitution; and 2) a violation of the New Jersey Conscientious Employee Protection Act, N.J.S.A. § 34:19-1, et seq. ("CEPA"). In her Third Party Complaint against the County of Passaic and the State of New Jersey, Defendant/Third-Party Plaintiff, Laura B. Freytes, seeks contribution and indemnification for the Plaintiffs' claims.

Third-Party Defendant, the County of Passaic, has filed a Motion to Dismiss pursuant to R. 4:6-2(e) requesting that the complaint filed in the state court by Plaintiffs, Cedestino Malave, William Malave, and Elvin Sanchez, as well as the Third-Party Complaint filed on March 11, 2013, by Defendants/Third-Party Plaintiffs, Laura B. Freytes and the Passaic County Superintendent of Elections, be dismissed with prejudice.

The County seeks dismissal of the Third-Party Complaint because it cannot be held liable for contribution, indemnity or insuring where the underlying Complaint fails to state a claim for which relief may be granted against Defendants/Third-Party Plaintiffs. The claim of liability against the County for contribution and indemnity, as set forth in the Third-Party Complaint is premised on the liability of Defendants/Third-Party Plaintiffs. The County cannot be held liable for contribution, indemnity, and insuring if the Defendants/Third-Party Plaintiffs are not liable for the underlying claims in the Complaint. The County's position in its Motion to Dismiss relies extensively on procedural and substantive arguments previously raised in Plaintiffs' federal court litigation, which resulted in dismissal of federal counterpart claims on December 26, 2012. The County of Passaic further argues as to the preclusive effect of the federal court's prior rulings on similar, if not identical, claims raised by Plaintiffs in the state court litigation.

The County's Motion to Dismiss is returnable before the Court on May 24, 2013.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 18. LITIGATION, (continued)

The range of this matter as to William Malave and Elvin Sanchez is for back salary of approximately \$42,000.00 per year gross for four (4) years, or \$252,000.00 each for two (2) Plaintiffs plus any additional compensatory damages that might be awarded. We value these potential claims for compensatory damages as between \$25,000.00 and \$75,000.00.

As to Cedestino Malave, he has lost no salary and we value his potential claims for compensatory damages as between \$25,000.00 and \$75,000.00.

Attorney fees could run as low as \$200,000.00 or as high as \$350,000.00 if the matter goes to trial for all three Plaintiffs together.

Robert Sinclair v. Passaic County Sheriff's Office
Superior Court of New Jersey, Law Division, Passaic County
Docket No. PAS-L-5210-11

Plaintiff, Robert Sinclair ("Plaintiff"), filed a complaint on November 17, 2011 alleging discrimination in violation of the New Jersey Law Against Discrimination, N.J.S.A. § 10:5-1 et seq. ("LAD"), as well as a claim under the New Jersey Civil Rights Act, N.J.S.A. § 10:6-2 et seq. ("NJCRA") for discrimination based on Plaintiff's political association. Specifically, Plaintiff alleges that the Defendant's stated reasons for Plaintiff's termination were pre-textual and that Plaintiff was terminated due to discrimination based on his race as an African-American, disability, and veteran status in violation of the LAD. Plaintiff further alleges that he was terminated because of his lack of political support for former Sheriff Jerry Speziale ("Sheriff Speziale") in violation of the NJCRA.

The Passaic County Sheriff's Office denies that it terminated Plaintiff for discriminatory or unlawful reasons. It is Defendant, Passaic County Sheriff's Office's position that Plaintiff's position was eliminated during a reduction in force and layoffs which affected Sheriff's Investigators in 2008. Plaintiff, however, was not actually terminated until April 2010, after he returned from a military leave of absence, during which he received full salary in addition to his income from the military. Plaintiff was hired as a Security Guard in 2002 and promoted to the position of Sheriff's Investigator in 2004. Throughout his employment, Plaintiff took military leaves of absences without any adverse employment action, and consistently received pay raises. Additionally, Plaintiff failed to complete the required basic police training course at the Police Academy, a requirement for continued employment as a Sheriff's Investigator with the Passaic County Sheriff's Office.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 18. LITIGATION, (continued)

On or about March 30, 2012, Defendant filed its Answer and Affirmative Defenses, in which it denied, *inter alia*, Plaintiff's allegations of discriminatory conduct. This firm substituted for Passaic County Counsel and filed a Substitution of Attorney on or about December 11, 2012.

To date, the parties have exchanged interrogatories, notices to produce, and responses thereto. Plaintiff's deposition was taken on April 12, 2013. The deposition of the Director of Business Administration (former Warden and Undersheriff), Charles Meyers, was conducted on May 3, 2013. The deposition of Plaintiff's witness, Carlos Carrasquillo, is scheduled for May 15, 2013. The discovery end date in this matter is May 22, 2013. Trial has been scheduled for July 22, 2013.

Wayne E. Cozart v. County of Passaic
Superior Court of New Jersey, Docket No. PAS-L-4042-10.
Office of Administrative Law, Docket No. CSV-10143-2010N.

Plaintiff, Wayne E. Cozart, filed this action on August 13, 2010 against the County of Passaic in the Superior Court of New Jersey, Passaic County, alleging that the County's termination of Plaintiff's employment as Administrator of the Youth Service Commission, effective June 30, 2010, was unlawful because the County did not have the power and authority to do so and that the County's reasons for terminating him (economy and efficiency) were also false. Plaintiff also filed a companion matters against the County of Passaic with the Office of Administrative Law on September 20, 2010 only as to the issue of whether his termination was in good faith.

Discovery has concluded in both matters with Plaintiff taking no discovery after service of his initial demands. At this time, the discovery end dates have long passed and our office has moved for Summary Judgment in both the Passaic County matter and the OAL matter. We have also moved for a protective order in the Passaic County action to protect the confidentiality of certain exhibits in connection with Mr. Cozart's personnel file. The motions are currently pending and we expect decisions in the late Fall of 2012. There has been no trial date set in the Passaic County matter and the OAL hearing dates shall be scheduled in the event Summary Decision is not rendered on behalf of the County.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 18. LITIGATION, (continued)

Conforth v. County of Passaic, et al
Docket No. 2:09-CV-05128

Conforth v. County of Passaic, et al was filed in 2012 in the Superior Court of New Jersey, Law Division, Passaic County under Docket No. PAS-L-3110-12. The case involves a personal injury claim brought by a pedestrian who was struck by a vehicle owned and operated by the Passaic County Sheriff's Department. Plaintiff sustained a traumatic brain injury and various other serious physical injuries. The matter was in the early discovery period as of December 31, 2012. Although it is not possible to accurately determine the financial exposure at this time, it is likely that the damages will fall in the range of \$1,000,000.00 to \$3,000,000.00.

NOTE 19. ARBITRAGE REBATE

The County sometimes temporarily reinvests the proceeds of its tax-exempt debt in higher yielding taxable investments which is referred to as arbitrage by the federal tax code. In certain situations, the County is permitted to keep the extra earnings that result from arbitrage. Otherwise, any excess earnings resulting from arbitrage must be rebated to the federal government. Federal law requires that arbitrage be calculated and rebated at the end of each five-year period that tax-exempt debt is outstanding.

The County engaged Public Financial Management (PFM) to perform an arbitrage rebate calculation for the period July 1, 1999 to December 31, 2003. Their report date, March 24, 2005, shows that the County owed a rebate of \$491,545 to the Federal Government.

The County has engaged Public Financial Management (PFM) to update the arbitrage rebate calculation but the report is not available for the audit.

NOTE 20. RISK MANAGEMENT

The County is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has obtained insurance coverage to guard against these events which will provide minimum exposure to the County should they occur. During the 2012 calendar year, the County did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 21. POST RETIREMENT BENEFITS

Plan Description

The County of Passaic provides lifetime medical benefits to County employees who retire under the following conditions:

- After twenty-five years of State pension membership; or
- Upon a disability retirement

Employees who do not meet the above requirements and retire after age 60 may purchase coverage for themselves and their dependents through direct billing.

Eligible retirees are provided several medical benefit plans to select from. Their selections can be changed during open enrollment periods. Members who become Medicare eligible must enroll in both Part A and Part B in order to maintain eligibility in the County plan. For retirees with 25 years of services, Part B premiums are reimbursed by the County.

Dependents of retirees are covered until the death of the retiree, however, dependent spouses may continue coverage through direct billing upon the death of the retiree.

The number of retirees receiving premium-free benefits as of December 31, 2009, the effective date of the biannual Other Post-Employment Benefit, herein referred to as "OPEB", valuation is 675. Of these, 390 retirees retain dependent or spousal coverage. Active employees number 2,288 as of the same valuation date. There have been no significant changes in the number of covered retirees or type of coverage since the valuation date. The County did not update this analysis as of December 31, 2012 as required by GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

Funding Policy

The County currently accounts for these post retirement benefits on a pay-as-you-go basis.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 21. POST RETIREMENT BENEFITS, (continued)

Actuarial Valuation Results

The Actuarial Accrued Liability for current retirees is \$102,998,427, and for current active employees is \$49,899,323 for a total accrued liability of \$152,887,750.

Summary of Valuation Results

Actuarial Accrued Liability:	
Retiree	\$102,988,427
Active	<u>49,899,323</u>
Unfunded Actuarial Accrued Liabilities	<u>\$152,887,750</u>
Discount Rate	<u>4.50%</u>
Normal Cost	\$10,104,366

The following table utilizes the actuarially determined contribution for the year ended December 31, 2009 as opposed to actual payments. Differences between the actual expenditures and the actuarial contributions include discounts, deductibles, co-payments, and actuarial factors identified under "actuarial assumptions and methods" below.

Level Dollar Amortization
Calculation of Annual Required Contribution
Under Projected Unit Cost Method

Annual OPEB Cost	\$7,800,100
Actuarial Contribution Determination	<u>5,858,000</u>
Increase in Net OPEB Obligation	1,942,100
Net OPEB Obligation, Beginning of Year	<u>10,434,436</u>
Net OPEB Obligation, End of Year	<u>\$12,376,536</u>

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 21. POST RETIREMENT BENEFITS, (continued)

Under GASB Statement 45, the County would recognize the cost of other post-employment benefits in the year when the employee services are received, report the accumulated liability from prior years, and provide information useful in assessing potential demands on the County's future cash flows. The accumulated liability from prior years is phased in over the 30 year period beginning the year ended December 31, 2008. However, since the County is using the modified accrual basis of accounting as prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, the County is not required to show any accrued liability on the face of its financial statements, only to the notes to those financial statements.

The actuarial valuation projected cash costs totaling \$38,935,000 through the year 2016 for current and future retiree medical benefits as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2013	\$8,940,000	2015	\$9,994,400
2014	9,515,500	2016	10,485,100

Actuarial Assumptions and Methods

The actuarial assumptions used to value the County's post-employment benefits are of three types, economic, medical benefit and demographic.

The actuarial assumptions used to value the County's post-employment benefits are of three types, economic, medical benefit and demographic.

Economic assumptions include the discount rate, or rate of return on investments, and health care cost trend rates and account for changes in the costs of benefits over time and the time value of money. The actuarial valuation assumes the County will continue to pay for benefits on a pay-as-you-go basis and continue to not fund the plan, therefore, the discount rate used, 4.50%, is based on the rate of return of the County's assets, since there are no plan assets. Health care trend rates through the year 2022 and later assumed are: increases in costs of traditional benefit plans ranging from 5.0% to 11.0%, prescription drug plan increases ranging from 5.0% to 12.0% and Medicare Part B cost increases of 5.0% to 6.5%.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(continued)

NOTE 21. POST RETIREMENT BENEFITS, (continued)

Regarding medical benefit assumptions, the County's actuarial valuation elected to use age-banded incurred claims costs based on the claims costs used by the New Jersey State Health Benefits Program since the Traditional Indemnity Plan which primarily covers County retirees is similar in design to the State Health Benefits Traditional Plan. However, there were adjustments to reflect County medical and prescription drug claims experience and demographics. In addition, surviving spouses and direct-bill employees identified under "plan description" above, contribute 100% of the medical coverage cost and, therefore, it was concluded by the actuary these groups have no direct or implicit subsidy which is required to be considered in measuring the County's post-employment benefit liabilities.

Demographic assumptions include the following rates: mortality, retirement, withdrawal, disability, participation, dependent coverage and expenses. Of these, factors to note are participation rates are assumed at 100% of future retirees and 60% of eligible retirees assumed to have spousal coverage.

The actuarial cost method utilized for the County's actuarial valuation is the Projected Unit Credit method. It is an acceptable method under GASB Statement 45 and is a method whereas an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The normal cost amount is expected to increase annually at the discount rate, currently 4.50%. In addition, the asset valuation method is not applicable, as the plan is currently unfunded.

NOTE 22. SUBSEQUENT EVENTS

The County has evaluated subsequent events through September 19, 2013, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA

COUNTY OF PASSAIC

Supplementary data

Comparative Statement of Operations and Changes in Fund Balance - Current Fund

	<u>Year 2012</u>		<u>Year 2011</u>	
<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Fund Balance Utilized	\$ 20,000,000	4.41 %	\$ 18,000,000	3.95 %
Miscellaneous - From Other Than				
Tax Levies	128,088,321	28.27	138,158,337	30.35
Collection of Current Tax Levy	<u>304,999,886</u>	<u>67.32</u>	<u>298,991,500</u>	<u>65.69</u>
Total Income	<u>453,088,207</u>	<u>100.00 %</u>	<u>455,149,837</u>	<u>100.00 %</u>
 <u>EXPENDITURES</u>				
Budget	432,920,894	99.90	440,662,999	99.73
Other	<u>448,402</u>	<u>0.10</u>	<u>1,213,040</u>	<u>0.27</u>
Total Expenditures	<u>433,369,296</u>	<u>100.00 %</u>	<u>441,876,039</u>	<u>100.00 %</u>
Excess in Revenue	19,718,911		13,273,798	
Adjustments to Income Before Surplus:				
Expenditures included above which are by Statute				
Deferred Charges to Budget of Succeeding Year	<u>80,422</u>		<u>5,648,055</u>	
Statutory Excess to Surplus	19,799,333		18,921,853	
Fund Balance, January 1	<u>27,612,716</u>		<u>26,690,863</u>	
	47,412,049		45,612,716	
Utilized as Budget Revenue	<u>20,000,000</u>		<u>18,000,000</u>	
Fund Balance, December 31	<u>\$ 27,412,049</u>		<u>\$ 27,612,716</u>	

Valuation of Real Property, Personal Property, Net Valuation Taxable and County Tax Rate Base

		<u>County Tax Base</u>				
		<u>Assessed Valuation of Real Property</u>	<u>Assessed Valuation of Personal Property</u>	<u>Net Valuation Taxable</u>	<u>Equalized Valuation of Real and Personal Property</u>	<u>Tax Rate Per \$100.00</u>
2012	\$	36,051,366,476	40,161,083	36,091,527,559	47,373,694,806	0.7618
2011	\$	34,072,490,040	43,449,319	34,115,939,359	50,249,517,609	0.6789
2010		33,714,082,467	58,024,700	33,772,107,167	53,281,584,560	0.6338
2009		33,890,983,620	57,312,989	33,948,296,609	56,092,089,098	0.6052
2008		30,260,235,965	47,417,172	30,307,653,137	57,227,118,466	0.5296

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>		<u>Tax Levy</u>	<u>Currently</u>	
			<u>Cash Collections</u>	<u>Percentage of Collection</u>
2012	\$	304,999,886	304,999,886	100.00%
2011		298,661,500	298,661,500	100.00%
2010		292,181,887	292,181,887	100.00%
2009		283,835,372	283,835,372	100.00%
2008		277,340,015	277,340,015	100.00%

Comparative Schedule of Fund Balance

	<u>Year</u>		<u>Dec. 31</u>	<u>Utilized in budget of succeeding year</u>
Current Fund	2012	\$	27,412,049	18,000,000
	2011	\$	27,612,716	20,000,000
	2010		26,690,863	18,000,000
	2009		20,212,602	15,450,000
	2008		18,910,883	14,418,102

COUNTY OF PASSAIC

Schedule of Cash and Investments

Current Fund

Year Ended December 31, 2012

	<u>Checking</u>	<u>Investments</u>
Balance, December 31, 2011	\$ 48,416,302	505,773
Increased by Receipts:		
2012 Tax Levy	304,999,886	
Federal and State Grants Receivable	28,025,696	
Revenue Accounts Receivable	87,849,346	
Non-Budget Revenues	2,209,148	
Petty Cash	18,600	
Schedule of Interfunds	52,966,354	
Miscellaneous Reserves	10,183,209	
Unappropriated Reserves for Grants	2,833	
Interest		3,116
	<u>486,255,072</u>	<u>3,116</u>
	534,671,374	508,889
Decreased by Disbursements:		
2012 Budget Appropriation	383,914,703	
2011 Appropriation Reserves	11,133,443	
Schedule of Interfunds	54,139,205	
Accounts Payable	119,669	
Federal & State Grant Commitments Payable	6,535,698	
Reserve for Federal & State Grants Appropriated	23,434,053	
Petty Cash	18,600	
Miscellaneous Reserves	9,546,249	
Refunds	97,889	
	<u>488,939,509</u>	
Balance, December 31, 2012	<u>\$ 45,731,865</u>	<u>508,889</u>

COUNTY OF PASSAIC
Schedule of Cash - Change Fund
Current Fund
Year Ended December 31, 2012

<u>Office</u>	Balance December 31, <u>2011</u>	Balance December 31, <u>2012</u>
County Courts	\$ <u>675</u>	<u>675</u>

Schedule of Cash - Petty Cash
Current Fund
Year Ended December 31, 2012

<u>Office</u>	Received From <u>Treasurer</u>	Returned To <u>Treasurer</u>
Finance	200	200
Sheriff	3,000	3,000
Road	200	200
Shelter	100	100
Preakness Hospital	100	100
Prosecutor	<u>15,000</u>	<u>15,000</u>
	<u>18,600</u>	<u>18,600</u>

COUNTY OF PASSAIC
Schedule of Federal and State Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2012

Grant	Balance, December 31, 2011	2012 Budget Revenue Realized	Revenue Realized by 40A:4-87	Received	Canceled/ Adjusted	Balance, December 31, 2012
Paris Grant - Records Management	\$ 35,087					35,087
Camp Hope Kids Corner 2010	10,300					10,300
SHARE Grant	16,575					16,575
Workfirst-ABAED 1997	89,402					89,402
Workfirst NJ 1999	22,214					22,214
Alcohol/Drug Abuse Grant FY08	923					923
Alcohol/Drug Abuse Grant FY11	221,249			217,307		3,942
Alcohol/Drug Abuse Grant FY12	751,699			460,715		290,984
Municipal Alliance 2007	65,895					65,895
Municipal Alliance 2008	82,240					82,240
Municipal Alliance 2009	44,998					44,998
Municipal Alliance 2010	446,688			367,688		79,000
Municipal Alliance 2011	186,213			123,333		62,880
Municipal Alliance 2012	553,900					553,900
Workforce Learning Link Program			135,000			135,000
Workforce Investment (PIC) 2012/2013			1,817,131			1,817,131
Workfirst NJ 2012/2013			5,631,504			5,631,504
Department of Labor - WIA Adult			1,799,182			1,799,182
Department of Labor - WIA Dislocated Worker			1,480,768			1,480,768
Disability Employment Initiative			240,750	56,220		184,530
Workforce Invest (Pic) 2006/07	66,853					66,853
Workforce Invest (Pic) 2007/08	92,402					92,402
Workforce Investment (PIC) 2009/10	63,288					63,288
Workforce Invest (Pic) 2010/11	2,080,273			1,939,492		140,781
Workforce Invest (Pic) 2010/11	128,447			128,447		
Workforce Invest (Pic) 2011/12	6,610,560			3,659,037		2,951,523
Workforce Invest (Pic) 2011/12	5,153,104		733,840			5,886,944
Strengthening Communities Fund ARRA	101,737					101,737
Hurricane Irene Disaster National Emer. Grant	711,287			459,939		251,348
L.E.O.T.E.F. 2012			58,170	58,170		
Bioterrorism Prep. 09-1159-BTL1	10,288					10,288
Community Svc. Block Grant HIPER LINC'S	465,033			417,801		47,232
Community Svc. Block Grant PHLP LINC'S 2012	101,362					101,362
Community Svc. Block Grant PHLP LINC'S 2013			597,775			597,775
CEHA 2011	81,003			81,003		
CEHA 2012			221,525	133,554		87,971
Tobacco Enforcement Program	6,180					6,180
Right to Know Program 2011	11,410			11,410		
Right to Know Program 2012			15,213			15,213
Clean Communities 2012			61,891	61,891		
Radon Awareness Program (RAP) 2011	1					1
Radon Awareness Program (RAP) 2012	1,000			995		5
Radon Awareness Program (RAP) 2013			1,000			1,000
Brownfields Assessment Program	12,291					12,291
Brownfields Assessment Program	62,973			49,960		13,013
Passaic County Film Festival 2012	1,420			1,420		
Passaic County Film Festival 2013			2,000			2,000
Business Retention and Expansion Program	125,000					125,000
Aging Area Nutrition FY11	405,790			386,407		19,383
Aging Area Nutrition FY12		3,323,064	40,046	3,338,948		24,162
Aging Administration 2011	581,076			554,039		27,037
Area Aging Plan Grant 2012		2,178,474		2,136,091	4,415	37,968
Casino Revenue 2010						
Casino Revenue 2011	1,113,335			1,074,949		38,386
Casino Revenue 2012		2,211,149		1,077,313		1,133,836
Farmers Market Nutrition Prgm (WIC) 2012			2,000	2,000		

COUNTY OF PASSAIC
Schedule of Federal and State Grants Receivable
Federal and State Grant Fund
Year Ended December 31, 2012

<u>Grant</u>	Balance, December 31, 2011	2012 Budget Revenue <u>Realized</u>	Revenue Realized by 40A:4-87	<u>Received</u>	Canceled/ <u>Adjusted</u>	Balance, December 31, 2012
JJC Partnership 2007	10,387					10,387
JJC Partnership 2008	31,332					31,332
JJC Partnership 2009	105,028					105,028
JJC Partnership 2010	78,935					78,935
JJC Partnership 2011	474,096			312,159		161,937
JJC Partnership 2012	514,393			85,590		428,803
JJC Partnership 2013			514,393			514,393
Homeless HIRZ7N 2009	2,388					2,388
Homeless HIRZ8N 2011	20,000	20,000		40,000		
Homeless HIRZ8N 2012	907,294			893,676		13,618
Human Services 08BERN	26,154					26,154
Human Services 09BERN	42,780					42,780
Human Services 10BERN	101,718					101,718
Human Services 11BERN	959					959
Human Services 12BERN	175,373		19,385	194,758		
Preakness Gero-Psych Program	338,210			270,960		67,250
Preakness Gero-Psych Program			338,210			338,210
Rapid Rehousing Clifton S-09	99,388			78,859		20,529
Rapid Rehousing Paterson S-09	179,505			179,496		9
Rapid Rehousing ARRA 2009	359,002			83,002	276,000	
Div of Child Behavioral Health Services 2011	13,205			13,205		
Div of Child Behavioral Health Services 2012	158,546			145,251	90	13,205
Special Initiative and Transportation 2005	257,458					257,458
Special Initiative and Transportation 2006	90,682					90,682
Special Initiative and Transportation 2007	47,628					47,628
Special Initiative and Transportation 2008	44,989					44,989
Special Initiative and Transportation 2009	33,405					33,405
Special Initiative and Transportation 2010	4,803					4,803
Special Initiative and Transportation & TIP 2012			404,914	101,229		303,685
Special Initiative and Transportation 2011	303,685			302,803		882
Eva's Village Apartments	34,195					34,195
Passaic County Housing First Leasing			19,776			19,776
Passaic County Housing First			221,400			221,400
Passaic County Housing First	1,411,200			333,539		1,077,661
HUD Eva's Project NJ36308	471,360			221,667		249,693
Passaic County Housing First Collaborative II			1,101,420			1,101,420
Passaic County Housing First Collaborative III			369,480			369,480
New Passaic County Housing First			235,260			235,260
HUD St. Paul's	186,660			6,400		180,260
HUD	186,660					186,660
HUD Spruce Street Apartments			218,163	218,163		
State Incentive Program 2009	13,363					13,363
State Incentive Program 2010	240,124				(2)	240,126
HUD Paterson Park Apartments			806,760			806,760
C.S.B.G. 2006	630					630
C.S.B.G. 2007	300					300
C.S.B.G. 2009	9,859					9,859
C.S.B.G. 2009 ARRA	397,591					397,591
C.S.B.G. 2010	4,957					4,957
C.S.B.G. 2011	63,739		225,673	289,412		
C.S.B.G. 2012			296,089			296,089
J.A.I.B.G. 8-08	5,319					5,319
J.A.I.B.G. 2009	62,679			49,470		13,209
J.A.I.B.G. 2010	60,546			44,813		15,733
J.A.I.B.G. 2011	56,992					56,992
J.A.I.B.G. 2012			38,682	3,868		34,814
Juvenile Detention Alt Innovations Funding			62,600	62,600		

COUNTY OF PASSAIC
Schedule of Federal and State Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2012

Grant	Balance, December 31, 2011	2012 Budget Revenue Realized	Revenue Realized by 40A:4-87	Received	Canceled/ Adjusted	Balance, December 31, 2012
Passaic County Summer Job Training	10,740					10,740
Birch Street Apartments	238,479					238,479
Human Services 07 BERN PASP	32,145					32,145
Human Services 08 BERN PASP	27					27
Human Services 12 BERN PASP	399,525			266,350	113,199	19,976
Family Court Services 2010	89,046					89,046
Family Court Services 2011	282,634			218,725		63,909
Family Court Services 2012	282,634					282,634
Family Court Services 2013			281,101			281,101
21st Century Learning 2009	65,740					65,740
21st Century Learning 2010	8,170			1,394		6,776
21st Century Learning 2011	500,000			232,320		267,680
JARC 2008	31,697			19,837		11,860
JARC 2010	12,052					12,052
JARC 2011	250,000			235,670		14,330
JARC 2012			320,000			320,000
Plan Conformance			70,000			70,000
Molly Ann Brook Rain Barrel Initiative	21,901			6,954		14,947
Universal Service Fund 2012			48,378	48,378		
Weatherization DHS 1999	130,619					130,619
Weatherization DHS 2007	63,892					63,892
Weatherization DOE 2010	151,335		106,740	217,866		40,209
Weatherization DOE 2011			147,315			147,315
Weatherization DOE 2009 - ARRA	322,479		110,500	432,979		
Weatherization HIP 2009	39,008			39,008		
Weatherization HIP 2010	770,980			364,542		406,438
Weatherization HIP 2011			624,805			624,805
Weatherization LIHEAP 2010	72,220					72,220
Weatherization LIHEAP 2011			482,305			482,305
LIHEAP Assistance 2010	36,442					36,442
LIHEAP Assistance 2011	10,237					10,237
LIHEAP Assistance 2012			46,955	16,434		30,521
Subregional Transportation FY08	1,693					1,693
Subregional Transportation FY11	14,184			14,184		
Subregional Transportation FY12	34,421			24,779		9,642
Subregional Transportation Planning			123,019	120,217		2,802
Subregional Internship Support Program	1,142					1,142
Subregional Internship Support Program	4,972					4,972
History and Tourism Plan	160,000			159,359		641
PC Master Plan: Trans Element	2,221					2,221
Community Development Block Grant 2008	369,085			189,619		179,466
Community Development Block Grant 2009	427,048			109,071		317,977
Community Development Block Grant - Recovery	3,171					3,171
Community Development Block Grant 2010	946,150			710,391		235,759
Community Development Block Grant 2011	844,307			287,300		557,007
Community Development Block Grant 2012			805,450			805,450
UASI - Fire Decontamination Task Force	7,000					7,000
UASI - Planner Grant	16					16
UASI - Public Health	352					352
UASI - Projects 2009	28,141					28,141
UASI - Projects 2009	154,599	81,000		234,215		1,384
UASI - Projects 2009	84,313			82,375		1,938
UASI - Projects 2010	436,742		345,000	124,306		657,436
UASI - Projects 2011			1,093,595	169,956		923,639
Emergency Management Assistance (EMA)			50,000	50,000		
SANE/SART Program 2009	2,045					2,045
SANE/SART Program 2010	16,455			13,518		2,937

COUNTY OF PASSAIC
Schedule of Federal and State Grants Receivable
Federal and State Grant Fund
Year Ended December 31, 2012

<u>Grant</u>	Balance, December 31, 2011	2012 Budget Revenue <u>Realized</u>	Revenue Realized by 40A:4-87	<u>Received</u>	Canceled/ <u>Adjusted</u>	Balance, December 31, 2012
SANE/SART Program 2012			71,250	59,105		12,145
Victimes of Crime Act Grant	140,031			140,031		
Victimes of Crime Act Grant			197,229	161,205		36,024
Communication Oriented Policing Services	266,561					266,561
Communication Oriented Policing Services	200,000					200,000
Victim & Witness Advocacy Fund Supplement	32,095			32,095		
National Justice Information Sharing (JIS) 2012	270,084					270,084
Justice Assistance Grant	28,755			28,755		
Insurance Fraud Reimbursement Program	32,067			32,067		
Insurance Fraud Reimbursement Program			250,000	217,950		32,050
2012 Body Armor P.C.S.O.			7,418	7,418		
National Childrens Alliance Program 2010	10,000			9,944		56
National Childrens Alliance Program 2011	10,000			9,960		40
National Childrens Alliance Program 2012			10,000			10,000
Violence Against Women Act - DV Advocate			26,322	24,055		2,267
Emergency Operations Center Grant FY10	250,000					250,000
Multi-Jurisdictional Narcotics Task 2011	176,970			176,970		
Multi-Jurisdictional Narcotics Task 2012			169,637	24,177		145,460
Homeland Security Grant FY07	150					150
Homeland Security Grant FY08	335,072			334,672		400
Homeland Security Grant FY09	1,292,850			1,292,850		
Homeland Security Grant FY10	1,273,599			357,388		916,211
Homeland Security Grant FY11			504,432			504,432
Community Justice Grant			49,200	49,200		
2012 Body Armor P.C.S.D.			42,763	42,763		
Click It or Ticket 2012			4,000	4,000		
Buffer Zone Protection	57					57
COPS Technology Grant	1,796			1,796		
	<u>\$ 39,821,159</u>	<u>7,813,687</u>	<u>23,697,414</u>	<u>28,125,197</u>	<u>393,702</u>	<u>42,813,361</u>
Grant		\$ 4,836,374	23,654,692			
Match		<u>2,977,313</u>	<u>42,722</u>			
		<u>\$ 7,813,687</u>	<u>23,697,414</u>			
				\$ 99,501		
				<u>28,025,696</u>		
				<u>\$ 28,125,197</u>		

COUNTY OF PASSAIC

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2012

	Balance, December 31, <u>2011</u>	Accrued <u>2012</u>	<u>Collected</u>	Balance, December 31, <u>2012</u>
Miscellaneous Revenues:				
County Clerk	\$	692,067	683,478	8,589
Clerk - Registry Division		2,846,735	2,610,166	236,569
Surrogate		373,619	358,235	15,384
Sheriff		471,647	469,231	2,416
Interest on Investments and Deposits		38,697	38,697	
Road Opening Permits		355,891	355,891	
Rental Income		219,348	219,348	
State Aid - College County Bonds		1,511,188	1,511,188	
Division of Youth and Family Services		3,451,660	3,451,660	
Welfare - Supplemental Security Income		1,497,311	1,497,311	
Maintenance of Patients in State Institutions for Mental Diseases		16,708,842	16,708,842	
Maintenance of Patients in State Institutions for Mentally Retarded		7,824,089	7,824,089	
County Patients - State Hospital		11,499	11,499	
Added and Omitted Taxes	600,719	508,523	618,421	490,821
Board Inmates at County-State		180,225	180,225	
Title IV D Parent Locator Program		865,057	865,057	
Fringe Benefits		8,206,642	8,206,642	
Indirect Costs - Grants		374,998	374,998	
Preakness Hospital-Medicaid Reimbursements		33,700,000	33,700,000	
Maintenance in Lieu of Rent-Martin Luther King-Soc Serv.		1,201,719	1,201,719	
State School Building Aid (Chapter 12)		34,377	34,377	
Park Fees		1,730,885	1,730,885	
Telephone Commissions		421,347	421,347	
Capital Surplus		1,000,000	1,000,000	
Site Plan Fees		48,402	48,402	
Radio Tower Rental		31,710	31,710	
Security Contract Passaic Valley Water		608,080	608,080	
Reserve for Payment of Bonds		1,500,000	1,500,000	
County Clerk P.L. 2001 C370		107,435	107,435	
Register P.L. 2001 C370		1,167,907	1,167,907	
Surrogate P.L. 2001 C370		110,000	110,000	
Sheriff P.L. 2001 C370		202,506	202,506	
	\$ <u>600,719</u>	<u>88,002,406</u>	<u>87,849,346</u>	<u>753,779</u>

COUNTY OF PASSAIC

Schedule of Interfunds

Current Fund

Year Ended December 31, 2012

	Balance, December 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2012</u>
Federal and State Grant Fund	\$ (2,090,302)	1,942,028		(148,274)
Other Trust Fund	(494,626)	335,140	56,000	(215,486)
Open Space Trust Fund		2,055,266	2,055,266	
Confiscated Trust Fund		3,229		3,229
Liability Trust Fund	(477)	440,000	439,564	(41)
Community Development Trust Fund		10,399		10,399
General Capital Fund	(1,540,755)	51,296,654	51,759,529	(2,003,630)
Net Payroll Account	4,810			4,810
Clearing Account	(2,407)	2,407		
	<u>(4,123,757)</u>	<u>56,085,123</u>	<u>54,310,359</u>	<u>(2,348,993)</u>
Due from	4,810	2,068,894	2,055,266	18,438
Due (to)	(4,128,567)	54,016,229	52,255,093	(2,367,431)
	<u>\$ (4,123,757)</u>	<u>56,085,123</u>	<u>54,310,359</u>	<u>(2,348,993)</u>
			52,966,354	
Cash Receipts				
Cash Disbursements		54,139,205		
Interest Earnings		3,890		
Federal and State Grants		1,942,028		
Budget Appropriations			1,344,005	
		<u>\$ 56,085,123</u>	<u>54,310,359</u>	

COUNTY OF PASSAIC

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Salaries and Wages:				
County Administrator	\$ 121,614			
Finance Department	237	237		237
County Counsel	92,091			
County Adjuster	9,582			
Clerk of the Board	3,984			
Personnel	2,021	2,021		2,021
County Clerk	27,681			
County Register	2,298	2,298		2,298
Prosecutor's Office	69,327	69,327		69,327
Purchasing Department	47,831	47,831		47,831
Buildings and Grounds	259			
Economic Development	745	745		745
Surrogate	49,744			
Sheriff's Office	1,227	1,227		1,227
Weights and Measures	4,349	4,349		4,349
Board of Taxation	1,470	1,470		1,470
Board of Elections	4,974	4,974		4,974
Superintendent of Elections	38,982	38,982		38,982
County Emergency Management	2,310	2,310		2,310
Planning Board (NJS 40:273)	1,545	1,545		1,545
Roads	88,276	91,002	2,726	88,276
Mosquito	4,283	4,283		4,283
Engineering	137,870	137,870		137,870
Jail and Workhouse	158,265	88,453		88,453
Mental Health Board (30:9A-3)	19,492	19,492		19,492
Department of Youth Services	56,628			
Preakness Hospital	127,933	127,933		127,933
Camp Hope (40:23-6 1 to 16)	6,386	6,386		6,386
Div. of Senior Services, Disabilities, & Vets Affaris, Etc.	13,968	13,968		13,968
County Health Dept . Chapter 329 PL 1975	4,256	4,256		4,256
Office of County Superintendent of Schools	29,137			
County Extensive Services	16,142			
Parks	40,153			
Golf Course	41,366			
Sick Leave Payout	151,853	151,853		151,853
Para-Transit	9,646	9,646		9,646
Police Academy	13,888	13,888		13,888
Salary and Wage Adjustment	1,600,001	1,600,001	862,475	737,526
Other Expenses:				
Board of Freeholders	6,964	7,782	7,078	704
County Administrator	21,607	37,328	35,236	2,092
Finance Department	6,987	55,158	54,498	660
Postage	47,692	37,714	22	37,692
Audit	90,000	90,000	90,000	
Insurance Division	3,888	4,384	980	3,404
County Counsel	10,788	24,846	17,018	7,828
County Counsel Ethics	8,500	8,500		8,500
County Adjuster	4,909	5,598	767	4,831
Clerk of the Board	16,056	22,879	4,707	18,172
Personnel	3,120	10,915	8,169	2,746
County Clerk	2,019	7,259	7,251	8
County Register	1,734	5,836	5,773	63
Prosecutors Office	91,331	171,087	119,987	51,100
Countywide Radio	33,325	65,313	61,291	4,022
Purchasing Dept.	4,860	8,542	3,219	5,323

COUNTY OF PASSAIC

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Bulk Purchasing	81,842	123,528	30,678	92,850
MIS Department (Finance Department)	74,661	113,646	113,213	433
Building and Grounds	134,302	319,763	290,515	29,248
Parking	4,480	4,480		4,480
Welfare Board	1,152	3,488	1,732	1,756
Photostat	9,824	82,327	81,748	579
Economic Development	9,442	21,655	11,892	9,763
Surrogate	12,223	41,017	36,882	4,135
Surgical, Major Medical for Employees	469,769	678,549	674,509	4,040
Group Life Insurance for Employees	36,000	36,000	4,000	32,000
Surety Bond Premium	6,000	6,000		6,000
Worker's Compensation	24,711	21,000		21,000
Other Insurance	106,717	107,375	659	106,716
Liability Insurance		3,711		3,711
Drug Plan	61,159	304,159	301,669	2,490
Dental Plan	182,204	182,205	60,648	121,557
Disability Insurance	22,000	22,000		22,000
Sheriff's Office	60,567	86,403	74,690	11,713
Weights and Measures	5,480	7,011	1,530	5,481
Board of Taxation	5,472	19,757	14,226	5,531
Medical Examiner	141,284	329,827	329,827	
Board of Elections	84,387	120,489	40,729	79,760
Superintendent of Elections	341,237	330,065	125,101	204,964
Election-County Clerk	116,793	146,378	29,585	116,793
County Emergency Management	2,486	7,643	5,118	2,525
Planning Board (NJS 40:273)	4,495	15,043	13,817	1,226
Construction Board of Appeals	5,000	5,000	2,700	2,300
Roads	841,994	1,067,018	631,621	435,397
Mosquito	2,725	8,918	6,020	2,898
Engineering		110,418	108,879	1,539
Jail and Workhouse	174,827	597,810	440,840	156,970
Jail and Workhouse - Medical	1,416,634	2,218,960	2,218,109	851
Disabled Children		9,000	9,000	
Mental Health Programs	300	222,900	222,600	300
Aid to Develop Disabled	300	13,800	13,500	300
Addiction Program Contractual		53,689	53,689	
Maintenance of Patients	937,234	551,271	33,789	517,482
Welfare Board - Administration	500,000	500,000	500,000	
Department of Youth Services	120,449	280,153	179,430	100,723
Preakness Hospital	640,754	1,673,300	1,403,777	269,523
Camp Hope (40:23-6. 1 to 16)	6,357	22,610	17,068	5,542
Div. of Senior Services, Disabilities, & Vets Affaris, Etc.	5,466	7,544	1,904	5,640
County Health Dept. Ch 329 PL 1975	945	14,228	10,574	3,654
Office of County Superintendent of Schools	195	8,513	7,157	1,356
Passaic County Vocational School	9	9		9
County Extensive Services	29,993	33,043	14,330	18,713
Passaic County Community College	152,541	152,541		152,541
Reimbursement for Residents Attending Out of County Two Year College (NJS18:A:64A-23)	123,994	123,994	66,943	57,051
Parks	2,891	18,890	15,023	3,867
Golf Course	3,019	46,839	44,399	2,440
Passaic County Historical Society	9,363	25,000	25,000	
Equipment, Office, Car, Other	60,000	60,000		60,000
Matching Funds for Grants	279,440	279,440	5,843	273,597
Aid to Volunteer Ambulance & Fire Co. (NJS40:5-2)	23,000	23,000		23,000
Aid to Women's Haven NJSA 30:14-11		15,750	15,750	

COUNTY OF PASSAIC
Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Aid to D.I.A.L. (40:23-811		22,800	22,800	
Para-Transit	53,231	54,445	28,147	26,298
Police Academy	32,159	40,501	5,694	34,807
Aid for Organization for Mentally Retarded and III (NJS 40-23-8.11)	2,000			
Aid to Health & Welfare Councils (NJS 40-23-8.28)		213,069	211,069	2,000
Utilities:				
Gasoline	38,694	226,505	141,766	84,739
Telephone and Telegraph	4,732	254,910	178,348	76,562
Natural Gas & Electric	557,074	1,606,501	724,959	881,542
Street Lighting	71,207	148,593	121,569	27,024
Heating Oil	12,270	22,917	21,746	1,171
Water	63,849	174,043	41,245	132,798
Garbage	169,737	195,980	22,306	173,674
Debt Service Fees	21,500	21,500	21,500	
Aid to Housing First	90,000	90,000		90,000
Contingent	2,350	2,617	673	1,944
Acquisition of Various Equipment	200,000	200,000		200,000
Passaic County Utilities Authority (P.C.U.A)		11,440	11,440	
Statutory Charges:				
Contribution to PERS	9,686	9,686		9,686
Contribution to DCRP	69,886	69,886	8,271	61,615
Social Security System (O.A.S.I.)	82,865	82,865		82,865
Unemployment Compensation	14,553	14,553		14,553
County Pension Fund	53,176	53,176		53,176
	<u>\$ 12,240,680</u>	<u>17,802,632</u>	<u>11,133,443</u>	<u>6,669,189</u>

Appropriation Reserves \$	12,240,680
Reserve for Encumbrances	<u>5,561,952</u>
	<u>\$ 17,802,632</u>

COUNTY OF PASSAIC

Schedule of Accounts Payable

Current Fund and Federal and State Grant Fund

Year Ended December 31, 2012

	<u>Total</u>	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance, December 31, 2011	\$ <u>678,573</u>	<u>635,563</u>	<u>43,010</u>
Decreased by:			
Payments	<u>119,669</u>	<u>119,669</u>	<u> </u>
Balance, December 31, 2012	\$ <u><u>558,904</u></u>	<u><u>515,894</u></u>	<u><u>43,010</u></u>

COUNTY OF PASSAIC

Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2012

	<u>Total</u>	<u>Budget Appropriations</u>	<u>Reserve for Federal and State Grant Funds</u>
Balance, December 31, 2011	\$ <u>5,561,952</u>	<u>5,561,952</u>	<u> </u>
Increased by:			
Charges to 2012 Budget Appropriations	5,720,479	5,720,479	
Charges to Reserve for Federal and State Grants Appropriated	<u>11,127,758</u>	<u> </u>	<u>11,127,758</u>
	<u>16,848,237</u>	<u>5,720,479</u>	<u>11,127,758</u>
	22,410,189	11,282,431	11,127,758
Decreased by:			
Encumbrances Transferred to Appropriation Reserves	5,561,952	5,561,952	
Encumbrances Transferred to Federal and State Grant Fund	<u>11,127,758</u>	<u> </u>	<u>11,127,758</u>
	<u>16,689,710</u>	<u>5,561,952</u>	<u>11,127,758</u>
Balance, December 31, 2012	\$ <u><u>5,720,479</u></u>	<u><u>5,720,479</u></u>	<u><u> </u></u>

COUNTY OF PASSAIC
Schedule of Commitments Payable
Federal and State Grant Fund
Year Ended December 31, 2012

Balance, December 31, 2011	\$ 6,535,698
Increased by:	
Transfer from Current Fund - Encumbrances Payable	<u>11,127,758</u>
	17,663,456
Decreased by:	
Payments	<u>6,535,698</u>
Balance, December 31, 2012	<u>\$ 11,127,758</u>

COUNTY OF PASSAIC

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2012

Grant	Balance, Dec. 31, 2011	Transferred From 2012 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled	Balance, Dec. 31, 2012
		Budget	Appropriation By 40A:4-87				
Paris Grant - Record Management	35,252						35,252
Camp Hope Kids Corner	9,114						9,114
SHARE Grant	1,050						1,050
Preakness Gero-Psych Program	161,181						161,181
Preakness Gero-Psych Program			338,210		177,029		161,181
Alcohol/Drug Abuse Grant Fy08'	10,135						10,135
Alcohol/Drug Abuse Grant Fy09'	179,293						179,293
Alcohol/Drug Abuse Grant Fy10'	5,025						5,025
Alcohol/Drug Abuse Grant Fy11'	18,729				14,785		3,944
Alcohol/Drug Abuse Grant Fy12'	751,699				746,883		4,816
Municipal Alliance 2006	803					(803)	
Municipal Alliance 2007	73,688						73,688
Municipal Alliance 2008	65,274						65,274
Municipal Alliance 2009	45,051						45,051
Municipal Alliance 2010	71,019				(7,689)		78,708
Municipal Alliance 2011	30,341				(31,811)		62,152
Municipal Alliance 2012	553,900				535,838		18,062
Workforce Learning Link Program			135,000				135,000
Workforce Investment (PIC) 2012/2013			1,817,131		719,940		1,097,191
WorkFirst New Jersey 2012/2013			5,631,504		2,895,048		2,736,456
Department of Labor - WIA Adult			1,799,182				1,799,182
Department of Labor - WIA Dislocated Worker			1,480,768				1,480,768
Disability Employment Initiative			240,750		56,220		184,530
Workforce Invest (PIC) 2006/07	92,658						92,658
Workforce Invest (PIC) 2007/08	9,389						9,389
Workforce Invest 2009/10	62,677						62,677
Workforce Invest 2010/11	508,699				508,699		
Workforce Invest 2010/11	1,644,569				1,641,301		3,268
Workforce Invest 2011/12	5,023,038		733,840		5,756,878		
Workforce Invest 2011/12	6,610,560				2,339,840		4,270,720
Strengthening Communities Fund ARRA	81,456						81,456
Hurricane Irene Disaster National Emergency G.	711,287				669,071		42,216
L.E.O.T.E.F 2005	4,857				1,690		3,167
L.E.O.T.E.F 2006	52,375						52,375
L.E.O.T.E.F 2007	61,915						61,915
L.E.O.T.E.F 2008	48,990						48,990
L.E.O.T.E.F 2009	9,943						9,943
L.E.O.T.E.F 2010	57,487						57,487
L.E.O.T.E.F 2012			58,170				58,170
Bioterrorism Prep.	10,175						10,175
Bioterrorism Prep.	65,980						65,980
Community Svc. Block Grant HIPER LINC'S	16,271				1,819		14,452
Community Svc. Block Grant PHLP LINC'S 201	220,053				152,463		67,590
Community Svc. Block Grant PHLP LINC'S 2012			597,775		418,645		179,130
CEHA 2010	35						35
CEHA 2012			221,526		221,525		1
Tobacco Enforcement Program	5,950						5,950
Right to Know Program			15,213				15,213
P.C. MRC Capacity Building Award	100						100
P.C. MRC Capacity Building Award	725				725		
Clean Communities 2006	341						341
Clean Communities	403						403
Clean Communities	1,250						1,250
Clean Communities	1,283				1,283		
Clean Communities 2010	14,248				14,248		
Clean Communities 2011	62,758				37,071		25,687
Clean Communities 2012			61,890		15,800		46,090

COUNTY OF PASSAIC

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2012

Grant	Balance, Dec. 31, 2011	Transferred From 2012 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled	Balance, Dec. 31, 2012
		Budget	Appropriation By 40A:4-87				
Recycling Enhancement Act	2,000				149		1,851
Recycling Enhancement Act Bonus Grant	219,810				13,079		206,731
Recycling Enhancement Act	402,662				252,145		150,517
Radon Awareness Program 2011	1						1
Radon Awareness Program 2012	1,000				995		5
Radon Awareness Program 2013			1,000		997		3
Brownfields Assessment Program	4,872				1,559		3,313
Passaic County Film Festival 2012	1,420				1,420		
Passaic County Film Festival			2,000				2,000
Business Retention and Expansion Program	108,040				15,492		92,548
Aging Area Nutrition FY 2009	427,751						427,751
Aging Area Nutrition FY 2010	395,605						395,605
Aging Area Nutrition FY 2011	1,666,990				946,187		720,803
Aging Area Nutrition FY 2011		1,823,064	40,046	1,500,000	1,658,859		1,704,251
Aging Administration	41,472						41,472
Aging Administration 2010	41,917						41,917
Aging Administration 2011	752,927				752,927		
Aging Area Plan Nutrition		1,778,474		400,000	1,393,013	(4,415)	781,046
Casino Revenue 2009	347,574						347,574
Casino Revenue 2010	279,110						279,110
Casino Revenue 2011	284,444				(79,958)		364,402
Casino Revenue 2012		1,133,836		1,077,313	1,616,326		594,823
Farmers Market Nutrition Prgm (WIC) 2012			2,000		2,000		
JJC Partnership 2003	184						184
JJC Partnership 2007	19,638						19,638
JJC Partnership 2008	28,710						28,710
JJC Partnership 2009	180,160				(27)		180,187
JJC Partnership 2010	40,292				(30,639)		70,931
JJC Partnership 2011	66,235				66,208		27
JJC Partnership 2012	514,393				381,736		132,657
JJC Partnership 2012			514,393				514,393
Homeless HIRZ7N 2009	2,390						2,390
Homeless HIRZ8N 2010	416				(676)		1,092
Homeless HIRZ8N 2011	131	20,000			20,092		39
Homeless HIRZ8N 2012	907,294				900,068		7,226
Human Services 08BERN	10,128						10,128
Human Services 09BERN	40,135						40,135
Human Services 10BERN	10,596				(75)		10,671
Human Services 11BERN	29,749				20,193		9,556
Human Services 12BERN	175,373		19,385		185,935		8,823
Preakness Gero-Psych Program	3,792						3,792
Rapid Rehousing - Clifton	78,672				45,533		33,139
Rapid Rehousing - Paterson	27,510				12,873		14,637
Homelessness Prevention & Rapid Rehousing	291,657				8,584	(276,000)	7,073
Div. Of Child Behavioral Hlth Serv. 2010							
Div. Of Child Behavioral Hlth Serv. 2011							
Div. Of Child Behavioral Hlth Serv. 2012	158,546				147,852	(90)	10,604
Special Initiative and Transportation 2005	209,577						209,577
Special Initiative and Transportation 2006	70,342						70,342
Special Initiative and Transportation 2007	44,755						44,755
Special Initiative and Transportation 2008	43,094				(1,024)		44,118
Special Initiative and Transportation 2009	49,690				(2,283)		51,973
Special Initiative and Transportation 2010	4,803				(30,337)		35,140
Special Initiative and Transportation 2011	264,497				263,767		730
Transportation and TIP			404,914		337,694		67,220
EVA's Village Apartments	6,651				(27,544)		34,195
New Passaic County Housing First			19,776				19,776
Passaic County Housing First			221,400				221,400

COUNTY OF PASSAIC

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2012

Grant	Balance, Dec. 31, 2011	Transferred From 2012 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled	Balance, Dec. 31, 2012
		Budget	Appropriation By 40A:4-87				
Passaic County Housing First	478,200				140,162		338,038
HUD-EVA'S Project	13,302				(24,407)		37,709
Collaborative II			1,101,420				1,101,420
Passaic County Housing First			369,480				369,480
New Passaic County Housing First			235,260				235,260
HUD-St. Paul's	186,660				26,350		160,310
HUD-St. Joseph	186,660				79,950		106,710
HUD-Spruce Street			218,163		218,163		
HUD-Paterson Park Apartments			806,760		742,219		64,541
State Incentive Program 2007	106,277						106,277
State Incentive Program 2008	71,947						71,947
State Incentive Program 2009	59,962						59,962
State Incentive Program 2010	214,371						214,371
C.S.B.G 2005	99,397						99,397
C.S.B.G 2006	9,957						9,957
C.S.B.G 2007	15,903						15,903
C.S.B.G 2008	8,977						8,977
C.S.B.G 2009	7,600						7,600
C.S.B.G 2009 ARRA	37,430						37,430
C.S.B.G 2010	14,839				7,284		7,555
C.S.B.G 2011	62,758		225,673		288,431		
C.S.B.G 2102			296,089		199,947		96,142
J.A.I.B.G 8-08	7,749				7,050		699
J.A.I.B.G. 2009	12,929				11,097		1,832
J.A.I.B.G. 2010	3,364				(16,473)		19,837
J.A.I.B.G. 2011	63,324				62,423		901
J.A.I.B.G. 2012			34,814	3,868			38,682
Juvenile Det. Alternatives Innovations Funding			62,600		62,600		
Mental Health Board 2004	1,298						1,298
Mental Health Board 2009	1,100						1,100
Passaic County Summer Job Training	10,740						10,740
Birch Street Apartments					(103,761)		103,761
Human Services 07 BERN PASP	25,923						25,923
Human Services 08 BERN PASP	4,289						4,289
Human Services 09 BERN PASP	7,066						7,066
Human Services 10 BERN PASP	6,709				6,709		
Human Services 11 BERN PASP	24,681				22,994		1,687
Human Services 12 BERN PASP	399,525				278,890	(113,199)	7,436
Family Court Services 2009	24,834						24,834
Family Court Services 2010	89,048						89,048
Family Court Services 2011	79,810				38,100		41,710
Family Court Services 2012	282,634				272,981		9,653
Family Court Services 2013			281,101				281,101
21st Century CLC Program 2009	72,067						72,067
21st Century CLC Program 2010	3,266				(2,673)		5,939
21st Century CLC Program 2011	252,461				196,072		56,389
JARC 2007	17,560						17,560
JARC 2008	2,450						2,450
JARC 2012			320,000				320,000
NJ Highlands - Plan Conformance			70,000				70,000
Molly Ann Brook Rain Barrel Initiative	10,360				2,899		7,461
Clean Energy Program	22,450						22,450
Universal Service Fund 2008	52,250						52,250
Universal Service Fund 2009	105,626						105,626
Universal Service Fund 2010	69,037						69,037
Universal Service Fund 2011	17,209						17,209
Universal Service Fund 2012			48,378				48,378
Weatherization DHS 2007	66,942						66,942

COUNTY OF PASSAIC

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2012

Grant	Balance, Dec. 31, 2011	Transferred From 2012 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled	Balance, Dec. 31, 2012
		Budget	Appropriation By 40A:4-87				
Weatherization LIHEAP 2007	14,377						14,377
Weatherization LIHEAP 2009	13,589						13,589
Weatherization LIHEAP 2010	116,339				(4,694)		121,033
Weatherization LIHEAP 2011	121,475		482,305				603,780
Weatherization LIHEAP 2012	82,082				75,506		6,576
Weatherization LIHEAP 2013			46,955				46,955
Weatherization DOE 2007	3,855						3,855
Weatherization DOE 2008	5,690						5,690
Weatherization DOE 2009	96,924						96,924
Weatherization DOE 2009 - ARRA	113,383		110,500		223,883		
Weatherization DOE 2010	151,335		106,740		56,062		202,013
Weatherization DOE 2011			147,315				147,315
Weatherization HIP 2007	44,827						44,827
Weatherization HIP 2009	10,175				2,270		7,905
Weatherization HIP 2010	562,830				154,735		408,095
Weatherization HIP 2011			624,805				624,805
Subregional Transportation FY09	19,037						19,037
Subregional Transportation FY10	253						253
Subregional Transportation (STP) FY11	31,707						31,707
Subregional Transportation (STP) FY12	123,019				62,224		60,795
Subregional Transportation Planning			98,415	24,604	29,963		93,056
Subregional Internship Support Program	6,300						6,300
Subregional Internship Support Program							
Subregional Internship Planning							
History and Tourism Plan	200,000				140,091		59,909
P.C. Master Plan: Trans Element	65,638				50,055		15,583
Community Development Block Grant 2008	54,416				41,613		12,803
Community Development Block Grant 2009	121,747				19,101		102,646
Community Development Block Grant - Recove							
Community Development Block Grant 2010	123,098				71,952		51,146
Community Development Block Grant 2011	950,117				824,748		125,369
Community Development Block Grant 2012			805,450		725,465		79,985
CERT 2006	8,005						8,005
Pre-Disaster Mitigation Planning	12						12
UASI - Fire Decon Task Force	623						623
UASI - Planner Grant	5,386						5,386
UASI - Public Health	3,584						3,584
UASI - Projects 2009	20,028						20,028
UASI - Projects 2009	88,542	81,000			81,000		88,542
UASI - Projects 2009	84,313				82,375		1,938
UASI - Projects 2010	405,500		345,000		730,318		20,182
Emergency Management Assistance (EMA)			50,000		50,000		
UASI - Projects 2011			1,093,595		878,870		214,725
Logistics & Commodities Distribution Plan	33,685						33,685
SANE/SART Program 2009	2,044				1,175		869
SANE/SART Program 2010	29,697				15,252		14,445
SANE/SART Program 2011			57,000	14,250	13,802		57,448
Victims of Crime Act Grant	31,015						31,015
Victims of Crime Act Grant	360,683				358,808		1,875
Victims of Crime Act Grant			197,229				197,229
Communication Oriented Policing Services	266,561						266,561
Communication Oriented Policing Services	200,000						200,000
Body Armor P.C.P.O 2008	1,584						1,584
Body Armor P.C.P.O 2010	6,729				6,729		
Body Armor P.C.P.O 2011	7,316				5,236		2,080
Body Armor P.C.P.O 2012			7,418				7,418
Victim & Witness Advocacy Fund 2009							
Victim & Witness Advocacy Fund 2010	19,478						19,478

COUNTY OF PASSAIC

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2012

Grant	Balance, Dec. 31, 2011	Transferred From 2012 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled	Balance, Dec. 31, 2012
		Budget	Appropriation By 40A:4-87				
Victim & Witness Advocacy Fund Supplement	24,010				24,010		
National Justice Information Sharing (JIS) 2012	270,084				262,607		7,477
Justice Assistance Program	3,940				3,940		
Justice Assistance Program							
Insurance Fraud Reimbursement Program			250,000		250,000		
National Childrens Alliance Program 2010	56						56
National Childrens Alliance Program 2011	40						40
National Childrens Alliance Program 2012			10,000		10,000		
STOP Violence Against Women Act Formula G	5,843						5,843
STOP Violence Against Women Act Formula Grant			26,322		26,322		
Emergency Operations Center Grant FY10	250,000						250,000
Multi Jursidictional NARC Task Force 2009	448						448
Multi Jursidictional NARC Task Force 2010	102						102
Multi Jursidictional NARC Task Force 2011	147,269				147,269		
Multi Jursidictional NARC Task Force 2012			169,637				169,637
Homeland Security Grant FY 07	154,371						154,371
Homeland Security Grant FY 08					(400)		400
Homeland Security Grant FY 09	198,461				198,461		
Homeland Security Grant FY 10	476,851				442,236		34,615
Homeland Security Grant FY 11			504,432		65,221		439,211
Edward Byrne Memorial Justice Assistance Gra			49,200		49,200		
State Aid Annual Appropriation							
2008 Body Armor Repl. P.C.S.D	72						72
2009 Body Armor P.C.S.D	34						34
2010 Body Armor P.C.S.D	47,493				47,493		
2011 Body Armor P.C.S.D	42,763				42,323		440
2012 Body Armor P.C.S.D			42,763				42,763
Click It or Ticket 2010	4,000						4,000
Click It or Ticket 2011	4,000				4,000		
Click It or Ticket 2012			4,000				4,000
Buffer Zone Protection Program	57						57
Over the Limit Under Arrest 2009	6,000						6,000
Over the Limit Under Arrest 2010	5,000						5,000
COPS Tech. Program	1,796				1,786		10
Emerg. 911 General Assistance Grant	3,433						3,433
Emerg. 911 Corridorator	16,158				13,376		2,782
	<u>\$ 35,228,251</u>	<u>4,836,374</u>	<u>23,654,692</u>	<u>3,020,035</u>	<u>34,561,811</u>	<u>(394,507)</u>	<u>31,783,034</u>
					Cash Disbursed	\$ 23,434,053	
					Encumbrances Payable	<u>11,127,758</u>	
						<u>\$ 34,561,811</u>	

COUNTY OF PASSAIC

Schedule of Miscellaneous Reserves

Current Fund

Year Ended December 31, 2012

	Balance, December 31, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance, Dec. 31, <u>2012</u>
Sheriff's DWI-DDEF	\$	11,979		11,979
Register - Due to State of New Jersey	502,093	9,753,724	9,442,845	812,972
Refunds	88,111			88,111
Office on Aging - Deferred Revenue	1,262,296	417,506	103,404	1,576,398
Dedicated Fines	899,949			899,949
Salary and Wage Adjustment	2,208,879		2,058,879	150,000
	<u>\$ 4,961,328</u>	<u>10,183,209</u>	<u>11,605,128</u>	<u>3,539,409</u>
Cash		\$ 10,183,209	9,546,249	
Canceled			2,058,879	
		<u>\$ 10,183,209</u>	<u>11,605,128</u>	

COUNTY OF PASSAIC

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2012

<u>Grant</u>	Balance, Dec. 31, <u>2011</u>	Transferred To 2012 Budget <u>Appropriations</u> <u>Budget</u>	Cash <u>Received</u>	Balance, Dec. 31, <u>2012</u>
JAG	\$ 40,578	40,578		
Over the Limit Under Arrest	5,000			5,000
NJIT	3,072	3,072		
NJIT	2,992	2,992		
2011 LIHEAP Weatherization	52,859	52,859		
2012 Body Armor P.C.S.D.			2,833	2,833
	<u>\$ 104,501</u>	<u>99,501</u>	<u>2,833</u>	<u>7,833</u>

COUNTY OF PASSAIC

Schedule of Interfunds

Federal and State Grants Fund

Year Ended December 31, 2012

	Balance, December 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2012</u>
Current Fund	\$ <u>2,090,302</u>	<u> </u>	<u>1,942,028</u>	<u>148,274</u>
	<u>2,090,302</u>	<u> </u>	<u>1,942,028</u>	<u>148,274</u>
Due from	2,090,302		1,942,028	148,274
Due (to)	<u>2,090,302</u>	<u> </u>	<u>1,942,028</u>	<u>148,274</u>

COUNTY OF PASSAIC
Schedule of Deferred Charge
Current Fund
Year Ended December 31, 2012

	Added in <u>2012</u>	Balance, December 31, <u>2012</u>
Overexpenditure of Appropriations	<u>80,422</u>	<u>80,422</u>
	<u>80,422</u>	<u>80,422</u>

COUNTY OF PASSAIC

Schedule of Deferred Charges - 40A:4-53 Special Emergency

Current Fund

Year Ended December 31, 2012

	<u>Date</u> <u>Authorized</u>	<u>Amount</u> <u>Authorized</u>	<u>1/5 of</u> <u>Amount</u> <u>Authorized</u>	<u>Balance,</u> <u>December 31,</u> <u>2011</u>	<u>Reduced in</u> <u>2012</u>	<u>Balance,</u> <u>December 31,</u> <u>2012</u>
Payment of Accrued Sick & Vacation Time	04/26/11	2,966,250	593,250	2,966,250	593,250	2,373,000
Hurricane Irene	09/27/11	2,681,805	536,361	<u>2,681,805</u>	<u>536,361</u>	<u>2,145,444</u>
				<u>5,648,055</u>	<u>1,129,611</u>	<u>4,518,444</u>

COUNTY OF PASSAIC

Schedule of Cash

Trust Funds

Year Ended December 31, 2012

	Other Trust <u>Fund</u>	Confiscated Trust <u>Fund</u>	Self- Insurance Trust <u>Fund</u>	Community Development Trust <u>Fund</u>
Balance - December 31, 2011	39,436,559	2,586,002	224,050	10,080,724
Increase by Receipts:				
Various Trust Deposits	162,837			
Reserve for Dedicated Trusts	7,130,194			
Reserve for Open Space Trust	5,112,789			
Due from (to) Current Fund	2,375,811	78,229	440,000	114,948
Receipts from Confiscated Funds		998,983		
Reserve for Workmen's Compensation			2,799,918	
Reserve for Health Benefits			94	
Reserve for Liability Insurance			3,768,093	
Housing Voucher Program				5,912,717
Total Receipts	14,781,631	1,077,212	7,008,105	6,027,665
	54,218,190	3,663,214	7,232,155	16,108,389
Decreased by Disbursements:				
Various Trust Deposits	538,730			
Reserve for Dedicated Revenues	7,460,963			
Open Space Commitments Payable	2,852,601			
Due from (to) Current Fund	2,096,671	75,000	439,564	104,549
Adjudicated Confiscations		1,579,920		
Reserve for Workmen's Compensation			2,823,011	
Reserve for Liability Insurance			3,770,132	
Housing Voucher Program				9,618,649
Total Disbursements	12,948,965	1,654,920	7,032,707	9,723,198
Balance - December 31, 2012	\$ 41,269,225	2,008,294	199,448	6,385,191

COUNTY OF PASSAIC
Schedule of Various Trust Deposits
Year Ended December 31, 2012

Balance - December 31, 2011	\$	1,354,508
Increased by:		
Cash Deposits		162,837
		1,517,345
Decreased by:		
Payments		538,730
Balance - December 31, 2012	\$	978,615

COUNTY OF PASSAIC

Schedule of Reserve for Dedicated Trusts

Year Ended December 31, 2012

	Balance December 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2012</u>
Homelessness Trust Fund	\$ 233,982	26,405	2,426	257,961
Off-Duty Police Outside Employment	46,578	1,044,110	973,818	116,870
Weights and Measure Fines	1,397,046	132,903	114,882	1,415,067
Tax Appeal Fees	726,224	30,893	240,025	517,092
County Clerk	306,882	33,138	6,215	333,805
County Sheriff	64,725	20,688		85,413
Surrogate	29,898	21,874	16,394	35,378
Forensic Lab Fees	776,370	40,128		816,498
Electronic Monitor	739		739	
Human Services	23,436	36,645	48,821	11,260
Parks - Lambert Castle	20,099	9,363	25,044	4,418
Therapeutic Rounding Program	1,646		1,646	
Passaic County Corr. Enh. Dist.	686,246	35,730	52,272	669,704
502 Pat-Ham Tpk Sidewalks	20,000			20,000
Motor Vehicle Fines	3,605,301	2,720,981	3,325,000	3,001,282
Sheriff's Confiscated Funds - Local	296,561	27,369	187,713	136,217
Sheriff's Confiscated Funds - Treasury	74,277	117	2,492	71,902
Sheriff's Confiscated Funds - Justice	1,723,146	733,957	1,751,120	705,983
Municipal Confiscated Funds - Local	1,557,547	532,470	129,900	1,960,117
Municipal Confiscated Funds - Federal	1,313,706	479,957	65,299	1,728,364
Prosecutor's Confiscated Funds - Local	3,266,805	688,273	29,075	3,926,003
Prosecutor's Confiscated Funds - Treasury	1,370,622	116,864	356,141	1,131,345
Prosecutor's Confiscated Funds - Justice	915,630	237,560		1,153,190
Para Transit	236,245	28,233	84,174	180,304
Register of Deeds	1,258,645	132,536	47,767	1,343,414
	<u>\$ 19,952,356</u>	<u>7,130,194</u>	<u>7,460,963</u>	<u>19,621,587</u>

COUNTY OF PASSAIC

Schedule of Reserve for Open Space Trust Expenditures

Year Ended December 31, 2012

Balance - December 31, 2011		\$ 11,969,585
Increased by:		
Levy	\$ 4,467,739	
Added and Omitted	20,142	
Interfunds	596,428	
Reimbursements	15,000	
Interest on Investments	13,480	
		<u>5,112,789</u>
		17,082,374
Decreased by:		
Open Space Grant Commitments Payable		<u>9,731,448</u>
Balance - December 31, 2012		<u>\$ 7,350,926</u>

Schedule of Open Space Grant Commitments Payable

Year Ended December 31, 2012

Balance - December 31, 2011		\$ 6,495,685
Increased by:		
Reserve for Open Space Trust Expenditures		<u>9,731,448</u>
		16,227,133
Decreased by:		
Payments		<u>2,852,601</u>
Balance - December 31, 2012		<u>\$ 13,374,532</u>

COUNTY OF PASSAIC

Schedule of Open Space Levy - Due to Municipalities

Year Ended December 31, 2012

Balance - December 31, 2011	\$ <u>157,062</u>
Balance - December 31, 2012	\$ <u><u>157,062</u></u>

Schedule of Reserve for Confiscated Trust Fund

Year Ended December 31, 2012

	Balance December 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2012</u>
Reserve for Interest - Prosecutor	\$ 4,073	4,040	225	7,888
Narcotics	1,755,398	908,986	1,426,928	1,237,456
Gambling	207,346	49,984	9,389	247,941
Prostitution	127,291	17,496	1,794	142,993
Theft/Robbery	127,755	3,017		130,772
Other Crimes	315,010	14,785	141,584	188,211
Lottery	13,983			13,983
Gambling/Narc	2,779	675		3,454
Bribery	16,000			16,000
Adjudicated to Distribute	<u>16,367</u>			<u>16,367</u>
	<u>\$ 2,586,002</u>	<u>998,983</u>	<u>1,579,920</u>	<u>2,005,065</u>

COUNTY OF PASSAIC

Schedule of Reserve for Workmen's Compensation

Year Ended December 31, 2012

Balance - December 31, 2011		\$	33,410
Increased by:			
Miscellaneous Contributions and Reimbursements	\$	510,321	
Budget Appropriations		<u>2,289,597</u>	
			<u>2,799,918</u>
			2,833,328
Decreased by:			
Payment of Claims			<u>2,823,011</u>
Balance - December 31, 2012		\$	<u><u>10,317</u></u>

Exhibit B-10

COUNTY OF PASSAIC

Schedule of Reserve for Health Benefit Funds

Year Ended December 31, 2012

Balance - December 31, 2011	\$	187,279
Increased by:		
Interest Income		<u>94</u>
Balance - December 31, 2012	\$	<u><u>187,373</u></u>

Exhibit B-11

Schedule of Reserve for Liability Insurance

Year Ended December 31, 2012

Balance - December 31, 2011	\$	3,838
Increased by:		
Miscellaneous Contributions and Reimbursements	\$	172,459
Budget Appropriations		<u>3,595,634</u>
		<u>3,768,093</u>
		3,771,931
Decreased by:		
Claims Paid		<u>3,770,132</u>
Balance - December 31, 2012	\$	<u><u>1,799</u></u>

COUNTY OF PASSAIC
Reserve for Housing Voucher Program
Year Ended December 31, 2012

Balance - December 31, 2011		\$ 10,080,724
Increased by:		
Grant Revenues	\$ 5,830,341	
Other Income	77,069	
Interest Income	<u>5,307</u>	
		<u>5,912,717</u>
		15,993,441
Decreased by:		
Expenditures		<u>9,618,649</u>
Balance - December 31, 2012		<u>\$ 6,374,792</u>

COUNTY OF PASSAIC

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2012

	Balance December 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2012</u>
Other Trust Fund				
Due from (to) Current Fund	\$ 494,626	2,096,671	2,375,811	215,486
Due from (to) Register of Deed Trust to Homeless Trust		505		505
Due from (to) Homeless Trust to Register of Deeds Trust			505	(505)
Confiscated Trust Fund				
Due from (to) Current Fund		75,000	78,229	(3,229)
Self Insurance Trust Fund:				
Due from (to) Current Fund	477	439,564	440,000	41
Community Development Grant Fund:				
Due from (to) Current Fund		104,549	114,948	(10,399)
	<u>\$ 495,103</u>	<u>2,716,289</u>	<u>3,009,493</u>	<u>201,899</u>
Cash Receipts		\$	3,008,988	
Intrafunds			505	
Cash Disbursements			<u>2,715,784</u>	
		\$	<u>2,716,289</u>	
			<u>3,009,493</u>	

COUNTY OF PASSAIC

Schedule of Cash

General Capital Fund

Year Ended December 31, 2012

Balance - December 31, 2011		\$	33,392,329
Increased by Receipts:			
Bond Anticipation Notes	\$	13,600,000	
Reserve for Payment of Bonds and Notes		1,897,000	
Grants Receivable		9,290,550	
Schedule of Interfunds		15,513,497	
Bonds Issued		45,755,000	
Reserve for Interest for DOT Projects		421	
Reserve for Interest for Fire Academy		553	
Reserve for Unappropriated Grants		599,280	
Premium on Bond/Note Sales		765,403	
			<u>87,421,704</u>
			120,814,033
Decreased by Disbursements:			
Improvement Authorizations		9,212,741	
Commitments Payable		15,699,262	
Reserve for Payment of Bonds and Notes		1,500,000	
Schedule of Interfunds		53,691,662	
Premium on Bond/Note Sales - State Share		80,103	
Budgeted Capital Surplus		1,000,000	
Reserve for Bonding Payments		15,810	
			<u>81,199,578</u>
Balance - December 31, 2012		\$	<u>39,614,455</u>

COUNTY OF PASSAIC

Analysis of Cash

General Capital Fund

Year Ended December 31, 2012

Fund Balance	\$ 5,342,633
Grants Receivable	(72,544,266)
State EFA Receivable	(1,975,000)
Due from/to Current Fund	(2,003,630)
Accounts Payable	264,927
Commitments payable	43,843,516
Due to the Township of Wayne	1,100
Capital Improvement Fund	202,954
Reserve for Final Payments and Litigation	160,258
Reserve for Payment of Bonds and Notes	9,252,756
Reserve for Payment of Notes - Over Borrowed	1,548,150
Reserve for Salt Shed - West Milford	296,619
Reserve for State EFA Loan Payments	500,000
Reserve for Interest for Fire Academy	1,100,991
Reserve for Administration Building Settlement	9,786
Reserve for Interest for DOT Projects	12,239
Reserve for Unappropriated Grants	599,398
Reserve for Grants Receivable	27,916,474
Reserve for Bonding Payments	8,890

Improvement Authorizations:

Ordinance		
<u>Number</u>	<u>Improvement Description</u>	
87-25	Reconstruction Phases I - III	(337,629)
87-43/88-11	Reconstruction of Old Turnpike Road Bridge	(87,868)
91-30	Replace East Main St. Bridge	(101,608)
94-10	Alps Road/Pompton Hamburg Turnpike	96,860
95-04	Road Intersection Program	(63,538)
95-07	Reconstruction Lafayette Ave. - Supplemental	(1,500)
96-06	Road Improvements Passaic Avenue	(81,782)
96-15	Hazel Street Scoping/Construction	(6,000)
96-21	Preakness Brook PC #348	(37,000)
96-22	Reconstruction of Valley Road	(8,240)
96-24	Expansion PCCC	(222,000)
97-01	Main St. & Arch St. Bridges - PC #15 & 16	(58,685)
97-05	Road Resurfacing Program - 1997	(2,040)
97-13	Church St. Bridge - PC #125	(92,581)
97-20	Police Academy Addition	(7,000)
97-26	Rehabilitate Bridges - PC #28 & #29	(344,538)
97-31	Design & Rehab. Magee Rd. Bridge - PC #404	(90,000)
98-19	Reconstruction West Brook Bridge PC #491	62,417

COUNTY OF PASSAIC

Analysis of Cash

General Capital Fund

Year Ended December 31, 2012

98-23	Wagaraw Road Bridge PC #103	3,599
98-35	Belmont & Barbour Street Intersection	(7,058)
98-36	Kingsland Avenue Bridge PC #81	316,055
98-38	Reconstruction of Apshawa Dam	34,220
98-40	Renovation Spruce Street Bridge PC #18	1,798
99-10	Minor Drainage Project - Supplemental	(238,000)
99-15	Totowa and French Hill Road Improvements	(476,000)
00-08	Supplemental - Road Improvements	(265)
00-14	Supplemental - Redecking of McBride Bridge	(67)
00-20	Construction of Jughandle from Paterson-Hamburg Turnpike to Hinchman Ave	(238,000)
00-40	Supplemental - Repairs/Rehab. To Kingsland Ave Bridge PC #81.	664,000
00-41	Supplemental - Valley Road and Pompton-Hamburg Tpke intersection improvements.	(88,000)
01-04	Supplemental - Hurricane Floyd Program	72,646
01-08	Goffle Brook Multi-use Path	38,531
01-19	Supplemental - Rehab. 8th Street/5th Ave. Bridge	103,676
01-35	Supplemental - Renovation of Youth Center	58,330
01-36	Supplemental - Various Road and Bridge Repairs Hurricane Floyd	355
02-12	Supplemental - Imp of Totowa/French Hill Road Intersection	4,208
02-16	Supplemental - Renovations of 80 Hamilton Street	8,659
02-17	Supplemental - Reconst of Greenwood Lake Turnpike	57,826
02-19	Acquisition of Buildings/Grounds Equipment	421
02-23	Supplemental - Acquisition of Parks Equipment	166
02-26	Supplemental - Improvements to Allwood/Bloomfield Circle	116,230
02-27	Supplemental - Restoration of Lambert Castle	1,246
02-30	Supplemental - Imp of Valley Road & Paterson- Hamburg Turnpike Intersection	222
02-31	Supplemental - Renovation of Apshawa Dam	205,174
02-38	Supplemental - Acquisition of Paratransit/ Meals on Wheel Vehicles	2,705
02-40	Supplemental - Renovations to Public Buildings	3,938

COUNTY OF PASSAIC

Analysis of Cash

General Capital Fund

Year Ended December 31, 2012

02-41	Refunding ordinance - Payment of Pension Obligation	(107)
03-06	Supplemental - Road Improvements	(266)
03-08	Traffic Signal Reimbursements	42,554
03-15	Waganaw Road/Lincoln Avenue Improvements	312
03-17	Supplemental - Reconstruction of Various Bridges	8,493
03-19	Supplemental - 1992 Guide Rail Program	22,373
03-20	Supplemental - Various Drainage Improvements	24,937
03-25	Imp to Goffle/Weasel Brook Park Recreation	350,938
03-30	Union Valley Road/Green Brook Bridge Design PC#434	47
03-32	Supplemental - Public Works Equipment	59,336
04-01	Improvements to Paterson Hamburg	(85,163)
04-03	Imp to Paterson Hamburg Turnpike/Jackson Ave.	(98)
04-05	Acquisition of Property for a Salt Dome	733
04-09	Acq of Equipment for Passaic County Comm. College	(881)
04-12	Imp & Renovations to 435 Hamburg Turnpike	(17,210)
04-14	Acquisition of Various Equipment	20,147
04-19	Various Bridge Repair & Replacement Project	1,740
04-20	Various Drainage Projects	469
04-21	Various Road Improvement Projects	73,124
04-22	Traffic Safety Programs	277
04-23	Intersection Improvements	(69,201)
04-24	Miscellaneous Buildings & Grounds Improvements	177,219
04-25	Development of a Secured, Private Fiber Network	2,237
04-28	GIS Parcel Mapping in & by the County	8,687
04-29	Acquisition of & Renovation to County Building	315,779
05-06	Improvements to the PC Tech Institute	(308)
05-07	Parks & Recreation General Improvements	135,239
05-09	Acquisition of Equipment- Preakness Healthcare Center	4,180
05-11	Various Repairs & Improvements	143,165

COUNTY OF PASSAIC

Analysis of Cash

General Capital Fund

Year Ended December 31, 2012

05-14	Improvements to the Community College	515,861
06-05	Private Fiber Optic Network	(373)
06-06	Bridge Replacements and/or Repairs	40,154
06-07	Various Capital Improvements	259,833
06-11	Improvements to the Vocational School	(549)
06-12	Improvements to the Community College	(761)
06-10/06-14	Various Repairs & Improvements	17,008
06-15	Supplemental - Study and Improvements of Hazel St.	110
06-16	Reconstruction and Rehabilitations of Various Bridges	103,815
07-06	Various Capital Improvements	382,474
07-07	Stabilization Improvements to Groffle Brook	93
07-08	2007 Road Improvement Projects	1,041,946
07-09	General Parks and Recreation Program Imp	628,980
07-10	Implementation of Traffic Safety Program	35,073
07-11	Intersection Improvement Projects	1,009,455
07-12	Acquisition of Various Equipment	(820,034)
07-13	Various Capital Improvements	527,258
07-15	Various Imp for the Vocational Technical School	(208)
08-01	Various Building and Grounds Improvements	(4,907,671)
08-02	Various Roadway Imp & Acq. of Equipment	(4,092,518)
08-03	Various Capital Improvements	1,262,859
08-05	Lambert Castle Restoration	1,850,000
09-01	2009 Road Resurfacing	(18,270)
09-04	Various Park & Recreation Improvements	(717,250)
09-05	Bridge, Road, & Traffic Safety	1,851,294
09-06	Building & Grounds Improvements	(1,197,630)
09-07	Acquisition of Equipment	(1,526,740)
09-08	Various Capital Improvements - PCCC	(2,066,073)
09-09	Various Capital Improvements - PCTI	(163,036)
09-10	Various Capital Improvements - PCCC	1,279,703
10-02	Refunding Bonds - General Improvement Bonds	(1,092)
10-03	Dey Mansion Renovations	1,538,568
10-04	County Park Improvements	1,376,227
10-06	Various Capital Improvements	1,044,478
10-07	Refunding Bonds - GI 2003, 32mil	(1,041,865)
10-08	Various Capital Improvement Funds	7,949,942
11-03	Various Capital Improvements	20,456,018
11-04	Various Capital Improvements	(1,767,837)
12-03	Improvements to Passaic Community College Facilities	8,460,950
12-06	Various Capital Improvements	(4,775,615)
12-07	Various Capital Improvements	(3,940,552)
		<u>\$ 39,614,455</u>

COUNTY OF PASSAIC

Schedule of Receivables

General Capital Fund

Year Ended December 31, 2012

<u>Grantor</u>	<u>Project</u>	<u>Org. No.</u>	<u>Acct. No.</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Awarded</u> <u>in</u> <u>2012</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Federal Grants:							
	Replacement of Hillery Street Bridge	07-04	04-117-03-000-053	\$ 317,878			317,878
Federal Highway Administration	Wet Reflective Tape	08-03	04-117-03-000-067	302,613			302,613
Federal Highway Administration	ARRA NJDOT 2009 Road Resurfacing Program	09-01	04-117-03-000-067	3,191,667		3,191,667	
				<u>3,812,158</u>		<u>3,191,667</u>	<u>620,491</u>
State Grants:							
State of New Jersey	Chapter 12, Passaic County Community College	99-14	04-117-03-000-021	863,508			863,508
N.J. Department of Transportation	Two Bridges Road	99-20	04-117-03-000-019	94,280			94,280
State of New Jersey	Renovation to Market Street	00-06	04-117-03-000-017	441,134			441,134
State of New Jersey	Rehab of Paterson-Hamburg Tpk Bridge PC # 42,43,44	00-15	04-117-03-000-018	260,705			260,705
State of New Jersey	Jughandle from Paterson-Hamburg Tpk to Hinchman Ave	00-20	04-117-03-000-010	464,874			464,874
State of New Jersey	Study and Improvement to Hazel St	00-44	04-117-03-000-009	122,949			122,949
State of New Jersey	8th Street & 5th Avenue Bridges	01-19	04-117-03-000-026	10,088			10,088
N.J. Department of Transportation	Hurricane Floyd - Cedar Grove Road Wall	01-32	04-117-03-000-029	444,000			444,000
N.J. Department of Transportation	Goffle Brook Stabilization	02-13	04-117-03-000-035	234,819			234,819
N.J. Department of Transportation	Restoration of Lambert Castle	02-27	04-117-03-000-034	401,040			401,040
N.J. Department of Transportation	West Broadway Bridge PC#17	03-24	04-117-03-000-038	9,782		9,782	-
N.J. Department of Transportation	Goffle/Weasel Brook Park	03-25	04-117-03-000-039	170,000			170,000
N.J. Department of Transportation	Improvements to Paterson Hamburg Tpk	04-01	04-117-03-000-040	500,000			500,000
N.J. Department of Transportation	Clove Road/Long Hill Road & Hazel St.	05-11	04-117-03-000-047	266,477			266,477
State of New Jersey	Imp to Guide Rails and Reflective Marking Tape	05-11	04-117-03-000-048	5,000			5,000
EFA Const. & Financing Grant	Vocational School Long Range Facilities Plan Projects	05-12	04-117-03-000-050	37,530			37,530
N.J. Department of Transportation	Bridge Replacement and/or Repairs	06-06	04-117-03-000-051	531,792			531,792
State of New Jersey	2006 Various Road Improvements	06-07	04-117-03-000-052	224,500			224,500
N.J. Department of Environment Prot.	Barbour Pond Improvements & Lambert Castle Tower Cons.	07-09	04-117-03-000-063	250,000		56,839	193,161
County Aid	Union Valley Road, PC #434	08-03	04-117-03-000-064	33,561			33,561
County Aid	President Street, PC #53	08-03	*	187,050			187,050
N.J. Transportation Planning Authority	Two Bridges Road Bridge	08-03	*	112,283			112,283
N.J. Department of Transportation	Hazel Street Construction, CR 702	08-03	04-117-03-000-066	4,200,000		3,514,033	685,967
N.J. Department of Transportation	Black Oak Ridge Road/Pompton Planes Cross Road	08-03	04-117-03-000-068	900,000			900,000
N.J. Department of Transportation	Bridge Replacement and/or Repairs	09-05	04-117-03-000-068	1,527,880		712,152	815,728
N.J. Department of Transportation	County Road Improvement Project	09-05	04-117-03-000-068	4,895,191		134,099	4,761,092

COUNTY OF PASSAIC

Schedule of Receivables

General Capital Fund

Year Ended December 31, 2012

Grantor	Project	Ord. No.	Acct. No.	Balance Dec. 31, 2011	Awarded in 2012	Decreased	Balance Dec. 31, 2012
N.J. Historical Trust	Rehabilitation and Reconstruction of Dey Mansion	10-03	04-117-03-000-072	1,239,475			1,239,475
N.J. Department of Transportation	Pennington Ave Culvert	10-08	04-117-03-000-073	150,000			150,000
N.J. Department of Transportation	Local Bridges - Warburton Ave/Goffle Brook, PC 81	10-08	04-117-03-000-074	1,000,000			1,000,000
County Aid	Moorestown Road	10-08	04-117-03-000-075	200,000			200,000
N.J. Department of Transportation	Squirrelwood Road	10-08	04-117-03-000-076	1,250,000			1,250,000
County Aid	Black Oak Ridge Road/Jackson Avenue Signal Replacement	10-08	04-117-03-000-077	320,000		19,777	300,223
County Aid	McBride/Hillery Street Improvements	10-08	04-117-03-000-078	550,000		252,853	297,147
County Aid	Resurfacing of Various Roads	10-08	04-117-03-000-079	723,162		644,204	78,958
N.J. Department of Transportation	Fairlawn Avenue Bridge	10-08	04-117-03-000-080	600,000			600,000
N.J. Department of Transportation	Two Bridges Road/West Belt	10-08	04-117-03-000-081	1,686,900			1,686,900
N.J. Department of Transportation	West Brook Road/Wanaque Reservoir, PC 491	10-08	04-117-03-000-082	300,000			300,000
N.J. Department of Transportation	Eighth Street Bridge Rehabilitation	10-08	04-117-03-000-083	1,395,677		755,144	640,533
DOT Surface Transportation	Bridge Replacement, Rehab, Repairs	11-03	04-117-03-000-083	20,400,000			20,400,000
DOT Future Needs	Bridge Replacement, Rehab, Repairs	11-03	04-117-03-000-083	1,000,000			1,000,000
County Aid	Bridge Replacement, Rehab, Repairs	11-03	04-117-03-000-083	124,000			124,000
N.J. Department of Transportation	Resurfacing Various Roads	11-04	04-117-03-000-083	4,200,000			4,200,000
N.J. Department of Transportation	Resurfacing Various Roads	12-03	04-117-03-000-088		10,000,000		10,000,000
N.J. Department of Transportation	West Brook Road/Wanaque Reservoir, PC 491	12-07	04-117-03-000-090		9,700,000		9,700,000
N.J. Department of Transportation	Two Bridges Road/West Belt	12-07	04-117-03-000-091		3,800,000		3,800,000
N.J. Department of Transportation	Clinton Road Bridge	12-07	04-117-03-000-092		1,000,000		1,000,000
N.J. Department of Transportation	8th Street Rehabilitation PC4	12-07	04-117-03-000-093		30,000		30,000
N.J. Department of Transportation	Pompton Hamburg Turnpike/Valley Road	12-07	04-117-03-000-094		1,000,000		1,000,000
				<u>52,327,658</u>	<u>25,530,000</u>	<u>6,098,883</u>	<u>71,758,775</u>
Local Grants:							
Passaic County Open Space Trust	Golf Course Improvements	12-03	04-117-03-000-089	-	165,000		165,000
				<u>-</u>	<u>165,000</u>	<u>-</u>	<u>165,000</u>
				<u>\$ 56,139,816</u>	<u>25,695,000</u>	<u>9,290,550</u>	<u>72,544,266</u>

COUNTY OF PASSAIC
Schedule of Deferred Charges to Future
Taxation - Funded
General Capital Fund
Year Ended December 31, 2012

Balance - December 31, 2011		\$ 360,745,781
Increased by:		
Serial Bonds Issued	\$ 67,650,000	
Capital Leases Issued	<u>57,425,000</u>	
		<u>125,075,000</u>
		485,820,781
Decreased by:		
Serial Bonds Refunded	22,597,000	
Capital Leases Refunded	53,970,000	
2012 Budget Appropriations to Pay Bonds	30,166,000	
2012 Budget Appropriations to Pay Loans	520,949	
2012 Budget Appropriations to Pay Capital Leases	<u>2,125,000</u>	
		<u>109,378,949</u>
Balance - December 31, 2012		<u>\$ 376,441,832</u>

COUNTY OF PASSAIC
 Schedule of Deferred Charges to Future Taxation - Unfunded
 General Capital Fund
 Year Ended December 31, 2012

Ordinance Number	Improvement Description	Balance Dec. 31, 2011	2012 Authorizations	Reduced	Balance Dec. 31, 2012	Analysis of Balance - Dec. 31, 2012		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
	<u>General Improvements:</u>							
87-25	Acquisition of a Right-of-Way; Phase II & III Construction of New Street	\$ 337,629			337,629		337,629	
87-43/88-11	Replacement of Old Turnpike Road Bridge	87,868			87,868		87,868	
91-30	East Main Street Bridge	101,608			101,608		101,608	
95-04	Road Intersection Program	63,538			63,538		63,538	
95-07	Reconstruction Lafayette Ave. - Supplemental	1,500			1,500		1,500	
96-06	Road Improvements Passaic Avenue	81,782			81,782		81,782	
96-15	Hazel Street Scoping/Construction	6,000			6,000		6,000	
96-21	Preakness Brook PC #348	37,000			37,000		37,000	
96-22	Reconstruction of Valley Road	8,240			8,240		8,240	
96-24	Expansion PCCC	222,000			222,000		222,000	
97-01	Main St. & Arch St. Bridges - PC #15 & 16	58,685			58,685		58,685	
97-05	Road Resurfacing Program - 1997	2,040			2,040		2,040	
97-13	Church St. Bridge - PC #125	92,581			92,581		92,581	
97-20	Police Academy Addition	7,000			7,000		7,000	
97-26	Rehabilitate Bridges - PC #28 & #29	344,538			344,538		344,538	
97-31	Design & Rehab. Magee Rd. Bridge - PC #404	90,000			90,000		90,000	
98-23	Wagaraw Road Bridge PC #103	75,000			75,000			75,000
98-35	Belmont & Barbour Street Intersection	7,058			7,058		7,058	
99-10	Various Drainage Improvement Projects	238,000			238,000		238,000	
99-15	Intersection Imp. Totowa & French Hill Roads	476,000			476,000		476,000	
00-08	Supplemental - Road Improvements	265			265		265	
00-11	Supplemental - Acquisition of office equipment	285,000			285,000	285,000		
00-12	Renovations of 80 Hamilton St. - Welfare Board	380,000			380,000	380,000		
00-14	Supplemental - Redecking of McBride Bridge	48,592			48,592	48,525	67	
00-18	Supplemental - Reconstruction Various Bridges	285,000			285,000	285,000		
00-19	Supplemental - Various Drainage Projects	218,000			218,000	218,000		
00-20	Construction of Jughandle from Paterson-Hamburg Turnpike to Hinchman Ave	238,000			238,000		238,000	
00-25	Renovation of Youth Center	238,000			238,000	238,000		
00-40	Supplemental - Repairs/Rehab. To Kingsland Ave Bridge PC #81.	36,000			36,000			36,000
00-41	Supplemental - Valley Road and Pompton-Hamburg Tpke intersection improvements.	238,000			238,000	150,000	88,000	
00-44	Supplemental - Study and Improv. of Hazel St.	66,000			66,000	66,000		
01-02	Supplemental - Renovations to Courthouse Complex	285,000			285,000	285,000		
01-08	Goffle Brook Multi-use Path	85,728			85,728	85,728		
01-09	Reconstruction of Straight St/River St.	380,000			380,000	380,000		

COUNTY OF PASSAIC

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Balance Dec. 31, 2011	2012 Authorizations	Reduced	Balance Dec. 31, 2012	Analysis of Balance - Dec. 31, 2012		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
01-11	Supplemental - 1992 Guide Rail Program	90,000			90,000	90,000		
01-13	Supplemental - Various Drainage Projects	142,000			142,000	142,000		
01-28	Supplemental - Improvements to Camp Hope	95,000			95,000	95,000		
01-29	Supplemental - Reconstruction of Greenwood Lake Turnpike	81,000			81,000	81,000		
01-31	Supplemental - Totowa and French Hill Road Imprv.	428,000			428,000	428,000		
01-32	Supplemental - Various Road and Bridge Repairs Hurricane Floyd	124,910			124,910	124,910		
01-33	Supplemental - Various Road and Bridge Repairs Hurricane Floyd	166,000			166,000	166,000		
01-36	Supplemental - Various Road and Bridge Repairs Hurricane Floyd	238,000			238,000	238,000		
02-12	Supplemental - Imp of Totowa/French Hill Road Intersection	285,000			285,000	285,000		
02-14	Supplemental - Various Drainage Improvements	142,500			142,500	142,500		
02-17	Supplemental - Reconst of Greenwood Lake Turnpike	1,874,174			1,874,174	1,874,174		
02-21	Supplemental - 1992 Guide Rail Program	142,000			142,000	142,000		
02-30	Supplemental - Imp of Valley Road & Paterson- Hamburg Turnpike Intersection	952,000			952,000	952,000		
02-31	Supplemental - Renovation of Apschawa Dam	146,606			146,606	146,606		
02-35	Replacement of Jail Roof	285,000			285,000	285,000		
02-39	Supplemental - Equipment for Preakness Hospital	285,000			285,000	285,000		
02-40	Supplemental - Renovations to Public Buildings	190,000			190,000	190,000		
02-41	Refunding Ordinance - Payment of Pension Obligations	239,172			239,172	239,065		107
03-05	Self Insurance Funding	13,570,000		13,570,000				
03-06	Supplemental - Road Improvements	266			266			266
03-08	Traffic Signal Reimbursements	57,443			57,443	57,443		

COUNTY OF PASSAIC

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Balance Dec. 31, 2011	2012		Balance Dec. 31, 2012	Analysis of Balance - Dec. 31, 2012		Unexpended Improvement Authorization
			Authorizations	Reduced		Financed by Bond Anticipation Notes	Expenditures	
03-09	Supplemental - Improvements to Camp Hope	141,503		141,503				
03-15	Waganaw Road/Lincoln Avenue Improvements	379,688		379,688				
03-16	Supplemental - Repair of Bellmount Ave Bridge	190,000		190,000				
03-17	Supplemental - Reconstruction of Various Bridges	476,000		476,000				
03-19	Supplemental - 1992 Guide Rail Program	190,000		190,000				
03-20	Supplemental - Various Drainage Improvements	238,000		238,000				
03-24	Supplemental - Renovations to W. Broadway Bridge PC#17	47,500		47,500				
03-27	Supplemental - Acquisition of Hospital Equipment	475,000		475,000				
04-01	Improvements to Paterson Hamburg	3,286,050			3,286,050	3,200,000	85,163	887
04-03	Imp to Paterson Hamburg Turnpike/Jackson Ave.	372,098		372,000	98		98	
04-05	Acquisition of Property for a Salt Dome	190,000			190,000	5,000		185,000
04-09	Acq of Equipment for Passaic County Comm. College	881			881		881	
04-12	Imp & Renovations to 435 Hamburg Turnpike	570,000			570,000		17,210	552,790
04-20	Various Drainage Projects	332,500		332,500				
04-22	Traffic Safety Programs	142,500		142,500				
04-23	Intersection Improvements	332,500			332,500	50,000	69,201	213,299
04-28	GIS Parcel Mapping in & by the County	41,313			41,313	41,313		
05-06	Improvements to the PC Tech Institute	308			308		308	
05-07	Parks & Recreation General Improvements	2,757,400		2,000,000	757,400	757,400		
06-05	Private Fiber Optic Network	827			827		373	454
06-06	Bridge Replacements and/or Repairs	1,869,887		1,000,000	869,887			869,887
06-07	Various Capital Improvments	1,359,500		1,000,000	359,500			359,500
06-08	Parks & Recreation General Improvements	28,500		28,500				
06-09	Acquisition of Additional Equipment	1,045,000		1,045,000				
06-10	Various Repairs & Improvements	950,000		950,000				
06-11	Improvements to the Vocational School	549			549		549	
		761			761		761	
06-10/06-14	Various Repairs & Improvements	5,225,000		5,225,000				
96-15/00-44/06-15	Supplemental - Study and Improvements to Hazel Street	224,890		224,890				

COUNTY OF PASSAIC
 Schedule of Deferred Charges to Future Taxation - Unfunded
 General Capital Fund
 Year Ended December 31, 2012

Ordinance Number	Improvement Description	Balance Dec. 31, 2011	Analysis of Balance - Dec. 31, 2012			Unexpended Improvement Authorization		
			2012 Authorizations	Reduced	Balance Dec. 31, 2012		Financed by Bond Anticipation Notes	Expenditures
07-03	2007 Road Resurfacing Program	2,992,500		2,992,500				
07-06	Various Capital Improvments	1,995,000			1,995,000	1,000,000		995,000
07-08	2007 Road Improvement Projects	1,619,000		1,619,000				
07-10	Implementation of Traffic Safety Program	142,500			142,500	142,500		
07-11	Intersection Improvement Projects	332,500			332,500			332,500
07-12	Acquisition of Various Equipment	1,446,850			1,446,850	500,000	819,616	127,234
07-13	Various Capital Improvments	4,085,000		4,085,000				
07-14	Various Improvements for the County College	2,500,000			2,500,000	2,500,000		
07-15	Various Imp for the Vocational Technical School	979,308			979,308	979,100	208	
08-01	Various Building and Grounds Improvements	7,410,000			7,410,000	2,500,000	4,907,671	2,329
08-02	Various Roadway Imp & Acq. of Equipment	5,771,250			5,771,250		4,092,518	1,678,732
08-03	Various Capital Improvements	6,993,708			6,993,708	5,000,000		1,993,708
09-01	2009 Road Resurfacing	2,918,270			2,918,270	2,900,000	18,270	
09-04	Various Park & Recreation Improvements	717,250			717,250		717,250	
09-05	Bridge, Road, & Traffic Safety	1,164,700			1,164,700			1,164,700
09-06	Building & Grounds Improvements	7,030,000			7,030,000	2,500,000	1,197,630	3,332,370
09-07	Acquisition of Equipment	1,914,250			1,914,250		1,526,740	387,510
09-08	Various Capital Improvements - PCCC	2,292,369			2,292,369		2,066,073	226,296
09-09	Various Capital Improvements - PCTI	2,937,924			2,937,924	2,000,000	163,036	774,888
10-02	Refunding Bonds - General Improvement Bonds	1,092			1,092		1,092	
10-06	Various Capital Improvements	104,500			104,500			104,500
10-07	Refunding Bonds - GI 2003, 32mil	4,675,000			4,675,000		1,041,865	3,633,135
10-08	Various Capital Improvement Funds	4,951,850	1,548,150		6,500,000	6,500,000		
11-03	Various Capital Improvements	6,177,500			6,177,500			6,177,500
11-04	Various Capital Improvements	7,096,500			7,096,500	4,000,000	1,767,837	1,328,663

COUNTY OF PASSAIC
 Schedule of Deferred Charges to Future Taxation - Unfunded
 General Capital Fund
 Year Ended December 31, 2012

Ordinance Number	Improvement Description	Analysis of Balance - Dec. 31, 2012					
		Balance Dec. 31, 2011	2012 Authorizations	Reduced	Balance Dec. 31, 2012	Financed by Bond Anticipation Notes	Unexpended Improvement Authorization
12-01	Refunding Bonds - General Obligation Bonds		13,000,000	11,950,000	1,050,000		1,050,000
12-02	Refunding Bonds - Preakness Healthcare Expan. Project Lease		63,500,000	53,970,000	9,530,000		9,530,000
12-03	Improvements to Passaic Community College Facilities		8,500,000	8,500,000			
12-04	Improvement of Passaic County Community College		2,898,395		2,898,395		2,898,395
12-05	Improvement of the Passaic County Technical Institute		1,958,616		1,958,616		1,958,616
12-06	Various Capital Improvements		12,356,600		12,356,600	4,775,615	7,580,985
12-07	Various Capital Improvements		28,319,500		28,319,500	3,940,552	24,378,948
12-08	Refunding Bonds - General Obligation Bonds		12,500,000	10,647,000	1,853,000		1,853,000
		<u>\$ 123,772,699</u>	<u>144,581,261</u>	<u>121,791,581</u>	<u>146,562,379</u>	<u>42,960,264</u>	<u>73,801,826</u>
	Bond Anticipation Notes - Over Borrowed		\$ 1,548,150				
	Improvement Authorizations		<u>143,033,111</u>				
			<u>\$ 144,581,261</u>				
	Reserve for Payment of Bonds and Notes			(419)			
	Funded by Refunding Bonds			76,567,000			
	Funded by Serial Bonds			<u>45,225,000</u>			
				<u>\$ 121,791,581</u>			
					Excess Proceeds	(261,736)	
					Bond Anticipation Notes	<u>43,222,000</u>	
					<u>\$ 42,960,264</u>		

COUNTY OF PASSAIC

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2012

Improvement Authorizations Unfunded		\$ 80,645,831
Less: Unexpended Proceeds of Bond Anticipation Notes Issued		
<u>Ordinance No.</u>		
01-08	24,259	
01-36	355	
02-30	222	
02-31	66,780	
02-40	3,938	
04-05	733	
05-07	135,239	
07-06	382,474	
07-10	35,073	
08-03	1,262,859	
10-08	<u>4,932,073</u>	
		<u>6,844,005</u>
		\$ <u>73,801,826</u>

COUNTY OF PASSAIC

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2011		2012 Authorizations	Paid or Charged	Balance Dec. 31, 2012	
			Funded	Unfunded			Funded	Unfunded
	<u>General Improvements:</u>							
94-10	Alps Road/Pompton Hamburg Turnpike	\$	\$			(96,860)	96,860	
98-19	Reconstruction West Brook Bridge PC #491		62,483			66	62,417	
98-23	Wagaraw Road Bridge PC #103	1,300,000	3,599	75,000			3,599	75,000
98-36	Kingsland Avenue Bridge PC #81	400,000	316,942			887	316,055	
98-38	Reconstruction of Apshawa Dam					(34,220)	34,220	
98-40	Renovation Spruce Street Bridge PC #18	150,000	1,798				1,798	
00-20	Construction of Jughandle from Paterson-Hamburg Turnpike to Hinchman Ave	750,000		208,810		208,810		
00-40	Supplemental - Repairs/Rehab. to Kingsland Ave Bridge PC #81.	700,000	664,000	36,000			664,000	36,000
01-04	Supplemental - Hurricane Floyd Program	1,000,000	72,852			206	72,646	
01-08	Goffle Brook Multi-use Path	700,000		24,262		3		24,259
01-19	Supplemental - Rehab. 8th Street/5th Ave. Bridge	300,000	80,621			(23,055)	103,676	
01-35	Supplemental - Renovation of Youth Center	250,000	58,499			169	58,330	
01-36	Supplemental - Various Road and Bridge Repairs Hurricane Floyd	250,000		355				355
01-37	Supplemental - Structural Deficient Bridges	58,881	103,203			103,203		
02-12	Supplemental - Improvement to Totowa/French Hill Road	5,258	5,258			1,050	4,208	
02-13	Goffle Brook Stabilization Project	392,500	38,875			38,875		
02-16	Supplemental - Renovations of 80 Hamilton Street	500,000	8,659				8,659	
02-19	Acquisition of Buildings/Grounds Equipment	200,000	421				421	
02-23	Supplemental - Acquisition of Parks Equipment	200,000	166				166	
02-26	Supplemental - Improvements to Allwood/Bloomfield Circle					(116,230)	116,230	
02-27	Supplemental - Restoration of Lambert Castle	1,000,000	1,711			465	1,246	
02-30	Supplemental - Imp of Valley Road & Paterson- Hamburg Turnpike Intersection	1,000,000		913,826		913,604		222
02-31	Supplemental - Renovation of Apshawa Dam	300,000		36,374		(30,406)		66,780
02-35	Replacement of Jail Roof	300,000						
02-38	Supplemental - Acquisition of Paratransit/ Meals on Wheel Vehicles	300,000	2,705				2,705	

COUNTY OF PASSAIC

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2011		2012 Authorizations	Paid or Charged	Balance Dec. 31, 2012	
			Funded	Unfunded			Funded	Unfunded
02-40	Supplemental - Renovations to Public Buildings	200,000		8,042		4,104		3,938
03-03	Supplemental - Golf Course Improvements	300,000	400			400		
03-06	Supplemental - Road Improvements	2,800,000	248,982	266		249,248		
	Various Improvements to PCCC	230,368	230,368			230,368		
03-17	Supplemental - Reconstruction of Various Bridges	500,000		8,493			8,493	
03-19	Supplemental - 1992 Guide Rail Program	200,000		22,473		100	22,373	
03-20	Supplemental - Various Drainage Improvements	250,000		24,937			24,937	
03-25	Imp to Goffle/Weasel Brook Park Recreation	800,000	350,938				350,938	
03-29	Supplemental - Goffle Brook Stabilization Project	200,000	191,440			191,440		
03-30	Union Valley Road/Green Brook Bridge Design PC#434	200,000	47				47	
03-32	Supplemental - Public Works Equipment	700,000	105,834			46,498	59,336	
04-01	Improvements to Paterson Hamburg	8,750,000		3,014,575		3,013,688		887
04-05	Acquisition of Property for a Salt Dome	200,000		185,737		4		185,733

COUNTY OF PASSAIC

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2011		2012 Authorizations	Paid or Charged	Balance Dec. 31, 2012	
			Funded	Unfunded			Funded	Unfunded
04-11	Imp to Passaic County Jail & Acq of Various Equip	2,100,000	2,905			2,905		
04-12	Imp & Renovations to 435 Hamburg Turnpike	600,000	30,000	570,000		47,210		552,790
04-14	Acquisition of Various Equipment	500,000	20,147				20,147	
04-19	Various Bridge Repair & Replacement Project	1,000,000	29,651			27,911	1,740	
04-20	Various Drainage Projects	550,000		9,522		9,053	469	
04-21	Various Road Improvement Projects	650,000	135,464			62,340	73,124	
04-22	Traffic Safety Programs	150,000		598		321	277	
04-23	Intersection Improvements	350,000		249,789		36,490		213,299
04-24	Miscellaneous Buildings & Grounds Improvements	2,000,000	228,355			51,136	177,219	
04-25	Development of a Secured, Private Fiber Network	3,500,000				(2,237)	2,237	
04-29	Acquisition of & Renovation to County Building	6,000,000	570,518			254,739	315,779	
05-07	Parks & Recreation General Improvements	2,903,400		405,672		270,433		135,239
05-09	Acquisition of Equipment- Preakness Healthcare Center	1,000,000	4,183			3	4,180	
05-11	Various Repairs & Improvements	12,334,000	188,560			45,395	143,165	
05-14	Improvements to the Community College	18,000,000	1,568,172			1,052,311	515,861	
06-03	Road Improvements	3,800,000	2,692			2,692		

COUNTY OF PASSAIC

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2011		2012 Authorizations	Paid or Charged	Balance Dec. 31, 2012	
			Funded	Unfunded			Funded	Unfunded
06-05	Private Fiber Optic Network	5,500,000		454				454
06-06	Bridge Replacements and/or Repairs	2,760,000		921,655		11,614	40,154	869,887
06-07	Various Capital Improvments	5,375,000	3,308,488	1,359,500		4,048,655	259,833	359,500
06-09	Acquisition of Additional Equipment	1,100,000		313		313		
06-10/06-14	Various Repairs & Improvements	5,500,000		359,611		342,603	17,008	
06-16	Reconstruction and Rehabilitations of Various Bridges	6,652,000	440,812			336,997	103,815	
07-03	2007 Road Resurfacing Program	3,150,000		712		712		
07-06	Various Capital Improvments	2,500,000		1,380,929		3,455		1,377,474
07-07	Stabilization Improvements to Groffle Brook	200,000	200,000			199,907	93	
07-08	2007 Road Improvement Projects	3,773,000		1,282,914		240,968	1,041,946	
07-09	General Parks and Recreation Program Imp	750,000	702,989			74,009	628,980	
07-10	Implementation of Traffic Safety Program	150,000		41,486		6,413		35,073
07-11	Intersection Improvement Projects	1,350,000	1,009,455	332,500			1,009,455	332,500
07-12	Acquisition of Various Equipment	1,523,000		815,456		688,222		127,234
07-13	Various Capital Improvments	4,300,000		670,041		142,783	527,258	
08-01	Various Building and Grounds Improvements	7,800,000		5,312,076		5,309,747		2,329
08-02	Various Roadway Imp & Acq. of Equipment	6,075,000		1,873,694		194,962		1,678,732
08-03	Various Capital Improvements	10,800,000		3,891,713		635,146		3,256,567

COUNTY OF PASSAIC

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2011		2012 Authorizations	Paid or Charged	Balance Dec. 31, 2012	
			Funded	Unfunded			Funded	Unfunded
08-05	Lambert Castle Restoration	1,850,000	1,850,000				1,850,000	
09-01	2009 Road Resurfacing	12,358,400		1,201,801		1,201,801		
09-04	Various Park & Recreation Improvements	755,000		489,525		489,525		
09-05	Bridge, Road, & Traffic Safety	12,150,000	3,391,225	1,164,700		1,539,931	1,851,294	1,164,700
09-06	Building & Grounds Improvements	7,400,000		4,282,948		950,578		3,332,370
09-07	Acquisition of Equipment	2,015,000		1,318,629		931,119		387,510
09-08	Various Capital Improvements - PCCC	2,292,369		226,296				226,296
09-09	Various Capital Improvements - PCTI	2,937,924		2,532,311		1,757,423		774,888
09-10	Various Capital Improvements - PCCC	2,353,000	1,801,213			521,510	1,279,703	
10-03	Dey Mansion Renovations	1,858,950	1,573,746			35,178	1,538,568	
10-04	County Park Improvements	3,000,000	1,743,179			366,952	1,376,227	
10-06	Various Capital Improvements	4,730,000	2,645,914	104,500		1,041,906	1,044,478	664,030
10-07	Refunding Bonds - GI 2003, 32mil	32,000,000		3,643,985		10,850		3,633,135
10-08	Various Capital Improvement Funds	16,304,250	7,060,486	4,951,850		4,050,393	3,029,870	4,932,073
11-03	Various Capital Improvements	27,920,000	21,742,500	6,177,500		1,286,482	20,456,018	6,177,500
11-04	Various Capital Improvements	11,470,000	4,373,500	7,096,500		10,141,337		1,328,663
12-01	Refunding Bonds - General Obligation Bonds	13,000,000			13,000,000	11,950,000		1,050,000
12-02	Refunding Bonds - Preakness Healthcare Expansion Project	63,500,000			63,500,000	53,970,000		9,530,000
12-03	Improvements to Passaic Community College Facilities	8,500,000			8,500,000	39,050	8,460,950	
12-04	Improvement of Passaic County Community College	2,898,395			2,898,395			2,898,395
12-05	Improvement of the Passaic County Technical Institute	1,958,616			1,958,616			1,958,616
12-06	Various Capital Improvements	12,428,000			12,428,000	4,847,015		7,580,985
12-07	Various Capital Improvements	28,853,000			28,853,000	4,474,052		24,378,948
12-08	Refunding Bonds - General Obligation Bonds	12,500,000			12,500,000	10,647,000		1,853,000
			<u>\$ 57,173,955</u>	<u>57,228,330</u>	<u>143,638,011</u>	<u>129,051,727</u>	<u>47,783,208</u>	<u>81,205,361</u>
	Capital Improvement Fund				\$ 604,900			
	Def. Charges to Future Taxation				<u>143,033,111</u>			
					<u>\$ 143,638,011</u>			
					Cash	\$ 8,653,211		
					Refundings	76,567,000		
					Encumbrances	<u>43,831,516</u>		
						<u>\$ 129,051,727</u>		

COUNTY OF PASSAIC
Schedule of Accounts Payable
General Capital Fund
Year Ended December 31, 2012

Balance - December 31, 2011		\$ <u>264,927</u>
Balance - December 31, 2012		\$ <u><u>264,927</u></u>

Schedule of Commitments Payable
General Capital Fund
Year Ended December 31, 2012

Balance - December 31, 2011		\$ 15,699,262
Increased by:		
Charges to Improvement Authorizations		<u>43,831,516</u>
		59,530,778
Decreased by:		
Payments		<u>15,699,262</u>
Balance - December 31, 2012		\$ <u><u>43,831,516</u></u>

COUNTY OF PASSAIC

Schedule of Green Acres Loan Payable

General Capital Fund

Year Ended December 31, 2012

Balance - December 31, 2011	\$	799,777
Decreased by:		
Paid by Budget Appropriations		<u>315,144</u>
Balance - December 31, 2012	\$	<u><u>484,633</u></u>

Schedule of Amount Due to the Township of Wayne

General Capital Fund

Year Ended December 31, 2012

Balance - December 31, 2011	\$	<u>1,100</u>
Balance - December 31, 2012	\$	<u><u>1,100</u></u>

COUNTY OF PASSAIC
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2012

Balance - December 31, 2011	\$	307,854
Increased by:		
2012 Budget Appropriations		<u>500,000</u>
		807,854
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>604,900</u>
Balance - December 31, 2012	\$	<u><u>202,954</u></u>

Schedule of Reserve for Final Payments and Litigation
General Capital Fund
Year Ended December 31, 2012

Balance - December 31, 2011	\$	<u>160,258</u>
Balance - December 31, 2012	\$	<u><u>160,258</u></u>

COUNTY OF PASSAIC

Schedule of Reserve for Payment of Bonds and Notes

General Capital Fund

Year Ended December 31, 2012

	Ordinance	Balance Dec. 31, 2011	Increased	Decreased	Balance Dec. 31, 2012
Reserve for Payment of Bonds:					
Paterson Hamburg Tpk/Jackson	02-34	\$ 120,766		120,766	
Waganaw Road/Lincoln Avenue Improvements	03-15		309		309
West Broadway Bridge/Passaic River	05-11	174,404		174,404	
Acquisition of Property - Ball Tract	05-15	1,800,000			1,800,000
Fiber Optics Network	06-05	389,790		389,790	
Suppl - Study and Imp to Hazel Street	06-15		110		110
General Parks & Recreation Program Imp.	07-09	30,907		30,907	
Private Fiber Network	04-21		49,336		49,336
West Broadway Bridge	05-11		126,817		126,817
Total Reserve for Payment of Bonds		<u>2,515,867</u>	<u>176,572</u>	<u>715,867</u>	<u>1,976,572</u>
Reserve for Payment of Bond Anticipation Notes:					
Hamburg Turnpike	04-01		2,791,000		2,791,000
Hillary Street Bridge PC #39	07-04	22,451		22,451	
West Broadway Bridge	07-06	136,599		136,599	
Implementation of Traffic Safety Program	07-10	2,700			2,700
Various Capital Improvements	08-03	736,567	3,569,038	625,083	3,680,522
Over Borrowed			1,548,150		1,548,150
ARRA 2009 Road Resurfacing	09-01		684,270		684,270
2009 Road Resurfacing	09-01		26,440		26,440
Various Building & Grounds Imp	09-06		91,252		91,252
Total Reserve for Payment of Bond Anticipation Notes		<u>898,317</u>	<u>8,710,150</u>	<u>784,133</u>	<u>8,824,334</u>
Total Reserve for Payment of Bonds and Notes		<u>\$ 3,414,184</u>	<u>8,886,722</u>	<u>1,500,000</u>	<u>10,800,906</u>
			Cash \$ 1,897,000	1,500,000	
			Deferred Charges - Unfunded 419		
			Interfunds 684,270		
			Transfer from Reserve for Unappropriated Grants 2,791,000		
			Transfer from Reserve for Grants Receivable 3,514,033		
			<u>\$ 8,886,722</u>	<u>1,500,000</u>	

COUNTY OF PASSAIC

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2012

	Balance, December 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2012</u>
Current Fund	\$ 1,540,755	51,042,946	50,580,071	2,003,630
Other Trust Fund - Open Space		2,000,000	2,000,000	
Self Insurance Trust Fund		660,000	660,000	
	<u>1,540,755</u>	<u>53,702,946</u>	<u>53,240,071</u>	<u>2,003,630</u>
Due from	<u>1,540,755</u>	<u>53,702,946</u>	<u>53,240,071</u>	<u>2,003,630</u>
	<u>\$ 1,540,755</u>	<u>53,702,946</u>	<u>53,240,071</u>	<u>2,003,630</u>

Receipts	\$	15,513,497
Serial Bonds		36,726,350
Reserve for Payment of Notes		684,270
Premium on Bonds/Note Sale		220,894
Accrued Liability Cancelled		95,060
Interest of Investments	11,284	
Disbursements	<u>53,691,662</u>	
	<u>\$ 53,702,946</u>	<u>53,240,071</u>

Exhibit C-16

COUNTY OF PASSAIC

Schedule of Reserve for Salt Shed - West Milford

General Capital Fund

Year Ended December 31, 2012

Balance - December 31, 2011	\$ <u>296,619</u>
Balance - December 31, 2012	\$ <u><u>296,619</u></u>

Exhibit C-17

Schedule of Reserve for EFA State Loan Payments

General Capital Fund

Year Ended December 31, 2012

Balance - December 31, 2011	\$ <u>500,000</u>
Balance - December 31, 2012	\$ <u><u>500,000</u></u>

COUNTY OF PASSAIC

Schedule of Reserve for Interest - Fire Academy

General Capital Fund

Year Ended December 31, 2012

Balance - December 31, 2011	\$	1,100,438
Increased by:		
Cash Receipts		<u>553</u>
Balance - December 31, 2012	\$	<u><u>1,100,991</u></u>

Exhibit C-19

COUNTY OF PASSAIC

**Schedule of Reserve for Administration
Building Settlement**

General Capital Fund

Year Ended December 31, 2012

Balance - December 31, 2011	\$ <u>9,786</u>
Balance - December 31, 2012	\$ <u><u>9,786</u></u>

Exhibit C-20

Schedule of Reserve for Interest - DOT Programs

General Capital Fund

Year Ended December 31, 2012

Balance - December 31, 2011	\$ 11,818
Increased by:	
Cash Receipts	<u>421</u>
Balance - December 31, 2012	\$ <u><u>12,239</u></u>

COUNTY OF PASSAIC
Schedule of Reserve for Unappropriated Grants
General Capital Fund
Year Ended December 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Reserve for Scoping of 8th Street from NJIT	\$ 118			118
Reserve for Greenwood Lake Turnpike CCTP Program	2,791,000		2,791,000	
Reserve for Road Improvements - Ringwood Avenue		599,280		599,280
	<u>\$ 2,791,118</u>	<u>599,280</u>	<u>2,791,000</u>	<u>599,398</u>

COUNTY OF PASSAIC
Schedule of Reserve for Grants Receivable
General Capital Fund
Year Ended December 31, 2012

Balance - December 31, 2011	\$ 5,735,507
Increased by:	
Grant Awards	<u>25,695,000</u>
	31,430,507
Decreased by:	
Reserve for Payment of Bonds and Notes	<u>3,514,033</u>
Balance - December 31, 2012	<u>\$ 27,916,474</u>
 <u>Analysis of Balance:</u>	
Ordinance 08-03	\$ 2,221,474
Ordinance 12-06	10,165,000
Ordinance 12-07	<u>15,530,000</u>
	<u>27,916,474</u>

Exhibit C-23

COUNTY OF PASSAIC

Schedule of Reserve for Bonding Payments

General Capital Fund

Year Ended December 31, 2012

Balance - December 31, 2011	\$ <u>24,700</u>
Decreased by:	
Cash Disbursements	<u>15,810</u>
Balance - December 31, 2012	\$ <u><u>8,890</u></u>

Exhibit C-24

Schedule of Accrued Interest Payable

General Capital Fund

Year Ended December 31, 2012

Balance - December 31, 2011	\$ <u>95,060</u>
Decreased by:	
Interfund - Current Fund	\$ <u><u>95,060</u></u>

COUNTY OF PASSAIC

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2011	Increased	Decreased	Balance Dec. 31, 2012
		Issue	Issue	Maturity	Rate	Dec. 31, 2011	Increased	Decreased	Dec. 31, 2012
03-05	Self Insurance Funding	4/13/09	4/12/11	4/11/12	1.0000%	\$ 13,570,000		13,570,000	
03-09	Supplemental - Improvements to Camp Hope	4/13/09	4/12/11	4/11/12	1.0000%	142,850		142,850	
03-15	Waganaw Road/Lincoln Avenue Improvements	4/13/09	4/12/11	4/11/12	1.0000%	380,000		380,000	
03-16	Supplemental - Repair of Bellmount Ave Bridge	4/13/09	4/12/11	4/11/12	1.0000%	190,000		190,000	
03-17	Supplemental - Reconstruction of Various Bridges	4/13/09	4/12/11	4/11/12	1.0000%	476,000		476,000	
03-19	Supplemental - 1992 Guide Rail Program	4/13/09	4/12/11	4/11/12	1.0000%	190,000		190,000	
03-20	Supplemental - Various Drainage Improvements	4/13/09	4/12/11	4/11/12	1.0000%	238,000		238,000	
03-24	Supplemental - Renovations to W. Broadway Bridge PC#17	4/13/09	4/12/11	4/11/12	1.0000%	47,500		47,500	
03-27	Supplemental - Acquisition of Hospital Equipment	4/13/09	4/12/11	4/11/12	1.0000%	475,000		475,000	
04-03	Imp to Paterson Hamburg Turnpike/Jackson Ave.	4/13/09	4/12/11	4/11/12	1.0000%	372,000		372,000	
04-20	Various Drainage Projects	4/13/09	4/12/11	4/11/12	1.0000%	332,500		332,500	
04-22	Traffic Safety Programs	4/13/09	4/12/11	4/11/12	1.0000%	142,500		142,500	
05-07	Parks & Recreation General Improvements	4/13/09	4/12/11	4/11/12	1.0000%	2,000,000		2,000,000	
06-06	Bridge Replacements and/or Repairs	4/13/09	4/12/11	4/11/12	1.0000%	1,000,000		1,000,000	
06-07	Various Capital Improvements	4/13/09	4/12/11	4/11/12	1.0000%	1,000,000		1,000,000	
06-08	Parks & Recreation General Improvements	4/13/09	4/12/11	4/11/12	1.0000%	28,500		28,500	
06-09	Acquisition of Additional Equipment	4/13/09	4/12/11	4/11/12	1.0000%	1,045,000		1,045,000	
06-10	Various Repairs & Improvements	4/13/09	4/12/11	4/11/12	1.0000%	950,000		950,000	
06-10/06-14	Various Repairs & Improvements	4/13/09	4/12/11	4/11/12	1.0000%	5,225,000		5,225,000	
96-15/00-44/06-15	Supplemental - Study and Improvements to Hazel Street	4/13/09	4/12/11	4/11/12	1.0000%	225,000		225,000	
07-03	2007 Road Resurfacing Program	4/13/09	4/12/11	4/11/12	1.0000%	2,992,500		2,992,500	
07-08	2007 Road Improvement Projects	4/13/09	4/12/11	4/11/12	1.0000%	1,619,000		1,619,000	
07-13	Various Capital Improvements	4/13/09	4/12/11	4/11/12	1.0000%	4,085,000		4,085,000	
00-41	Supplemental - Valley Road & Pompton Hamburg Tpke Intersection Improvement	12/29/11	12/28/12	12/27/13	1.2500%	150,000	150,000	150,000	150,000
00-44	Supplemental - Study & Improvements of Hazel Street	12/29/11	12/28/12	12/27/13	1.2500%	66,000	66,000	66,000	66,000
01-08	Goffle Brook Multi Use Path	12/29/11	12/28/12	12/27/13	1.2500%	100,000	100,000	100,000	100,000
01-29	Supplemental - Reconstruction of Greenwood Lake Tpke	12/29/11	12/28/12	12/27/13	1.2500%	81,000	81,000	81,000	81,000
01-31	Supplemental - Totowa & French Hill Road Improvements	12/29/11	12/28/12	12/27/13	1.2500%	428,000	428,000	428,000	428,000
01-36	Supplemental-Various Roads & Bridge Repairs Hurricane Floyd	12/29/11	12/28/12	12/27/13	1.2500%	238,000	238,000	238,000	238,000
02-12	Supplemental - Improvements of Totowa/French Hill Road	12/29/11	12/28/12	12/27/13	1.2500%	285,000	285,000	285,000	285,000
02-17	Supplemental - Reconstruction of Greenwood Lake Tpke	12/29/11	12/28/12	12/27/13	1.2500%	1,932,000	1,932,000	1,932,000	1,932,000
02-30	Supplemental - Improvements of Valley Road & Paterson Hamburg Turnpike Intersection	12/29/11	12/28/12	12/27/13	1.2500%	952,000	952,000	952,000	952,000
02-31	Supplemental - Renovation of Apsawa Drive	12/29/11	12/28/12	12/27/13	1.2500%	285,000	285,000	285,000	285,000
02-35	Supplemental - Replacement of Jail Roof	12/29/11	12/28/12	12/27/13	1.2500%	285,000	285,000	285,000	285,000
04-01	Improvements to Paterson Hamburg Turnpike	12/29/11	12/28/12	12/27/13	1.2500%		3,200,000		3,200,000
05-07	Parks & Recreation General Improvements	12/29/11	12/28/12	12/27/13	1.2500%	757,400	757,400	757,400	757,400
07-06	Various Capital Improvements	12/29/11	12/28/12	12/27/13	1.2500%	1,000,000	1,000,000	1,000,000	1,000,000
07-10	Implementation of Traffic Safety Program	12/29/11	12/28/12	12/27/13	1.2500%	142,500	142,500	142,500	142,500
07-12	Acquisition of Various Equipment	12/29/11	12/28/12	12/27/13	1.2500%	500,000	500,000	500,000	500,000
07-14	Various Improvements for the County College	12/29/11	12/28/12	12/27/13	1.2500%	2,500,000	2,500,000	2,500,000	2,500,000
07-15	Various Improvements for the Vocational Technical School	12/29/11	12/28/12	12/27/13	1.2500%	979,100	979,100	979,100	979,100

COUNTY OF PASSAIC

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance			Balance Dec. 31, 2012
						Dec. 31, 2011	Increased	Decreased	
08-01	Various Buildings & Grounds Improvements	12/29/11	12/28/12	12/27/13	1.2500%	2,500,000	2,500,000	2,500,000	2,500,000
08-03	Various Capital Improvements	12/29/11	12/28/12	12/27/13	1.2500%	5,000,000	5,000,000	5,000,000	5,000,000
09-01	2009 Road Resurfacing	12/29/11	12/28/12	12/27/13	1.2500%	1,000,000	2,900,000	1,000,000	2,900,000
09-06	Building & Grounds Improvements	12/29/11	12/28/12	12/27/13	1.2500%	2,500,000	2,500,000	2,500,000	2,500,000
09-09	Various Capital Improvements	12/29/11	12/28/12	12/27/13	1.2500%		2,000,000		2,000,000
10-08	Various Capital Improvements	12/29/11	12/28/12	12/27/13	1.2500%	4,000,000	6,500,000	4,000,000	6,500,000
11-04	Various Capital Improvements	12/29/11	12/28/12	12/27/13	1.2500%		4,000,000		4,000,000
00-11	Supplemental - Acquisition of Office Equipment	12/29/11	12/28/12	12/27/13	1.0000%	285,000	285,000	285,000	285,000
00-12	Renovation of 80 Hamilton St. - Welfare Board	12/29/11	12/28/12	12/27/13	1.0000%	380,000	380,000	380,000	380,000
00-14	Supplemental - Redecking of McBride Bridge	12/29/11	12/28/12	12/27/13	1.0000%	48,525	48,525	48,525	48,525
00-18	Supplemental - Reconstruction Various Bridges	12/29/11	12/28/12	12/27/13	1.0000%	285,000	285,000	285,000	285,000
00-19	Supplemental - Various Drainage Projects	12/29/11	12/28/12	12/27/13	1.0000%	218,000	218,000	218,000	218,000
00-25	Renovation of Youth Center	12/29/11	12/28/12	12/27/13	1.0000%	238,000	238,000	238,000	238,000
01-02	Supplemental - Renovations to Courthouse Complex	12/29/11	12/28/12	12/27/13	1.0000%	285,000	285,000	285,000	285,000
01-09	Reconstruction of Straight Street/River Street	12/29/11	12/28/12	12/27/13	1.0000%	380,000	380,000	380,000	380,000
01-11	Supplemental - 1992 Guide Rail Program	12/29/11	12/28/12	12/27/13	1.0000%	90,000	90,000	90,000	90,000
01-13	Supplemental - Various Drainage Projects	12/29/11	12/28/12	12/27/13	1.0000%	142,000	142,000	142,000	142,000
01-28	Supplemental - Improvements to Camp Hope	12/29/11	12/28/12	12/27/13	1.0000%	95,000	95,000	95,000	95,000
01-32	Supplemental - Various Road & Bridge Repairs								
	Hurricane Floyd	12/29/11	12/28/12	12/27/13	1.0000%	124,910	124,910	124,910	124,910
01-33	Supplemental - Various Road & Bridge Repairs								
	Hurricane Floyd	12/29/11	12/28/12	12/27/13	1.0000%	166,000	166,000	166,000	166,000
02-14	Supplemental - Various Drainage Improvements	12/29/11	12/28/12	12/27/13	1.0000%	142,500	142,500	142,500	142,500
02-21	Supplemental - 1992 Guide Rail Program	12/29/11	12/28/12	12/27/13	1.0000%	142,000	142,000	142,000	142,000
02-39	Supplemental - Equipment for Preakness Hospital	12/29/11	12/28/12	12/27/13	1.0000%	285,000	285,000	285,000	285,000
02-40	Supplemental - Renovations to Public Buildings	12/29/11	12/28/12	12/27/13	1.0000%	190,000	190,000	190,000	190,000
02-41	Refunding Ordinance - Payment of Pension Obligations	12/29/11	12/28/12	12/27/13	1.0000%	239,065	239,065	239,065	239,065
03-08	Traffic Signal Reimbursements	12/29/11	12/28/12	12/27/13	1.0000%	100,000	100,000	100,000	100,000
04-05	Acquisition of Property for a Salt Dome	12/29/11	12/28/12	12/27/13	1.0000%	5,000	5,000	5,000	5,000
04-23	Intersection Improvements	12/29/11	12/28/12	12/27/13	1.0000%	50,000	50,000	50,000	50,000
04-28	GIS Parcel Mapping in & by the County	12/29/11	12/28/12	12/27/13	1.0000%	50,000	50,000	50,000	50,000
						<u>\$ 66,348,350</u>	<u>43,222,000</u>	<u>66,348,350</u>	<u>43,222,000</u>

Cash	\$ 13,600,000	
Renewed	29,622,000	29,622,000
Serial Bonds		36,725,000
Excess Proceeds		1,350
	<u>\$ 43,222,000</u>	<u>66,348,350</u>

COUNTY OF PASSAIC
Schedule of General Serial Bonds Payable
General Capital Fund
Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2012</u>		<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2012</u>
			<u>Year</u>	<u>Amount</u>					
General Obligation of Refunding Bonds of 1993	09/01/93	41,940,000				\$ 2,045,000		2,045,000	
General Obligation Refunding Bonds of 1998 (Term Bonds) - Series B	09/01/98	30,700,000	2014	1,600,000	6.770%	17,200,000			15,700,000
			2015	1,700,000	6.770%				
			2016	1,800,000	6.770%				
			2017	1,900,000	6.770%				
			2018	2,300,000	6.770%				
			2019	2,400,000	6.770%				
			2020	2,500,000	6.770%				

COUNTY OF PASSAIC
Schedule of General Serial Bonds Payable
General Capital Fund
Year Ended December 31, 2012

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			Year	Amount					
General Obligation Refunding Bonds of 1998 (Term Bonds) - Series A	09/01/98	665,000	2019 2020	220,000 225,000	6.770% 6.770%	665,000			665,000
County College Bond Series 1996B - State Aid	11/01/96	5,404,000				359,000		359,000	
General Improvement Bonds	09/15/01	14,965,000	2013 2014 2015	1,500,000 1,600,000 1,665,000	4.200% 4.200% 4.200%	6,265,000		1,500,000	4,765,000
General Improvement Bonds	09/15/02	9,485,000	2013 2014	1,345,000 1,435,000	3.600% 3.650%	4,045,000		1,265,000	2,780,000
County College Bonds	09/15/02	1,033,000	2013 2014	85,000 98,000	3.600% 3.650%	268,000		85,000	183,000

COUNTY OF PASSAIC
Schedule of General Serial Bonds Payable
General Capital Fund
Year Ended December 31, 2012

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			Year	Amount					
Vocational School Bonds	09/15/02	2,515,000	2013	355,000	3.625%	1,055,000		335,000	720,000
			2014	365,000	3.750%				
Pension Refunding Bonds, Series 2003	02/15/03	6,560,000	2013	520,000	4.760%	4,105,000		490,000	3,615,000
			2014	590,000	5.000%				
			2015	680,000	5.000%				
			2016	780,000	5.000%				
			2017	880,000	5.000%				
			2018	25,000	5.750%				
			2019	35,000	5.750%				
			2020	45,000	5.750%				
			2021	60,000	5.750%				
General Improvement Bonds	08/15/03	11,977,000	2013	1,500,000	4.200%	8,427,000		6,927,000	1,500,000
			2014	1,700,000	4.200%				
			2015	1,900,000	4.200%				
			2016	2,027,000	4.250%				

COUNTY OF PASSAIC
Schedule of General Serial Bonds Payable
General Capital Fund
Year Ended December 31, 2012

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			Year	Amount					
County College Bonds	08/15/03	2,010,000	2013-15	170,000	4.200%	680,000		170,000	510,000
General Obligation Refunding Bonds	09/01/03	21,855,000	2013	2,015,000	5.200%	7,870,000			7,870,000
			2014	1,985,000	5.200%				
			2015	1,955,000	5.200%				
			2016	1,915,000	5.200%				
General Obligation Bonds	03/15/04	19,495,000	2013	1,350,000	3.250%	11,595,000		1,300,000	10,295,000
			2014	1,800,000	3.375%				
			2015	3,400,000	3.500%				
			2016	3,745,000	3.500%				

COUNTY OF PASSAIC
Schedule of General Serial Bonds Payable
General Capital Fund
Year Ended December 31, 2012

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			Year	Amount					
General Obligation Refunding Bonds	05/01/04	12,220,000	2013	1,220,000	3.250%	7,120,000		1,240,000	5,880,000
			2014	1,205,000	3.250%				
			2015	1,190,000	3.250%				
			2016	1,170,000	3.250%				
			2017	1,095,000	3.375%				
General Obligation Refunding Bonds (A)	09/01/04	41,870,000	2013	5,370,000	4.000%	18,600,000		10,265,000	8,335,000
			2014	2,965,000	4.000%				
			2015	1,020,000	4.125%				
			2016	1,005,000	4.250%				
			2017	610,000	4.400%				
			2018	605,000	4.500%				
			2019	600,000	4.600%				
			2020	600,000	4.625%				
			2021	580,000	4.750%				
			County College Bonds (A)	10/15/04	4,788,000				
2014	420,000	3.600%							
2015	450,000	3.600%							
2016	465,000	3.600%							
2017	488,000	3.600%							

COUNTY OF PASSAIC
Schedule of General Serial Bonds Payable
General Capital Fund
Year Ended December 31, 2012

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			Year	Amount					
County College Bonds (B)	10/15/04	4,784,000	2013	535,000	3.250%	1,616,000		515,000	1,101,000
			2014	566,000	3.250%				
General Obligation Bonds	06/01/05	20,000,000	2013	1,600,000	3.750%	15,075,000		13,475,000	1,600,000
			2014	1,725,000	3.750%				
			2015	1,825,000	3.750%				
			2016	1,925,000	3.750%				
			2017	2,025,000	3.875%				
			2018	2,175,000	4.000%				
			2019	2,275,000	4.000%				
General Obligation Bonds	06/01/06	20,000,000	2013	175,000	4.375%	19,650,000		100,000	19,550,000
			2014	200,000	4.375%				
			2015	1,000,000	4.375%				
			2016	1,100,000	4.375%				
			2017	1,200,000	4.375%				
			2018	1,300,000	4.375%				
			2019	1,400,000	4.375%				
			2020	1,500,000	4.375%				
			2021	1,600,000	4.375%				
			2022	1,700,000	4.375%				
			2023	1,800,000	4.500%				
			2024	1,900,000	4.500%				
			2025	2,075,000	4.500%				
2026	2,600,000	4.500%							

COUNTY OF PASSAIC
Schedule of General Serial Bonds Payable
General Capital Fund
Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2012</u>		<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2012</u>
			<u>Year</u>	<u>Amount</u>					
County College Bonds (A)	11/15/06	3,050,000	2013	260,000	3.750%	1,950,000		250,000	1,700,000
			2014	270,000	3.750%				
			2015	280,000	3.750%				
			2016	290,000	3.875%				
			2017-18	300,000	4.000%				
County College Bonds (B)	11/15/06	3,050,000	2013	260,000	3.750%	1,950,000		250,000	1,700,000
			2014	270,000	3.750%				
			2015	280,000	3.750%				
			2016	290,000	3.875%				
			2017-18	300,000	4.000%				

COUNTY OF PASSAIC
Schedule of General Serial Bonds Payable
General Capital Fund
Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2012</u>		<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2012</u>
			<u>Year</u>	<u>Amount</u>					
County College Bonds (A)	11/01/07	5,950,000	2013	500,000	3.750%	4,425,000		450,000	3,975,000
			2014	525,000	3.750%				
			2015	545,000	3.750%				
			2016	570,000	3.750%				
			2017	595,000	3.750%				
			2018	615,000	4.000%				
			2019	625,000	4.000%				
County College Bonds (B)	11/01/07	5,950,000	2013	500,000	3.750%	4,425,000		450,000	3,975,000
			2014	525,000	3.750%				
			2015	545,000	3.750%				
			2016	570,000	3.750%				
			2017	595,000	3.750%				
			2018	615,000	4.000%				
			2019	625,000	4.000%				

COUNTY OF PASSAIC
Schedule of General Serial Bonds Payable
General Capital Fund
Year Ended December 31, 2012

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			Year	Amount					
General Obligation Bonds	05/01/08	48,625,000	2013	125,000	4.000%	48,500,000		100,000	48,400,000
			2014	2,000,000	4.000%				
			2015	2,075,000	4.000%				
			2016	2,100,000	5.000%				
			2017	2,900,000	5.000%				
			2018	3,000,000	5.000%				
			2019	3,100,000	5.000%				
			2020	3,200,000	4.000%				
			2021	3,300,000	4.125%				
			2022	3,400,000	4.250%				
			2023	3,500,000	4.250%				
			2024	3,700,000	4.250%				
			2025	3,800,000	4.250%				
			2026	3,900,000	4.250%				
			2027	4,075,000	4.500%				
			2028	4,225,000	4.500%				
Vocational School Bonds	05/01/08	2,938,000	2013	235,000	4.000%	2,458,000		210,000	2,248,000
			2014	260,000	4.000%				
			2015	285,000	4.000%				
			2016	310,000	5.000%				
			2017	335,000	5.000%				
			2018	385,000	5.000%				
2019	438,000	5.000%							

COUNTY OF PASSAIC
Schedule of General Serial Bonds Payable
General Capital Fund
Year Ended December 31, 2012

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			Year	Amount					
County College Bonds	05/01/08	8,077,000	2013	635,000	4.000%	6,382,000		615,000	5,767,000
			2014	660,000	4.000%				
			2015	685,000	4.000%				
			2016	700,000	5.000%				
			2017	710,000	5.000%				
			2018	770,000	5.000%				
			2019	795,000	5.000%				
			2020	812,000	4.000%				
General Improvement Refunding Bonds	09/15/09	8,540,000	2013	1,460,000	3.000%	5,890,000		1,365,000	4,525,000
			2014	1,515,000	3.000%				
			2015	1,550,000	5.000%				
College Refunding Bonds	09/15/09	2,190,000	2013	365,000	3.000%	1,525,000		390,000	1,135,000
			2014	380,000	3.000%				
			2015	390,000	5.000%				
College Refunding Bonds	09/15/09	2,160,000	2013	365,000	3.000%	1,435,000		360,000	1,075,000
			2014	360,000	3.000%				
			2015	350,000	5.000%				

COUNTY OF PASSAIC
Schedule of General Serial Bonds Payable
General Capital Fund
Year Ended December 31, 2012

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			Year	Amount					
General Obligation Bonds	04/01/10	19,671,000	2013	325,000	2.000%	19,421,000		300,000	19,121,000
			2014	350,000	2.500%				
			2015	750,000	2.500%				
			2016	1,000,000	2.500%				
			2017	1,250,000	3.000%				
			2018	1,500,000	3.250%				
			2019	1,750,000	3.500%				
			2020	2,000,000	4.000%				
			2021	2,250,000	4.000%				
			2022	2,500,000	4.000%				
			2023	2,650,000	4.000%				
			2024	2,796,000	4.000%				
Vocational School Bonds	04/01/10	945,000	2013	95,000	2.000%	870,000		90,000	780,000
			2014	100,000	2.250%				
			2015	110,000	2.250%				
			2016	120,000	2.500%				
			2017	125,000	3.000%				
			2018	130,000	3.250%				
			2019	100,000	3.500%				

COUNTY OF PASSAIC
Schedule of General Serial Bonds Payable
General Capital Fund
Year Ended December 31, 2012

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			Year	Amount					
County College Bonds	04/01/10	2,130,000	2013	170,000	2.000%	1,980,000		160,000	1,820,000
			2014	180,000	2.250%				
			2015	190,000	2.250%				
			2016	200,000	2.500%				
			2017	210,000	3.000%				
			2018	220,000	3.250%				
			2019	230,000	3.500%				
			2020	240,000	4.000%				
			2021	180,000	4.000%				
			General Refunding Bonds	06/17/10	10,045,000				
2014	1,690,000	2.500%							
2015	1,685,000	3.000%							
2016	1,665,000	3.000%							

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2012

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			Year	Amount					
Recovery Zone Economic Development Bond:	07/28/10	4,389,000	2013	196,000	2.300%	4,202,000		192,000	4,010,000
			2014	200,000	3.350%				
			2015	207,000	3.600%				
			2016	214,000	4.350%				
			2017	223,000	4.450%				
			2018	233,000	4.910%				
			2019	244,000	5.010%				
			2020	257,000	5.110%				
			2021	270,000	5.610%				
			2022	285,000	5.610%				
			2023	300,000	5.610%				
			2024	317,000	5.610%				
			2025	336,000	5.610%				
			2026	354,000	6.540%				
			2027	374,000	6.540%				
County College Bonds	08/01/10	1,177,000	2013	90,000	2.000%	1,097,000		85,000	1,012,000
			2014	95,000	2.000%				
			2015	100,000	2.000%				
			2016	105,000	2.500%				
			2017	110,000	3.000%				
			2018	115,000	3.000%				
			2019	120,000	3.000%				
			2020	125,000	3.000%				
			2021	152,000	3.000%				

COUNTY OF PASSAIC
Schedule of General Serial Bonds Payable
General Capital Fund
Year Ended December 31, 2012

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			Year	Amount					
County College Bonds	08/01/10	1,176,000	2013	90,000	2.000%	1,096,000		85,000	1,011,000
			2014	95,000	2.000%				
			2015	100,000	2.000%				
			2016	105,000	2.500%				
			2017	110,000	3.000%				
			2018	115,000	3.000%				
			2019	120,000	3.000%				
			2020	125,000	3.000%				
			2021	151,000	3.000%				
			General Obligation Refunding Bonds	05/01/11	26,415,000				
2014	4,115,000	4.000%							
2015	4,355,000	4.000%							
2016	4,325,000	4.000%							
2017	475,000	4.250%							
2018	4,480,000	5.000%							
2019	755,000	4.750%							
2020	735,000	4.750%							

COUNTY OF PASSAIC
Schedule of General Serial Bonds Payable
General Capital Fund
Year Ended December 31, 2012

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			Year	Amount					
College Refunding Bonds	05/01/11	610,000	2013	130,000	5.000%	610,000		125,000	485,000
			2014	175,000	4.000%				
			2015	180,000	4.000%				
Vocational Education Refunding Bonds	05/01/11	300,000	2013	65,000	5.000%	300,000		60,000	240,000
			2014	85,000	4.000%				
			2015	90,000	4.000%				
General Obligation Refunding Bonds	02/01/12	11,695,000	2014	1,705,000	3.000%		11,695,000		11,695,000
			2015	1,790,000	3.000%				
			2016	1,875,000	4.000%				
			2017	1,975,000	4.000%				
			2018	2,125,000	4.000%				
General Obligation Bonds	04/01/12	23,155,000	2013	1,025,000	2.000%		23,155,000		23,155,000
			2014	1,025,000	2.000%				
			2015	1,200,000	2.000%				
			2016	1,350,000	3.000%				
			2017	1,400,000	3.000%				
			2018	1,500,000	3.000%				
			2019	1,550,000	3.000%				
			2020	1,805,000	3.000%				
			2021	2,050,000	3.000%				
			2022	2,050,000	3.000%				
			2023	2,050,000	3.000%				
			2024	2,050,000	3.000%				
			2025	2,050,000	3.000%				
2026	2,050,000	3.000%							

COUNTY OF PASSAIC
Schedule of General Serial Bonds Payable
General Capital Fund
Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2012</u>		<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2012</u>
			<u>Year</u>	<u>Amount</u>					
General Obligation Bonds - Taxable Bonds	04/01/12	13,570,000	2013	900,000	2.000%	13,570,000			13,570,000
			2014	1,000,000	2.000%				
			2015	1,100,000	2.000%				
			2016	1,200,000	3.000%				
			2017	1,350,000	3.000%				
			2018	1,450,000	3.000%				
			2019	1,600,000	3.000%				
			2020	1,700,000	3.000%				
			2021	1,700,000	3.000%				
			2022	1,570,000	3.000%				
College Bond - Series 2012A	06/01/12	4,250,000	2013	365,000	1.500%	4,250,000			4,250,000
			2014	375,000	2.000%				
			2015	390,000	2.000%				
			2016	400,000	2.000%				
			2017	415,000	2.000%				
			2018	430,000	2.000%				
			2019	445,000	3.000%				
			2020	460,000	3.000%				
			2021	475,000	3.000%				
			2022	495,000	3.000%				
College Bond - Series 2012B	06/01/12	4,250,000	2013	365,000	1.500%	4,250,000			4,250,000
			2014	375,000	2.000%				
			2015	390,000	2.000%				
			2016	400,000	2.000%				
			2017	415,000	2.000%				
			2018	430,000	2.000%				
2019	445,000	3.000%							
2020	460,000	3.000%							

COUNTY OF PASSAIC
Schedule of General Serial Bonds Payable
General Capital Fund
Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2012</u>		<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2012</u>
			<u>Year</u>	<u>Amount</u>					
			2021	475,000	3.000%				
			2022	495,000	3.000%				
General Obligation Refunding Bonds	08/15/12	10,200,000	2013	145,000	1.500%		10,200,000		10,200,000
			2014	1,535,000	3.000%				
			2015	2,735,000	3.000%				
			2016	2,895,000	3.000%				
			2017	600,000	3.000%				
			2018	585,000	4.000%				
			2019	580,000	4.000%				
			2020	575,000	4.000%				
			2021	550,000	4.000%				
General Obligation Bonds	08/15/12	530,000	2013	205,000	3.000%		530,000		530,000
			2014	205,000	3.000%				
			2015	120,000	3.000%				
						\$ 272,594,000	67,650,000	52,763,000	287,481,000

COUNTY OF PASSAIC
Schedule of State Educational Facilities Authority Loans Payable
General Capital Fund
Year Ended December 31, 2012

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding Dec. 31, 2012		Interest Rate	Balance December 31, 2011	Decreased	Balance December 31, 2012
			Date	Amount				
County College Capital Projects	03/01/00	\$ 2,015,000	09/01/13	175,000	5.000%	515,000	165,000	350,000
			09/01/14	175,000	5.000%			
						\$ 515,000	165,000	350,000

COUNTY OF PASSAIC
Schedule of New Jersey Green Trust Loans Payable
General Capital Fund
Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Loans Outstanding Dec. 31, 2012</u>		<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Decreased</u>	<u>Balance December 31, 2012</u>
			<u>Date</u>	<u>Amount</u>				
Lambert Castle Grounds Project	02/28/08	\$ 564,657	02/28/13	20,709	2.000%	447,004	40,805	406,199
			08/28/13	20,916	2.000%			
			02/28/14	21,125	2.000%			
			08/28/14	21,336	2.000%			
			02/28/15	21,550	2.000%			
			08/28/15	21,765	2.000%			
			02/28/16	21,983	2.000%			
			08/28/16	22,203	2.000%			
			02/28/17	22,425	2.000%			
			08/28/17	22,649	2.000%			
			02/28/18	22,875	2.000%			
			08/28/18	23,104	2.000%			
			02/28/19	23,335	2.000%			
			08/28/19	23,569	2.000%			
			02/28/20	23,804	2.000%			
			08/28/20	24,042	2.000%			
			02/28/21	24,283	2.000%			
08/28/21	25,525	2.000%						
						\$ 447,004	40,805	406,199

COUNTY OF PASSAIC
Schedule of Capital Leases Payable
General Capital Fund
Year Ended December 31, 2012

Purpose	Date of Issue	Amount of Original Issue	Maturities of Capital Leases Outstanding Dec. 31, 2012		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			Date	Amount					
Preakness Healthcare Center Expansion	05/01/05	\$ 65,000,000	03/15/13	1,440,000	5.000%	59,905,000		55,355,000	4,550,000
			03/15/14	1,515,000	5.000%				
			03/15/15	1,595,000	5.000%				

COUNTY OF PASSAIC
Schedule of Capital Leases Payable
General Capital Fund
Year Ended December 31, 2012

Purpose	Date of Issue	Amount of Original Issue	Maturities of Capital Leases Outstanding		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			Date	Amount					
Prosecutor's Office Building Improvements	12/09/05	6,000,000	12/15/13	270,000	4.000%	4,860,000		255,000	4,605,000
			12/15/14	285,000	5.000%				
			12/15/15	300,000	4.000%				
			12/15/16	310,000	4.000%				
			12/15/17	320,000	4.125%				
			12/15/18	335,000	4.125%				
			12/15/19	350,000	4.250%				
			12/15/20	365,000	4.250%				
			12/15/21	380,000	4.300%				
			12/15/22	395,000	4.375%				
			12/15/23	415,000	4.375%				
			12/15/24	430,000	4.500%				
			12/15/25	450,000	4.500%				

COUNTY OF PASSAIC
Schedule of Capital Leases Payable
General Capital Fund
Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Capital Leases Outstanding Dec. 31, 2012</u>		<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2012</u>
			<u>Date</u>	<u>Amount</u>					
Preakness Healthcare Center Expansion	05/01/06	\$ 22,960,000	05/01/13	510,000	5.000%	21,625,000		485,000	21,140,000
			05/01/14	530,000	4.000%				
			05/01/15	555,000	4.000%				
			05/01/16	575,000	4.100%				
			05/01/17	600,000	4.125%				
			05/01/18	625,000	4.250%				
			05/01/19	655,000	4.250%				
			05/01/20	685,000	4.300%				
			05/01/21	715,000	4.375%				
			05/01/22	745,000	4.375%				
			05/01/23	780,000	4.500%				
			05/01/24	815,000	4.500%				
			05/01/25	850,000	4.500%				
			05/01/26	890,000	4.500%				
			05/01/27	930,000	4.500%				
			05/01/28	975,000	4.500%				
			05/01/29	1,020,000	4.750%				
			05/01/30	1,070,000	4.750%				
			05/01/31	1,125,000	4.750%				
			05/01/32	1,175,000	4.750%				
05/01/33	1,235,000	4.750%							
05/01/34	1,295,000	4.750%							
05/01/35	1,360,000	4.750%							
05/01/36	1,425,000	4.750%							
Refunding -Preakness Healthcare Center Expansior	05/01/12	\$ 57,425,000	05/01/13	210,000	5.000%		57,425,000		57,425,000
			05/01/14	215,000	5.000%				
			05/01/15	220,000	5.000%				
			05/01/16	1,905,000					
			05/01/17	2,000,000					
			05/01/18	200,000					

COUNTY OF PASSAIC
Schedule of Capital Leases Payable
General Capital Fund
Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Capital Leases Outstanding Dec. 31, 2012</u>		<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2012</u>
			<u>Date</u>	<u>Amount</u>					
			05/01/18	1,905,000					
			05/01/19	1,890,000					
			05/01/19	300,000					
			05/01/20	2,250,000					
			05/01/21	2,330,000					
			05/01/22	1,530,000					
			05/01/22	900,000					
			05/01/23	2,010,000					
			05/01/23	500,000					
			05/01/24	2,610,000					
			05/01/25	2,740,000					
			05/01/26	2,885,000					
			05/01/27	3,000,000					
			05/01/28	3,090,000					
			05/01/29	3,185,000					
			05/01/30	3,290,000					
			05/01/35	18,260,000					
						<u>\$ 86,390,000</u>	<u>57,425,000</u>	<u>56,095,000</u>	<u>87,720,000</u>

COUNTY OF PASSAIC

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2012

Ordinance Number		Balance Dec. 31, 2011	Increased	Decreased	Balance Dec. 31, 2012
General Improvements:					
87-25	New Street Reconstruction - Phases II and III	\$ 337,629			337,629
87-43	Reconstruction of Old Turnpike Bridge PC #325	87,868			87,868
91-30	Reconstruction East Main Bridge	101,608			101,608
95-04	Road Intersection Program	63,538			63,538
95-07	Reconstruction Lafayette Ave.	1,500			1,500
96-06	Road Improvements Passaic Avenue	81,782			81,782
96-15	Hazel Street Scoping/Construction	6,000			6,000
96-21	Preakness Brook PC #348	37,000			37,000
96-22	Reconstruction of Valley Road	8,240			8,240
96-24	Expansion PCCC	222,000			222,000
97-01	Main Street & Arch Street Bridges - PC#15 & 16	58,685			58,685
97-05	Road Resurfacing Program - 1997	2,040			2,040
97-13	Church Street Bridge - PC #125	92,581			92,581
97-20	Construction of Police Academy Addition	7,000			7,000
97-26	Rehabilitate Bridges - PC #28 & #29	344,538			344,538
97-31	Design & Rehab. Magee Road Bridge - PC #404	90,000			90,000
98-23	Replacement of Wagaraw Road Bridge	75,000			75,000
98-35	Intersection Improvement at Belmont and Barbour Street	7,058			7,058
99-10	Various Drainage Improvements Projects	238,000			238,000
99-15	Totowa/French Hill Roads Intersection Improvements	476,000			476,000
00-08	Supplemental - Road Improvements	265			265
00-14	Supplemental - Redecking of McBride Bridge	67			67
	Construction of Jughandle from Paterson-Hamburg Turnpike to				
00-20	Hinchman Ave	238,000			238,000
00-40	Supplemental - Repairs/Rehab. to Kingsland Ave Bridge PC	36,000			36,000
	Supplemental - Valley Road and Pompton-Hamburg Tpk				
00-41	intersection improvements	88,000			88,000
02-41	Refunding ordinance - Payment of Pension Obligation	107			107
03-06	Supplemental - Road Improvements	266			266
04-01	Improvements to Paterson Hamburg	3,286,050		3,200,000	86,050
04-03	Imp to Paterson Hamburg Turnpike/Jackson Ave.	98			98
04-05	Acquisition of Property for a Salt Dome	185,000			185,000
04-09	Acq of Equipment for Passaic County Comm. College	881			881
04-12	Imp & Renovations to 435 Hamburg Turnpike	570,000			570,000
04-23	Intersection Improvements	282,500			282,500
05-06	Improvements to the PC Tech Institute	308			308
06-05	Private Fiber Optic Network	827			827
06-06	Bridge Replacements and/or Repairs	869,887			869,887
06-07	Various Capital Improvements	359,500			359,500
06-11	Improvements to the Vocational School	549			549
06-12	Improvements of Passaic County Community College	761			761
07-06	Various Capital Improvements	995,000			995,000
07-11	Intersection Improvement Projects	332,500			332,500
07-12	Acquisition of Various Equipment	946,850			946,850
07-15	Various Improvements for the Vocational Technical School	208			208
08-01	Various Building and Grounds Improvements	4,910,000			4,910,000
08-02	Various Roadway Imp & Acq. of Equipment	5,771,250			5,771,250
08-03	Various Capital Improvements	1,993,708			1,993,708
09-01	2009 Road Resurfacing	1,918,270		1,900,000	18,270
09-04	Various Park & Recreation Improvements	717,250			717,250

COUNTY OF PASSAIC
 Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2012

Ordinance Number		Balance Dec. 31, 2011	Increased	Decreased	Balance Dec. 31, 2012
General Improvements:					
09-05	Bridge, Road, & Traffic Safety	1,164,700			1,164,700
09-06	Building & Grounds Improvements	4,530,000			4,530,000
09-07	Acquisition of Equipment	1,914,250			1,914,250
09-08	Various Capital Improvements - PCCC	2,292,369			2,292,369
09-09	Various Capital Improvements - PCTI	2,937,924		2,000,000	937,924
10-02	Refunding Bonds - General Improvement Bonds	1,092			1,092
10-06	Various Capital Improvements	104,500			104,500
10-07	Refunding Bonds - GI 2003, 32mil	4,675,000			4,675,000
10-08	Various Capital Improvement Funds	951,850	1,548,150	2,500,000	
11-03	Various Capital Improvements	6,177,500			6,177,500
11-04	Various Capital Improvements	7,096,500		4,000,000	3,096,500
12-01	Refunding Bonds - General Obligation Bonds		13,000,000	11,950,000	1,050,000
	Refunding Bonds - Preakness Healthcare Expansion Project				
12-02	Lease		63,500,000	53,970,000	9,530,000
12-03	Improvements to Passaic Community College Facilities		8,500,000	8,500,000	
12-04	Improvement of Passaic County Community College		2,898,395		2,898,395
12-05	Improvement of the Passaic County Technical Institute		1,958,616		1,958,616
12-06	Various Capital Improvements		12,356,600		12,356,600
12-07	Various Capital Improvements		28,319,500		28,319,500
12-08	Refunding Bonds - General Obligation Bonds		12,500,000	10,647,000	1,853,000
		<u>\$ 57,687,854</u>	<u>144,581,261</u>	<u>98,667,000</u>	<u>103,602,115</u>
	Over Borrowed Authorized		1,548,150		
			<u>143,033,111</u>		
			<u>144,581,261</u>		
	Refunding Bonds			22,597,000	
	Capital Lease Refunding Bonds			53,970,000	
	County College Serial Bonds			8,500,000	
	Bond Anticipation Notes			<u>13,600,000</u>	
				<u>98,667,000</u>	

COUNTY OF PASSAIC

STATE OF NEW JERSEY

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PART II

**LETTERS ON INTERNAL CONTROL AND ON
COMPLIANCE AND OTHER MATTERS**

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

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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 Board of Chosen Freeholders
County of Passaic
Paterson, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the County of Passaic in the State of New Jersey as of and for the year ended December 31, 2012 and the related notes to the financial statements, and have issued our report thereon dated September 19, 2013, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for the omission of the fixed asset account group not being updated.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements-regulatory basis, we considered the County of Passaic' internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the County of Passaic' internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Passaic' 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



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

We did identify certain immaterial deficiencies in internal control that we have reported to management of the County of Passaic in the accompany comments and recommendations section of this report.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Passaic' financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the County of Passaic in the accompanying comments and recommendations section of this 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 County of Passaic internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Passaic internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.



Steven D. Wielkottz
Registered Municipal Accountant
No. 413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

September 19, 2013



Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

The Honorable Board of Chosen Freeholders
County of Passaic
Paterson, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the County of Passaic in the State of New Jersey compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2012. The County of Passaic'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 each of its major federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County of Passaic'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; OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*"; and the provisions of the New Jersey State Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Those standards and OMB Circular A-133 and N.J. OMB Circular 04-04 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 and state program occurred. An audit includes examining, on a test basis, evidence about the County of Passaic's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



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 on the County of Passaic's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the County of Passaic 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, 2012.

Report on Internal Control Over Compliance


Management of the County of Passaic 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 County of Passaic's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal and state program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance with OMB Circular A-133 and N.J. OMB Circular 04-04, 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 County of Passaic'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 and 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 and 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 and 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.

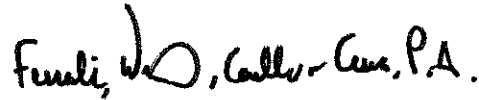
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify 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 Honorable Board of Chosen Freeholders
County of Passaic
Page 3.

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 OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.



Steven D. Wielkottz
Registered Municipal Accountant
No. 413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

September 19, 2013



COUNTY OF PASSAIC

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2012

Name of Federal Agency or Department	C.F.D.A. Account No.	Passed Through Grantor's Number	Grant Period	Total Grant Award	Balance Dec., 31 2011	Revenue Realized	Grant Expenditures	Adjustments/ Canceled	Balance Dec., 31 2012	MEMO
										Cumulative Total Expenditures
U.S. Dept. of Energy Passed Through N.J.										
Dept. of Community Affairs:										
Weatherization Assistance Program	93.568	HIP	2007	\$ 323,648	\$ 44,827				44,827	* 278,821
Weatherization Assistance Program	93.568	HIP	2009	384,138	(28,833)	39,008	2,270		7,905	* 376,233
Weatherization Assistance Program	93.568	022-8050-100-182	2010	770,980	(208,150)	364,542	154,735		1,657	* 362,885
Weatherization Assistance Program	93.568	HIP	2011	624,805						*
Weatherization Assistance Program	93.568	DHS	1999	150,619	(130,619)				(130,619)	* 150,619
Weatherization Assistance Program	93.568	DHS	2007	268,689	3,050				3,050	* 201,747
Weatherization LIHEAP Flood Relief	93.568	DHS	2007	216,362	14,377				14,377	* 201,985
Weatherization LIHEAP Flood Relief	93.568	DHS	2009	380,522	13,589				13,589	* 366,933
Weatherization LIHEAP Flood Relief	93.568	DHS	2010	128,314	44,119		(4,694)		48,813	* 7,281
Weatherization LIHEAP Flood Relief	93.568	DHS	2011	603,780	85,033				85,033	* 84,177
Weatherization LIHEAP Flood Relief	93.568	DHS	2012	90,753	71,845		75,506		(3,661)	* 84,177
Weatherization LIHEAP Flood Relief	93.568	022-8050-100-182	2013	46,955		16,434			16,434	*
					(90,762)	419,984	227,817		101,405	* 2,030,681
Weatherization Assistance Program	81.042	DOE - 2007	2007	151,703	3,855				3,855	* 147,848
Weatherization Assistance Program	81.042	DOE - 2008	2008	171,263	5,690				5,690	* 165,573
Weatherization Assistance Program	81.042	DOE - 2009	2009	313,550	96,924				96,924	* 166,830
Weatherization Assistance Program - ARRA	81.042	022-8050-100-B47	2009	663,000	(209,096)	432,979	223,883			* 560,013
Weatherization Assistance Program	81.042	022-8050-100-B47	2010	258,075		217,866	56,062		161,804	* 56,062
Weatherization Assistance Program	81.042	DOE - 2011	2011	147,315						*
					(102,627)	650,845	279,945		268,273	* 1,096,326
U.S. Dept. of Housing & Urban Development:										
Housing Voucher Program	14.177	NJ-39V-003-004/009	2010	9,082,313	(55,665)			55,665		* 9,082,313
Housing Choice Vouchers	14.871	NJ-39V-003-004/012	2012	9,515,229		9,515,229	9,515,229			* 9,515,229
					(55,665)	9,515,229	9,515,229	55,665		* 18,597,542
Birch Street Apartments	14.235	NJ-39-C5-11-002	2008	454,080	(238,479)				(238,479)	* 454,080
HUD - Eva's Project 36308	14.235	NJ-39-C5-11-002	2010	471,360	(458,058)	221,667	(24,407)		(211,984)	* 433,651
HUD - Eva's Village Apartments	14.235	NJ-39-C5-11-002	2011	470,902	(27,544)		(27,544)			* 436,707
					(724,081)	221,667	(51,951)		(450,463)	* 1,324,438
Community Development Block Grant	14.218		2008	864,476	(314,669)	189,619	41,613		(166,663)	* 851,673
Community Development Block Grant	14.218		2009	874,892	(305,301)	109,071	19,101		(215,331)	* 772,246
Community Development Block Grant Recovery	14.218		2009	234,670	(3,171)				(3,171)	* 234,670
Community Development Block Grant	14.218		2010	946,150	(823,052)	710,391	71,952		(184,613)	* 895,004
Community Development Block Grant	14.218		2011	950,250	105,810	287,300	824,748		(431,638)	* 824,881
Community Development Block Grant	14.218		2012	805,450			725,465		(725,465)	* 725,465
					(1,340,383)	1,296,381	1,682,879		(1,726,881)	* 4,303,939

COUNTY OF PASSAIC

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2012

Name of Federal Agency or Department	C.F.D.A. Account No.	Passed Through Grantor's Number	Grant Period	Total Grant Award	Balance			Adjustments/ Canceled	MEMO	
					Dec., 31 2011	Revenue Realized	Grant Expenditures		Balance Dec., 31 2012	Cumulative Total Expenditures
Homeless Prevention and Rapid Rehousing-Clifton	14.257	022-8020-100-179	2009	581,485	(20,716)	78,859	45,533	12,610	*	548,346
Homeless Prevention and Rapid Rehousing-Paterson	14.257	022-8020-100-179	2009	1,154,543	(151,995)	179,496	12,873	14,628	*	1,114,160
Homeless Prevention and Rapid Rehousing-ARRA	14.257	022-8020-100-179	2009	976,000	(67,345)	83,002	8,584	7,073	*	968,927
					(240,056)	341,357	66,990	34,311	*	2,631,433
Passaic County Housing First	14.238		2009	1,411,200	(933,000)	333,539	140,162	(739,623)	*	1,073,162
Passaic County Housing First Leasing	14.261		2012/14	19,776					*	
Passaic County Housing First	14.261		2011/16	221,400					*	
Passaic County Housing First - Collaborative II	14.261		2011/16	1,101,420					*	
Passaic County Housing First - Collaborative III	14.261		2011/16	369,480					*	
Passaic County Housing First	14.261		2012/17	235,260					*	
HUD - St. Paul's	14.238		2011	186,600		6,400	26,350	(19,950)	*	26,350
HUD - St. Joseph	14.238		2011	186,600			79,950	(79,950)	*	79,950
HUD - Birch Street Apartments	14.238		2011	103,761			(103,761)	103,761	*	
HUD - Spruce Street	14.238		2012	218,163		218,163	218,163		*	218,163
HUD - Paterson Park Apartments	14.238		2012	806,760			742,219	(742,219)	*	742,219
					(933,000)	558,102	1,103,083	(1,477,981)	*	2,139,844
U.S. Dept. of Labor Passed Through N.J. Dept. of Labor:									*	
J.T.P.A. (Workforce Investment)	17.250	FY07	2006/07	11,515,243	25,805			25,805	*	11,422,585
J.T.P.A. (Workforce Investment)	17.250	FY08	2007/08	11,683,696	(83,013)			(83,013)	*	11,674,307
J.T.P.A. (Workforce Investment)	17.250	FY09	2008/09	16,159,432					*	16,159,432
J.T.P.A. (Workforce Investment)	17.250	FY10	2009/10	11,616,429	(611)			(611)	*	11,553,752
J.T.P.A. (Workforce Investment)	17.250	FY11	2010/11	5,205,423	380,252	128,447	508,699		*	5,205,423
J.T.P.A. (Workforce Investment)	17.250	062-4545-100-249	2011/12	5,886,944	(130,066)		5,756,878	(5,886,944)	*	5,886,944
J.T.P.A. (Workforce Investment)	17.250	062-4545-100-249	2012/13	1,817,131			719,940	(719,940)	*	719,940
Workforce Learning Link Program	17.258	062-4545-100-095	2012/13	135,000					*	
WIA - Adult	17.258	062-4545-100-095	2012/13	1,799,182					*	
WIA - Dislocated Worker	17.260	062-4545-100-105	2012/13	1,480,768					*	
Disability Employment Initiative	17.207	062-4545-100-026	2011/13	240,750		56,220	56,220		*	56,220
Hurricane Irene Disaster Emergency Grant	17.250	062-4545-100-252	2011	711,287		459,939	669,071	(209,132)	*	669,071
					192,367	644,606	7,710,808	(6,873,835)	*	63,347,674
U.S. Dept. of Health and Human Services Passed Through N.J. Dept. of Human Services:									*	
Aging Area Plan Grant	93.043		2009	2,441,094	41,472			41,472	*	2,399,622
Aging Area Plan Grant	93.043		2010	2,012,436	41,917			41,917	*	1,970,519
Aging Area Plan Grant	93.043	046-4275-100-061	2011	2,179,358	171,851	554,039	752,927	(27,037)	*	2,179,358
Aging Area Plan Grant	93.043	046-4275-100-061	2012	1,778,474		1,736,091	993,013	743,078	*	993,013
Aging Area Nutrition Grant	93.043		2009	3,374,270	427,751			427,751	*	2,946,519
Aging Area Nutrition Grant	93.043		2010	1,690,676	395,605			395,605	*	1,295,071
Aging Area Nutrition Grant	93.043	046-4275-100-228	2011	1,825,100	1,261,200	386,407	946,187	701,420	*	1,104,297
Aging Area Nutrition Grant	93.043	046-4275-100-228	2012	1,863,110		1,838,948	158,859	1,680,089	*	158,859
					2,339,796	4,515,485	2,850,986	4,004,295	*	13,047,258

COUNTY OF PASSAIC

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2012

Name of Federal Agency or Department	C.F.D.A. Account No.	Passed Through Grantor's Number	Grant Period	Total Grant Award	Balance	Revenue	Grant	Adjustments/	Balance	MEMO
					Dec., 31 2011	Realized	Expenditures	Canceled	Dec., 31 2012	Cumulative Total Expenditures
Human Services	13.808	08BERN	2008	174,373	(16,026)				(16,026) *	164,245
Human Services	13.808	09BERN	2009	175,373	(2,645)				(2,645) *	135,238
Human Services	13.808	10BERN	2010	175,373	(91,122)		(75)		(91,047) *	164,702
Human Services	13.808	11BERN	2011	175,373	28,790		20,193		8,597 *	165,817
Human Services	93.778	046-4275-100-371	2012	194,758		194,758	185,935		8,823 *	185,935
Human Services PASP	13.808	07BERN	2007	392,013	(6,222)				(6,222) *	366,090
Human Services PASP	13.808	08BERN	2008	405,559	4,262				4,262 *	401,270
Human Services PASP	13.808	09BERN	2009	438,859	7,066				7,066 *	431,793
Human Services PASP	13.808	10BERN	2010	399,525	6,709		6,709		*	399,525
Human Services PASP	13.808	11BERN	2011	399,525	24,681		22,994		1,687 *	397,838
Human Services PASP	13.808	054-7545-100-005	2012	286,326		266,350	278,890		(12,540) *	
					(44,507)	461,108	514,646		(98,045) *	2,812,453
Strengthening Communities Fund - ARRA	93.711	90SN0043/01	2010/11	312,495	(20,281)				(20,281) *	231,039
					(20,281)				(20,281) *	231,039
U.S. Dept. of Health and Human Services Passed Through N.J. Dept. of Services:										*
Preakness Gero-Psych Program	93.005	30409	2008	306,070	3,792				3,792 *	302,278
Preakness Gero-Psych Program	93.005	054-7700-100-029	2011	338,210	(177,029)	270,960			93,931 *	177,029
Preakness Gero-Psych Program	93.005	054-7700-100-029	2012	338,210			177,029		(177,029) *	177,029
					(173,237)	270,960	177,029		(79,306) *	656,336
Mental Health	93.104	30409	2009	6,000	1,100				1,100 *	4,900
Mental Health Crisis Counseling	93.104	30409	2004	6,000	1,298				1,298 *	4,702
					2,398				2,398 *	9,602
Community Services Block Grant	93.569	05/3748/00	2005	253,280	99,397				99,397 *	153,883
Community Services Block Grant	93.569	06/3748/00	2006	251,737	9,327				9,327 *	241,780
Community Services Block Grant	93.569	07/3748/00	2007	251,737	15,603				15,603 *	235,834
Community Services Block Grant	93.569	08/3748/00	2008	262,111	8,977				8,977 *	253,134
Community Services Block Grant	93.569	09/3748/00	2009	294,183	(2,259)				(2,259) *	286,583
Community Services Block Grant - ARRA	93.569	09/3748/00	2009	506,349	(360,161)				(360,161) *	468,919
Community Services Block Grant	93.569	09/3748/00	2010	294,183	9,882		7,284		2,598 *	286,628
Community Services Block Grant	93.569	022-8050-100-184	2011	289,412	(981)	289,412	288,431		*	289,412
Community Services Block Grant	93.569	022-8050-100-184	2012	296,089			199,947		(199,947) *	199,947
					(220,215)	289,412	495,662		(426,465) *	2,416,120
Community Services Block Grant	93.069	046-4230-100-360	2010	874,411	(448,762)	417,801	1,819		(32,780) *	859,959
Community Services Block Grant	93.069	046-4230-100-360	2012	592,354	118,691		152,463		(33,772) *	524,764
Community Services Block Grant	93.069	046-4230-100-360	2012	597,775			418,645		(418,645) *	418,645
					(330,071)	417,801	572,927		(485,197) *	1,803,368

COUNTY OF PASSAIC

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2012

Name of Federal Agency or Department	C.F.D.A. Account No.	Passed Through Grantor's Number	Grant Period	Total Grant Award	Balance	Revenue	Grant	Adjustments/	Balance	MEMO
					Dec., 31 2011	Realized	Expenditures	Canceled	Dec., 31 2012	Cumulative Total Expenditures
Federal Office of Justice Programs Passed Through N.J. State Law Enforcement Planning Agency:										*
Juvenile Justice - Partnership	16.540	N/A	2003	184	184				184	*
Juvenile Justice - Partnership	16.540	N/A	2007	501,971	9,251				9,251	*
Juvenile Justice - Partnership	16.540	N/A	2008	509,300	(2,622)				(2,622)	*
Juvenile Justice - Partnership	16.540	N/A	2009	514,393	75,132		(27)		75,159	*
Juvenile Justice - Partnership	16.540	N/A	2010	514,393	(38,643)		(30,639)		(8,004)	*
Juvenile Justice - Partnership	16.540	066-1500-100-007	2011	514,393	(407,861)	312,159	66,208		(161,910)	*
Juvenile Justice - Partnership	16.540	066-1500-100-007	2012	514,393		85,590	381,736		(296,146)	*
Juvenile Justice - Partnership	16.540	066-1500-100-007	2013	514,393						*
Passaic County Summer Job Training	16.540	1500-209-994570	2011	20,000						*
					(364,559)	397,749	417,278		(384,088)	*
Federal Office of Justice Programs Passed Through N.J. State Law Enforcement, cont. Planning Agency:										*
Community Justice	N/A	JC-17-09	2009	60,000	(15,356)				(15,356)	*
					(15,356)				(15,356)	*
Multi-Juris Narc Task Force	16.738	RJAG-1-16TF-09	2009	235,838	448				448	*
Multi-Juris Narc Task Force	16.738	RJAG-1-16TF-10	2010	252,964	102				102	*
Multi-Juris Narc Task Force	16.738	066-1020-100-364	2011	200,769	(29,701)	176,970	147,269			*
Multi-Juris Narc Task Force	16.738	066-1020-100-364	2012	169,637		24,177			24,177	*
Justice Assistance Program	16.738	066-1020-100-364	2010	40,578	40,578				40,578	*
Justice Assistance Program	16.738	066-1020-100-364	2010	28,755	(24,815)	28,755	3,940			*
Edward Byrne Memorial Justice Assistance Grant	16.738	066-1020-100-364	2012	49,200		49,200	49,200			*
					(13,388)	279,102	200,409		65,305	*
Community Oriented Policing Services COPS	16.575	NJ067ZZ	2009	266,561						*
Community Oriented Policing Services COPS	16.575	NJ067ZZ	2010	200,000						*
Victim and Witness Advocacy Fund	16.575	VWAFPS-16	2010	58,434	19,478				19,478	*
Victim and Witness Advocacy Fund Supplement	16.575	066-1020-100-093	2010	48,020	(8,085)	32,095	24,010			*
STOP Violence Against Women Act Formula Grant	16.588	066-1020-100-246	2011	23,370	5,843				5,843	*
STOP Violence Against Women Act Formula Grant	16.588	066-1020-100-246	2012	26,322		24,055	26,322		(2,267)	*
SART/SANE Program	16.575	066-1020-100-142	2009	67,655	(1)		1,175		(1,176)	*
SART/SANE Program	16.575	066-1020-100-142	2010	67,655	13,242	13,518	15,252		11,508	*
SART/SANE Program	16.575	066-1020-100-142	2011	57,000		59,105	13,802		45,303	*
					30,477	128,773	80,561		78,689	*
National Justice Information Sharing (JIS)	16.751		2011	270,084			262,607		(262,607)	*
							262,607		(262,607)	*

COUNTY OF PASSAIC

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2012

Name of Federal Agency or Department	C.F.D.A. Account No.	Passed Through Grantor's Number	Grant Period	Total Grant Award	Balance	Revenue	Grant	Adjustments/	Balance	MEMO
					Dec., 31 2011	Realized	Expenditures	Canceled	Dec., 31 2012	Cumulative Total Expenditures
COPS Technology Grant	16.710	CKWX0278	2010	300,000		1,796	1,796			* 300,000
						1,796	1,796			* 300,000
Other Agencies:										
Victims of Crime Act Grant	16.575	100-066-1020-142	2007-08	107,966	31,015				31,015	* 76,951
Victims of Crime Act Grant	16.575	100-066-1020-142	2009-2010	360,683	220,652	140,031	358,808		1,875	* 358,808
Victims of Crime Act Grant	16.575	100-066-1020-142	2012-2013	197,229		161,205			161,205	* 358,808
					251,667	301,236	358,808		194,095	* 435,759
Juvenile Crime Reduction	16.523	FFY07 JAIBG	2007	66,375						* 66,375
Juvenile Crime Reduction	16.523	FFY08 JAIBG	2008	68,745	2,430		7,050		(4,620)	* 62,899
Juvenile Crime Reduction	16.523	066-1500-100-121	2009	78,089	(49,750)	49,470	11,097		(11,377)	* 76,257
Juvenile Crime Reduction	16.523	066-1500-100-121	2010	60,546	(57,182)	44,813	(16,473)		4,104	* 40,709
Juvenile Crime Reduction	16.523	066-1500-100-121	2011	56,992			62,423		(62,423)	* 62,423
Juvenile Crime Reduction	16.523	066-1500-100-121	2012	34,814		3,868			3,868	* 308,663
					(104,502)	98,151	64,097		(70,448)	* 308,663
Brownfields Assessment Program	66.818		2003	200,000	(12,291)				(12,291)	* 200,000
Brownfields Assessment Program	66.818		2006	200,000	(58,101)	49,960	1,559		(9,700)	* 196,687
					(70,392)	49,960	1,559		(21,991)	* 396,687
Other Agencies cont....:										
FTA JARRC	20.516		2007	294,000	17,560				17,560	* 276,440
FTA JARRC	20.516		2008	123,497	(29,247)	19,837			(9,410)	* 121,047
FTA JARRC	20.516		2010	210,000	(12,052)				(12,052)	* 210,000
FTA JARRC	20.516		2011	250,000	(250,000)	235,670			(14,330)	* 250,000
FTA JARRC	20.516		2012	320,000						* 250,000
					(273,739)	255,507			(18,232)	* 857,487
Juvenile Detention Alternative Innovations	84.411A	100-066-1500-237	2012	62,600		62,600	62,600			* 62,600
						62,600	62,600			* 62,600
Homeland Security Grant Program	97.073		2007	1,259,894	154,221				154,221	* 1,105,523
Homeland Security Grant Program	97.073		2008	1,638,946	(335,072)	334,672	(400)			* 1,639,346
Homeland Security Grant Program	97.073		2009	1,496,329	(1,094,389)	1,292,850	198,461			* 1,496,329
Homeland Security Grant Program	97.073		2010	1,273,599	(796,748)	357,388	442,236		(881,596)	* 1,238,984
Homeland Security Grant Program	97.073		2011	504,432			65,221		(65,221)	* 65,221
					(2,071,988)	1,984,910	705,518		(792,596)	* 5,545,403
Buffer Zone Protection Program	97.078		2009/11	12,775						* 12,718
										* 12,718

COUNTY OF PASSAIC

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2012

Name of Federal Agency or Department	C.F.D.A. Account No.	Passed Through Grantor's Number	Grant Period	Total Grant Award	Balance	Revenue	Grant	Adjustments/	Balance	MEMO
					Dec., 31 2011	Realized	Expenditures	Canceled	Dec., 31 2012	Cumulative Total Expenditures
National Children's Alliance Support	16.758		2010	10,000	(9,944)	9,944			*	9,944
National Children's Alliance Support	16.758		2011	10,000	(9,960)	9,960			*	9,960
National Children's Alliance Support	16.758		2012	10,000			10,000		(10,000)	* 10,000
					(19,904)	19,904	10,000		(10,000)	* 29,904
Over the Limit Under Arrest	20.601		2009	6,000	6,000				6,000	*
Over the Limit Under Arrest	20.601		2010	9,400	5,000				5,000	*
Over the Limit Under Arrest	20.601		2011	5,000	5,000				5,000	*
					16,000				16,000	*
Urban Area Security Initiative (UASI) - Fire Decon	97.008		2004	12,500	(6,377)				(6,377)	* 11,877
Urban Area Security Initiative (UASI) Planner Grant	97.008		2008	306,067	5,370				5,370	* 300,681
Urban Area Security Initiative (UASI) Public Health	97.008		2009	126,681	3,232				3,232	* 123,096
Urban Area Security Initiative (UASI) Projects	97.008		2009	1,390,162	(74,170)	316,590	163,375		79,045	* 1,279,654
Urban Area Security Initiative (UASI) Projects	97.008		2010	832,000	(31,242)	124,306	730,318		(637,254)	* 811,818
Urban Area Security Initiative (UASI) Projects	97.008		2011	1,093,595		169,956	878,870		(708,914)	* 878,870
					(103,187)	610,852	1,772,563		(1,264,898)	* 3,405,996
Click it or Ticket	20.602		2006	4,000						* 4,000
Click it or Ticket	20.602		2010	4,000	4,000				4,000	* 4,000
Click it or Ticket	20.602		2011	4,000	4,000		4,000			* 4,000
Click it or Ticket	20.602		2012	4,000		4,000			4,000	* 8,000
					8,000	4,000	4,000		8,000	* 8,000
Pre-Disaster Mitigation Grant			2007	225,000	12				12	* 224,988
					12				12	* 224,988
Logistics & Commodities Distribution Plan	97.042		2011	33,685	33,685				33,685	* 50,000
Emergency Management Assistance Funding (FEMA)	97.042		2011	50,000		50,000	50,000			* 50,000
					33,685	50,000	50,000		33,685	* 50,000
Other Agencies cont....:										
Emergency Operations Center Grant	97.052		2011	250,000						* 250,000
MRC Capacity Building Award	93.008		2009	10,000	100				100	* 9,900
MRC Capacity Building Award	93.008		2011	5,000	725		725			* 5,000
					825		725		100	* 14,900
Business Retention and Expansion Program	59.000		2010	125,000	(16,960)		15,492		(32,452)	* 32,452
					(16,960)		15,492		(32,452)	* 32,452

COUNTY OF PASSAIC

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2012

Name of Federal Agency or Department	C.F.D.A. Account No.	Passed Through Grantor's Number	Grant Period	Total Grant Award	Balance	Revenue	Grant	Adjustments/	Balance	MEMO
					Dec., 31 2011	Realized	Expenditures	Canceled	Dec., 31 2012	Cumulative Total Expenditures
Subregional Transportation FY08	20.505	N/A	FY08	122,816	(1,693)				(1,693) *	122,816
Subregional Transportation FY09	20.505	N/A	FY09	123,019	19,037				19,037 *	103,982
Subregional Transportation FY10	20.505	N/A	FY10	123,019	253				253 *	122,766
Subregional Transportation FY11	20.505	N/A	FY11	98,415	17,523	14,184			31,707 *	4,773
Subregional Transportation FY12	20.505	N/A	FY12	123,019	63,994	24,779	37,620		51,153 *	37,620
Subregional Internship Support Program	20.505	93-TC-NJI-C048	FY09	6,300	5,158				5,158 *	
Subregional Internship Support Program	20.505	93-TC-NJI-C048	FY10	15,000	(4,972)				(4,972) *	15,000
History and Tourism Plan	20.505	N/A	FY11	200,000		159,359	100,091		59,268 *	140,091
Subregional Internship Planning	20.505	N/A	FY12	98,415		95,613	5,359		90,254 *	5,359
					99,300	293,935	143,070		250,165	552,407
Farmer's Market Nutrition Program	10.576	10-147-WIC-L-0	2012	2,000		2,000	2,000		*	2,000
						2,000	2,000		*	2,000
Replacement of Hillery Street Bridge			07-04	9,515,000	(317,878)				(317,878) *	9,515,000
Wet Reflective Tape			08-03	302,613	(302,613)				(302,613) *	302,613
2009 Road Resurfacing Program-ARRA			09-01	9,286,537	(3,191,667)	3,191,667			*	9,286,537
					(3,812,158)	3,191,667			(620,491)	19,104,150
					\$ (8,166,491)	27,335,079	29,299,133	55,665	(10,074,880) *	151,772,836

COUNTY OF PASSAIC

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2012

Program Description	State Program / Account No.	Grant Period	Total Grant Award	Balance	Revenue Realized	Grant Expenditures	Adjustments/ Canceled	Balance	MEMO
				Dec., 31 2011				Dec., 31 2012	Cumulative Total Expenditures
State Programs									
Senior Citizen and Disabled Resident Transportation									
Assistance Program (Casino Revenue Fund)	491-078-6050-001	2009	2,647,300	347,574				347,574 *	2,423,516
Assistance Program (Casino Revenue Fund)	491-078-6050-001	2010	1,364,566	279,110				279,110 *	1,148,645
Assistance Program (Casino Revenue Fund)	491-078-6050-001	2011	1,313,383	(828,891)	1,074,949	(79,958)		326,016 *	948,981
Assistance Program (Casino Revenue Fund)	491-078-6050-001	2012	1,133,836			539,073		(539,073) *	539,013
				(202,207)	1,074,949	459,115		413,627 *	5,060,155
State Department of Transportation:									
Two Bridges Road	6320-480-078-6320-496	99-20	650,000	(100,344)				(100,344) *	650,000
8th Street & 5th Avenue Bridges	6320-480-078-6320-496	01-19	724,619	22,755				22,755 *	688,908
Hurricane Floyd - Cedar Grove Road Wall	6320-480-078-6320-496	01-32	444,000	(444,000)				(444,000) *	444,000
Goffle Brook Stabilization	6320-480-078-6320-496	02-13	392,500	(228,984)		38,875		(267,859) *	392,500
Restoration of Lambert Castle	6320-480-078-6320-496	02-27	1,000,000	(401,040)				(401,040) *	1,000,000
West Broadway Bridge PC#17	6320-480-078-6320-496	03-24	350,000	(9,783)	9,782			(1) *	350,000
Goffle/Weasel Brook Park	6320-480-078-6320-496	03-25	170,000	(170,000)				(170,000) *	170,000
Imp to Paterson/Hamburg Turnpike	6320-480-078-6320-496	04-01	2,500,000	(1,037,021)		1,962,979		(3,000,000) *	2,500,000
Clove Road/Long Hill Road & Hazel Street	6320-480-078-6320-496	05-11	579,000	(845,477)				(845,477) *	579,000
Bridge Replacement and/or Repair	6320-480-078-6320-496	06-06	582,364	(472,926)				(472,926) *	582,364
2006 Various Road Improvements	6320-480-078-6320-496	06-07	3,791,000	3,218,648		3,248,358		(29,710) *	3,791,000
Paterson/Hamburg Turnpike/Jackson Avenue Imp	6320-480-078-6320-496	07-08	1,600,000	1,067,173		240,968		826,205 *	752,453
Barbour Pond Improvements & Lambert Castle Const.	6320-480-078-6320-496	07-09	250,000	(41,565)	56,839	74,009		(58,735) *	115,574
Black Oak Ridge/Pompton Road Improvements	6320-480-078-6320-496	07-11	1,000,000	1,000,000				1,000,000 *	
Hurricane Floyd	6320-480-078-6320-496	01-04	1,000,000	72,852		206		72,646 *	927,354
Chapter 12, Passaic County Community College	6320-480-078-6320-496	99-14	1,000,000	(863,508)				(863,508) *	1,000,000
Renovation to Market Street	6320-480-078-6320-496	00-06	500,000	(500,000)				(500,000) *	500,000
Rehab of Paterson-Hamburg Tkp Bridge	6320-480-078-6320-496	00-15	300,000	(260,705)				(260,705) *	300,000
Jughandle from Paterson-Hamburg Tkp to Hinchman	6320-480-078-6320-496	00-20	500,000	(309,174)		208,810	47,183	(470,801) *	500,000
Study and Improvement to Hazel Street	6320-480-078-6320-496	00-44	230,000	(122,949)				(122,949) *	230,000
8th Street & 5th Avenue Bridges	6320-480-078-6320-496	01-19	350,000	(10,088)				(10,088) *	350,000
Imp to Crooks Ave & Wabash Ave Drainage	6320-480-078-6320-496	04-04	952,817	47,183			(47,183)		952,358
Imp to Guide Rails & Reflective Marking Tape	6320-480-078-6320-496	05-11	157,400	(5,000)				(5,000) *	157,400
West Broadway/Passaic River Bridge PC#17	6320-480-078-6320-496	05-11	4,900,000	1,208,704				1,208,704 *	4,900,000
2006 Various Road Improvements	6320-480-078-6320-496	06-07	224,500	(224,500)				(224,500) *	224,500
Union Valley Road, PC #434	6320-480-078-6320-496	08-03	1,900,000	1,249,479		19,947		1,229,532 *	670,468
President Street, PC #53	6320-480-078-6320-496	08-03	200,000	12,950		12,950			12,950
Two Bridges Road Bridge	6320-480-078-6320-496	08-03	249,965	137,682		137,682			137,682
Greenwood Lake Turnpike	6320-480-078-6320-496	08-03	223,000	223,000		223,000			223,000
Hazel Street Construction, CR 702	6320-480-078-6320-496	08-03	4,200,000	(625,986)	3,514,033	241,567		2,646,480 *	4,200,000
Black Oak Ridge Road/Pompton Planes Cross Road	6320-480-078-6320-496	08-03	900,000						900,000

COUNTY OF PASSAIC

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2012

Program Description	State Program / Account No.	Grant Period	Total Grant Award	Balance		Grant Expenditures	Adjustments/ Canceled	Balance		MEMO Cumulative Total Expenditures
				Dec., 31 2011	Revenue Realized			Dec., 31 2012		
Bridge Replacement and/or Repairs	6320-480-078-6320-496	09-05	5,900,000	2,862,411	712,152	1,539,931	(183,336)	1,851,296	*	4,048,706
2006 Various Road Improvements	6320-480-078-6320-496	09-05	5,024,000	(4,944,428)	134,099		183,336	(4,626,993)	*	5,024,000
Rehabilitation and Reconstruction of Dey Mansion	6320-480-078-6320-496	10-03	1,239,475	(4,219)				(4,219)	*	
Pennington Ave Culvert	6320-480-078-6320-496	10-08	150,000						*	
Local Bridges - Warburton Ave/Goffle Brook, PC 81	6320-480-078-6320-496	10-08	1,000,000						*	
Moorestown Road	6320-480-078-6320-496	10-08	200,000			95		(95)	*	95
Squirrelwood Road	6320-480-078-6320-496	10-08	1,250,000			8,153		(8,153)	*	8,153
Black Oak Ridge Road/Jackson Avenue Signal Replacem	6320-480-078-6320-496	10-08	320,000		19,777	301,304		(281,527)	*	301,304
McBride/Hillery Street Improvements	6320-480-078-6320-496	10-08	550,000	(337,137)	252,853			(84,284)	*	337,137
Resurfacing of Various Roads	6320-480-078-6320-496	10-08	3,036,000	(723,162)	644,204			(78,958)	*	3,036,000
Fairlawn Avenue Bridge	6320-480-078-6320-496	10-08	600,000						*	
Two Bridges Road/West Belt	6320-480-078-6320-496	10-08	1,686,900						*	
West Brook Road/Wanaque Reservoir, PC 491	6320-480-078-6320-496	10-08	300,000						*	
Eighth Street Bridge Rehabilitation	6320-480-078-6320-496	10-08	2,019,250	623,573	755,144			1,378,717	*	
Bridge Replacement, Rehab, Repairs	6320-480-078-6320-496	11-03	20,400,000						*	
Bridge Replacement, Rehab, Repairs	6320-480-078-6320-496	11-03	1,000,000						*	
Bridge Replacement, Rehab, Repairs	6320-480-078-6320-496	11-03	124,000						*	
Resurfacing of Various Roads	6320-480-078-6320-496	11-04	4,200,000			3,751,505		(3,751,505)	*	3,751,505
Resurfacing Various Roads	6320-480-078-6320-496	12-03	10,000,000						*	
West Brook Road/Wanaque Reservoir, PC 491	6320-480-078-6320-496	12-07	9,700,000						*	
Two Bridges Road/West Belt	6320-480-078-6320-496	12-07	3,800,000						*	
Clinton Road Bridge	6320-480-078-6320-496	12-07	1,000,000						*	
8th Street Rehabilitation PC4	6320-480-078-6320-496	12-07	30,000						*	
Pompton Hamburg Turnpike/Valley Road	6320-480-078-6320-496	12-07	1,000,000						*	
EFA Construction & Financing Grant									*	
Vocational School Long Range Facilities Plan Projects		05-12	7,505,998	(37,530)				(37,530)	*	7,505,998
				(973,116)	6,098,883	12,010,339		(6,884,572)	*	52,214,409
Department of Health and Senior Services:									*	
Tobacco Enforcement Program	100-046-4240-168	2008	24,000	(230)				(230)	*	18,050
				(230)				(230)	*	18,050
Homeless Grant	100-054-7550-049	2009	975,938	2				2	*	973,548
Homeless Grant	100-054-7550-049	2010	1,086,544	416		(676)		1,092	*	1,085,452
Homeless Grant	100-054-7550-049	2011	927,294	(19,869)	40,000	20,092		39	*	927,255
Homeless Grant	100-054-7550-049	2012	907,294		893,676	900,068		(6,392)	*	900,068
				(19,451)	933,676	919,484		(5,259)	*	3,886,323

COUNTY OF PASSAIC

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2012

Program Description	State Program / Account No.	Grant Period	Total Grant Award	Balance	Revenue Realized	Grant Expenditures	Adjustments/ Canceled	Balance	MEMO Cumulative Total Expenditures
				Dec., 31 2011				Dec., 31 2012	
Special Initiative & Transportation	100-054-7550-308	2005	1,589,795	(47,881)				(47,881) *	1,380,218
Special Initiative & Transportation	100-054-7550-308	2006	1,328,700	(20,340)				(20,340) *	1,258,358
Special Initiative & Transportation	100-054-7550-308	2007	1,284,950	(2,873)				(2,873) *	1,240,195
Special Initiative & Transportation	100-054-7550-308	2008	1,238,420	(1,895)		(1,024)		(871) *	1,194,302
Special Initiative & Transportation	100-054-7550-308	2009	1,030,043	16,285		(2,283)		18,568 *	978,070
Special Initiative & Transportation	100-054-7550-308	2010	506,143			(30,337)		30,337 *	471,003
Special Initiative & Transportation	100-054-7550-308	2011	404,914	(39,188)	302,803	263,767		(152) *	404,184
Transportation & TIP	100-054-7550-308	2012	404,914		101,229	337,694		(236,465) *	337,694
				(95,892)	404,032	567,817		(259,677) *	7,264,024
Department of Health and Senior Services cont....:									
Family Court Services	100-066-1500-021	2009	282,634	24,834				24,834 *	257,800
Family Court Services	100-066-1500-021	2010	282,634	2				2 *	193,586
Family Court Services	100-066-1500-021	2011	282,634	(202,824)	218,725	38,100		(22,199) *	240,924
Family Court Services	100-066-1500-021	2012	282,634			272,981		(272,981) *	272,981
Family Court Services	100-066-1500-021	2013	281,101					*	
				(177,988)	218,725	311,081		(270,344)	965,291
21st Century Community Learning	100-034-5060-075	2009	500,000	6,327				6,327 *	427,933
21st Century Community Learning	100-034-5060-075	2010	500,000	(4,904)	1,394	(2,673)		(837) *	494,061
21st Century Community Learning	100-034-5060-075	2011	500,000	(247,539)	232,320	196,072		(211,291) *	443,611
				(246,116)	233,714	193,399		(205,801) *	1,365,605
NJ Department of Community Affairs:									
Universal Service Fund	100-022-8030-B13	2008	53,750	52,250				52,250 *	1,500
Universal Service Fund	100-022-8030-B13	2009	113,124	105,626				105,626 *	7,498
Universal Service Fund	100-022-8030-B13	2010	133,622	69,037				69,037 *	52,438
Universal Service Fund	100-022-8030-B13	2011	44,699	17,209				17,209 *	27,490
Universal Service Fund	100-022-8030-B13	2012	48,378		48,378			48,378 *	
				244,122	48,378			292,500 *	88,926
Sharing Available Resources Efficiently (SHARE)	100-022-8030-658	2010/11	98,050	(15,525)				(15,525) *	97,000
				(15,525)				(15,525) *	97,000
Camp Hope Kids Corner	100-022-8050-035	2010	10,300	(1,186)				(1,186) *	1,186
				(1,186)				(1,186) *	1,186
NJ Department of Environmental Protection:									
Recycling Enhancement Act	758-042-4960-2001	2009	324,000	2,000		149		1,851 *	322,149
Recycling Enhancement Act Bonus Grant	758-042-4960-2001	2010	221,400	219,810		13,079		206,731 *	14,669
Recycling Enhancement Act	758-042-4960-2001	2011	540,000	402,662		252,145		150,517 *	389,483
				624,472		265,373		359,099 *	726,301

COUNTY OF PASSAIC

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2012

<u>Program Description</u>	<u>State Program / Account No.</u>	<u>Grant Period</u>	<u>Total Grant Award</u>	<u>Balance</u>	<u>Revenue Realized</u>	<u>Grant Expenditures</u>	<u>Adjustments/ Canceled</u>	<u>Balance</u>	<u>MEMO</u>
				<u>Dec., 31 2011</u>				<u>Dec., 31 2012</u>	<u>Cumulative Total Expenditures</u>
Radon Awareness Program	100-042-4820-4CBC	2010	1,000						* 999
Radon Awareness Program	100-042-4820-4CBC	2011	1,000						*
Radon Awareness Program	100-042-4820-4CBC	2012	1,000		995	995			* 995
Radon Awareness Program	100-042-4820-4CBC	2013	1,000			997		(997)	* 997
					995	1,992		(997)	* 2,991
C.E.H.A. - 2010	100-042-4855-001	2010	200,323	35				35	* 235,548
C.E.H.A. - 2011	100-042-4855-001	2011	229,968	(81,003)	81,003				* 229,968
C.E.H.A. - 2012	100-042-4855-001	2012	221,526		133,554	221,525		(87,971)	* 221,525
				(80,968)	214,557	221,525		(87,936)	* 687,041
Molly Ann Brook Rain Barrel Initiative - Watershed	100-066-1421-018	2009	100,000	(11,541)	6,954	2,899		(7,486)	* 83,890
				(11,541)	6,954	2,899		(7,486)	* 83,890

COUNTY OF PASSAIC

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2012

Program Description	State Program / Account No.	Grant Period	Total Grant Award	Balance	Revenue Realized	Grant Expenditures	Adjustments/ Canceled	Balance	MEMO	
				Dec., 31 2011				Dec., 31 2012	Cumulative Total Expenditures	
NJ Department of Environmental Protection cont....:										
Clean Communities	765-042-4900-005	2006	37,652	341				341	*	37,311
Clean Communities	765-042-4900-005	2007	47,103	403				403	*	46,700
Clean Communities	765-042-4900-005	2008	47,831	1,250				1,250	*	46,581
Clean Communities	765-042-4900-005	2009	60,756	1,283		1,283			*	60,756
Clean Communities	765-042-4900-005	2010	63,492	14,248		14,248			*	63,492
Clean Communities	765-042-4900-005	2011	62,758	62,758		37,071		25,687	*	37,071
Clean Communities	765-042-4900-005	2012	61,890		61,890	15,800		46,090	*	15,800
				80,283	61,890	68,402		73,771	*	307,711
Other State Agencies:										
Municipal Alliance	100-082-C01-044	2006	566,073	803			(803)		*	566,073
Municipal Alliance	100-082-C01-044	2007	604,535	7,793				7,793	*	530,847
Municipal Alliance	100-082-C01-044	2008	586,166	(16,966)				(16,966)	*	520,892
Municipal Alliance	100-082-C01-044	2009	553,900	53				53	*	508,849
Municipal Alliance	100-082-C01-044	2010	553,900	(375,669)	367,688	(7,689)		(292)	*	475,192
Municipal Alliance	100-082-C01-044	2011	553,900	(155,872)	123,333	(31,811)		(728)	*	491,748
Municipal Alliance	100-082-C01-044	2012	553,900			535,838		(535,838)	*	535,838
				(539,858)	491,021	496,338	(803)	(545,978)	*	3,629,439
Bio-Terrorism Grant										
Bio-Terrorism Grant	100-046-6120-357	2009	785,902	(113)				(113)	*	775,727
Bio-Terrorism Grant	100-046-6120-357	2010	814,411	65,980				65,980	*	748,431
				65,867				65,867	*	1,524,158
Body Armor Replacement Fund P.C.P.O.										
Body Armor Replacement Fund P.C.P.O.	718-066-1020-001	2008	8,709	1,584				1,584	*	8,551
Body Armor Replacement Fund P.C.P.O.	718-066-1020-001	2010	6,729	6,729		6,729			*	6,729
Body Armor Replacement Fund P.C.P.O.	718-066-1020-001	2011	7,316	7,316		5,236		2,080	*	
Body Armor Replacement Fund P.C.P.O.	718-066-1020-001	2012	7,418		7,418			7,418	*	
Body Armor Replacement Fund P.C.S.D.	718-066-1020-001	2008	55,165	72				72	*	55,093
Body Armor Replacement Fund P.C.S.D.	718-066-1020-001	2009	12,904	34				34	*	12,870
Body Armor Replacement Fund P.C.S.D.	718-066-1020-001	2010	47,493	47,493		47,493			*	47,493
Body Armor Replacement Fund P.C.S.D.	718-066-1020-001	2011	42,763	42,763		42,323		440	*	42,323
Body Armor Replacement Fund P.C.S.D.	718-066-1020-001	2012	42,763		45,596			45,596	*	
				105,991	53,014	101,781		57,224	*	173,059
Comprehensive Alcoholism & Drug Abuse Grant										
Comprehensive Alcoholism & Drug Abuse Grant	100-046-4219-024	2008	784,732	9,212				9,212	*	774,597
Comprehensive Alcoholism & Drug Abuse Grant	100-046-4219-024	2009	899,367	179,293				179,293	*	720,074
Comprehensive Alcoholism & Drug Abuse Grant	100-046-4219-024	2010	764,744	5,025				5,025	*	759,719
Comprehensive Alcoholism & Drug Abuse Grant	100-046-4219-024	2011	732,993	(202,520)	217,307	14,785		2	*	729,049
Comprehensive Alcoholism & Drug Abuse Grant	100-046-4219-024	2012	751,699		460,715	746,883		(286,168)	*	746,883
				(8,990)	678,022	761,668		(92,636)	*	3,730,322

COUNTY OF PASSAIC

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2012

Program Description	State Program / Account No.	Grant Period	Total Grant Award	Balance	Revenue	Grant	Adjustments/	Balance	MEMO
				Dec., 31 2011	Realized	Expenditures	Canceled	Dec., 31 2012	Cumulative Total Expenditures
NJSP Exercise Pass-Thru CY03 EOP	N/A	2003	46,540						*
									*
Work First NJ	7550-150-158010-63	FY10/11	7,682,259	(435,704)	1,939,492	1,641,301		(137,513)	*
Work First NJ	7550-150-158010-63	FY11/12	6,610,560		3,659,037	2,339,840		1,319,197	*
Work First NJ	7550-150-158010-63	FY12/13	5,631,504			2,895,048		(2,895,048)	*
				(435,704)	5,598,529	6,876,189		(1,713,364)	*
Child Behavioral Health Services	100-016-1620-013	2011	158,456	(13,205)	13,205				*
Child Behavioral Health Services	100-016-1620-013	2012	158,366		145,251	147,852		(2,601)	*
				(13,205)	158,456	147,852		(2,601)	*
Insurance Fraud Reimbursement Program	100-1020-066-102	2011	250,000	(32,067)	32,067				*
Insurance Fraud Reimbursement Program	100-1020-066-102	2012	250,000		217,950	250,000		(32,050)	*
				(32,067)	250,017	250,000		(32,050)	*
L.E.O.T.E.F.	1020-100-066-1020-314-TCJS-6120	2005	41,435	4,857		1,690		3,167	*
L.E.O.T.E.F.	1020-100-066-1020-314-TCJS-6120	2006	52,375	52,375				52,375	*
L.E.O.T.E.F.	1020-100-066-1020-314-TCJS-6120	2007	61,915	61,915				61,915	*
L.E.O.T.E.F.	1020-100-066-1020-314-TCJS-6120	2008	48,990	48,990				48,990	*
L.E.O.T.E.F.	1020-100-066-1020-314-TCJS-6120	2009	9,943	9,943				9,943	*
L.E.O.T.E.F.	1020-100-066-1020-314-TCJS-6120	2010	57,487	57,487				57,487	*
L.E.O.T.E.F.	1020-100-066-1020-314-TCJS-6120	2012	58,170		58,170			58,170	*
				235,567	58,170	1,690		292,047	*
Emergency 9-1-1 General Assistance Grant	09-E-16-520	2009	52,863	3,433				3,433	*
Emergency 9-1-1 Coordinator	09-E-16-520	2009	25,000	16,158		13,376		2,782	*
				19,591		13,376		6,215	*
Community Emergency Response Team (CERT)	100-066-1200-851-YEMR-6110	2006	8,500	8,005				8,005	*
				8,005				8,005	*
County Right to Know Program	LOA 92-2244-RTK-00	2011	15,213	(11,410)	11,410				*
County Right to Know Program	100-046-4771-105	2012	15,213						*
				(11,410)	11,410				*
Other State Agencies cont.....:									
State Incentive Program	SIP-07-PS-16	2007	588,619	106,277				106,277	*
State Incentive Program	SIP-08-PS-16	2008	598,969	71,947				71,947	*
State Incentive Program	SIP-09-PS-16	2009	598,969	46,599				46,599	*
State Incentive Program	SIP-09-PS-16	2010	240,124	(25,753)			(2)	(25,755)	*
				199,070			(2)	199,068	*

COUNTY OF PASSAIC

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2012

Program Description	State Program / Account No.	Grant Period	Total Grant Award	Balance	Revenue Realized	Grant Expenditures	Adjustments/ Canceled	Balance	MEMO Cumulative Total Expenditures
				Dec., 31 2011				Dec., 31 2012	
Paris Grant Records Management	100-074-2545-033-6110	2007	213,120	35,252				35,252 *	177,868
Paris Grant DSMS Portal Electronic Recording	100-074-2545-033-6110	2007	199,025	(35,087)				(35,087) *	199,025
Paris Grant Records Management	100-074-2545-033-6110	2009	153,339	917				917 *	211,064
				1,082				1,082 *	587,957
Customized Training Program	780-062-4545-003-N729-6140	2006	13,462					*	
Clean Energy	100-022-8050-B15-FCMP-6130	2007	150,000	22,450				22,450 *	127,550
				22,450				22,450 *	127,550
Passaic County Master Plan: Trans Element		2009	240,000	63,417		50,055		13,362 *	224,417
				63,417		50,055		13,362 *	224,417
NJIT		2011	3,072	3,072				3,072 *	
NJIT		2011	2,992	2,992				2,992 *	
				6,064				6,064 *	

COUNTY OF PASSAIC

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2012

Program Description	State Program / Account No.	Grant Period	Total Grant Award	Balance	Revenue	Grant	Adjustments/	Balance	MEMO
				Dec., 31 2011	Realized	Expenditures	Canceled	Dec., 31 2012	Cumulative Total Expenditures
EMPG-Commodity		2010	33,685	33,685				33,685	*
				33,685				33,685	*
NJ Highlands - Plan Conformance	100-082-2078-033	2009-16	70,000						*
									*
Total State Programs				(1,155,788)	16,595,392	23,720,375	(805)	(8,281,576)	98,202,166
<u>Local Programs:</u>									
Passaic County Open Space Trust									
Goffle/Weasel Brook Park	N/A	03-25	630,000	354,675				354,675	18,420
Goffle Brook Stabilization Project	N/A	03-29	200,000	200,000				200,000	*
Stabilization Improvements of Goffles Brook Park	N/A	07-07	200,000	200,000				200,000	*
Barbour Pond Improvements & Lambert Castle Const.	N/A	07-09	250,000	250,000				250,000	*
Garrett Mtn Trail Imp, Lambert Castle Roof	N/A	07-09	250,000	250,000				250,000	*
Lambert Tower Reconstruction & Rehabilitation	N/A	08-05	1,850,000	1,850,000				1,850,000	*
Golf Course Improvements	N/A	12-03	165,000						*
County Aid									*
Passaic County Film Festival - 2011	N/A	2011	1,130						*
Passaic County Film Festival - 2012	N/A	2012	1,420		1,420	1,420			1,420
Passaic County Film Festival - 2013	N/A	2013	2,000						*
Passaic County Training Consortium - ISO 9001	N/A	2008	124,500						124,000
Total Local Programs				3,104,675	1,420	1,420		3,104,675	125,420
Total State and Local Programs				\$ 1,948,887	16,596,812	23,721,795	(805)	(5,176,901)	98,327,586

**COUNTY OF PASSAIC
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 1. GENERAL

The accompanying schedules of expenditures of awards present the activity of all federal and state financial assistance programs of the County of Passaic. The County is defined in Note 1A to the County's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting as prescribed for counties by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the County's financial statements.

NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the County's financial statements. Financial assistance awards are reported in the County's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Current Fund	\$19,783,904	\$11,710,036	\$1,420	\$31,495,360
General Capital Fund		<u>12,010,339</u>		<u>12,010,339</u>
	<u>\$19,783,904</u>	<u>\$23,720,375</u>	<u>\$1,420</u>	<u>\$43,505,699</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree, in all material respect, with the amounts reported in the related federal and state financial reports. However, we noted certain differences which are reported in the accompanying schedule of Findings of Noncompliance and Questioned Costs.

NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING

The County's federal and state loans outstanding at December 31, 2012, which are not required to be reported on the schedule of expenditures of federal and state awards, are as follows:

<u>Loan Program</u>	<u>Federal CFDA Number/ State Account Number</u>	<u>State</u>
Dept. of Environmental Protection		
Green Acres Loan Program	4800-533-851000-60	\$484,633
Green Trust Loan Program	4800-533-851000-60	<u>406,199</u>
		<u>\$890,832</u>

**COUNTY OF PASSAIC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: modified

Internal control over financial reporting:

1. Material weakness(es) identified? yes X no

2. Were significant deficiencies identified that are not considered to be material weaknesses? yes N/A no

Noncompliance material to general-purpose financial statements noted? yes X no

Federal Awards Section

Dollar threshold used to determine type A programs: \$ 878,974

Auditee qualified as low-risk auditee? X yes no

Type of auditors' report on compliance for major programs: unmodified

Internal Control over compliance:

1. Material weakness(es) identified? yes X no

2. Were significant deficiencies identified that were not considered to be material weaknesses? yes X no

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section 510(a)) yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871 (A)	Housing Choice Vouchers
17.250 (A)	Workforce Investment Act
93.005 (B)	Preakness Gero-Psych Program
16.540 (B)	State Community Partnership
14.238 (A)	Passaic County Housing First
93.569 (A)	Community Service Block Grant
14.218 (A)	Community Development Block Grant
97.008 (A)	Homeland Security Grant

Note: (A) - Tested as Major Type A Program.
(B) - Tested as Major Type B Program.

**COUNTY OF PASSAIC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(continued)**

***Section I - Summary of Auditor's Results
(continued)***

State Awards Section

Dollar threshold used to determine type A programs: \$ 711,611

Auditee qualified as low-risk auditee? _____ yes X no

Type of auditors' report on compliance for major programs: unmodified

Internal Control over compliance:

1. Material weakness(es) identified? _____ yes X no

2. Were significant deficiencies identified that were not considered to be material weaknesses? _____ yes X no

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04, as amended? _____ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
7550-150-158010-63 (A)	Workfirst New Jersey
758-042-4960-2001 (B)	Recycling Enhancement Act
100-054-7550-049 (A)	Homeless Grant
100-054-7550-308 (B)	Special Initiative and Transportation Grant
100-082-2000-044 (A)	Municipal Alliance
100-066-1500-021 (B)	Family Court Services

Note: (A) - Tested as Major Type A Program.
(B) - Tested as Major Type B Program.

COUNTY OF PASSAIC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(continued)

Section II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of General Auditing Standards.

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

COUNTY OF PASSAIC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(continued)

This section identifies the status of prior-year findings related to the general purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 04-04, as amended.

STATUS OF PRIOR YEAR FINDINGS

None

**COUNTY OF PASSAIC
GENERAL COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012**

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-3 states:

- a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (I) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

- a. Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act of specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

COUNTY OF PASSAIC
GENERAL COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012
(continued)

Effective July 1, 2010, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$26,000 and with a qualified purchasing agent the threshold may be up to \$36,000. On January 27, 2008, the County increased the bid threshold to \$36,000 as allowed by law for having a qualified purchasing agent.

The governing body of the County has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the County Counsel's opinion should be sought before a commitment is made.

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

(2) Medium Transit Design Buses Rear Engine with Lavatory	2012 Bulk Purchase of Disposable Paper Products and Garbage Liners
Port-O-Johns for Golf Course	2012 Janitorial Supplies
(1) Chevrolet Camaro for the Sheriff's Department	2012 Liquid-Nutritional Supplements and Thickened Liquids
Inmate Video Visitation System	Laboratory Services for Jail
2012 Bread Bid	2012 Towing Bid for Sheriff's Department
Rehabilitation of Pompton Road Culvert	Replacement of Carpath Bridge (B-2) in the Preakness Valley Golf Course
Lambert Tower Remediation at Garret Mountain	Construction of New Irrigation Pump House and Dredging of Pond in the Preakness Valley Golf Course
Court Building Complex Envelopes and Architectural Repairs	2012 Road Resurfacing Project for the Upper, Middle and Lower Sections
Court Buildings Complex HVAC Improvements	Construction of a Traffic Signal at the Skyline Drive/Erskine Road Intersection Ringwood
Design of the Clove Rd/Long Hill Road Improvements	Renovations to Prosecutor's Office
Burial and Mortuary Services	(2) 2012 Ford F-150 Hot Shot Delivery Vehicles
2012 Fertilizer, Chemicals and Materials	2012-13 Steel Bid
Natural Gas Supply Service	2012 Medical and Dental Supplies
Road Materials District II	
Food Concessions Operation	

COUNTY OF PASSAIC
GENERAL COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012
(continued)

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," 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. 40A:11-6.

Prior Year Comments Unresolved

Our audit of the Liability Claims Account revealed that the activity is not being posted to the general ledger. It is recommended that all activity be posted to the general ledger as required by Technical Accounting Directive 86-3.

Our audit of the Liability Claims Account revealed that account has carried outstanding checks as reconciling items for more than a year. It is recommended that all old reconciling items should be reviewed for validity and cleared or cancelled in a timely manner.

Our audit of the Finance Department's Account Payable revealed that some purchases were ordered prior to being encumbered. It is recommended that all purchase requisitions be encumbered prior to ordering.

Our audit of the Human Resource Department discovered that annual salary adjustments and voluntary compensation deductions were not always approved through Human Resources, updated to represent the actual payroll and deduction for some employees, or maintained as legal documentation in the personnel files. It is recommended that all salary adjustments and changes to voluntary deferred compensation contributions be approved through Human Resources, updated to represent the approved salary and adjusted contributions, and proper documentation be inserted into personnel files for each update or change, prior to allowing computerized payroll records to be changed.

COUNTY OF PASSAIC
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2012

FINANCE/TREASURER:

COMMENTS:

1. Not all transfers were made in accordance with N.J.S. 40A:4-45.1.
2. Expenditures charged against the workers compensation line item were not posted in a timely manner.
3. The general ledger is not being utilized for the Workers' Compensation Trust Fund Claims Account as required by Technical Accounting Directive #3.
4. Capital Fund Grant Receipts are not always being posted to the proper general ledger line item. 1 as prescribed by Technical Accounting Directive #3.
5. Instances where incorrect budget accounts was being charged for Debt principal and interest payments as required by Division of Local Government Services, Requirements of Audit for Expenditures and Disbursements.
6. Open purchase order was not cancelled in a timely manner as required by Division of Local Government Services, Requirements of Audit for Encumbrances.
7. Ordinance 12-08 was not posted to the Edmunds Accounting System Improvement Authorization Budget Status, as required by Technical Accounting Directive #3.
8. Two Refunding Bond issues and a Capital Lease Bond issue were not charged out in the Edmunds Accounting System General Capital Fund General Ledger upon the issue of bonds.
9. Current year budgeted debt payments were not posted to the Edmunds Accounting System General Capital Fund General Ledger, as required by Technical Accounting Directive #3.
10. Debt issues for 2012 were not posted to reflect an accurate balance of Bonds and Notes Authorized and not Issued General Ledger Line Item.
11. \$264,937 of prior year General Capital Fund Accounts Payable was not researched for proper disposition.
12. Accrued Interest Payable was not properly discharged and carried on the balance sheet for over a year.
13. Cost of issuance fees were charged to an off-balance sheet account and not allocated to the appropriate ordinances.
14. The remaining balances of various refunding bond ordinances have not been cancelled from the Improvement Authorizations balance.

COUNTY OF PASSAIC

COMMENTS AND RECOMMENDATIONS (CONTINUED)

15. Grant cash received for ordinance 08-03 was not posted properly to the Reserve for Grants Receivable General Ledger line item.
16. 2011 General Capital cancellations were not posted to the Edmunds System in a timely manner (December 2012.) The delayed posting caused additional expenditures to be charged against line items that did not have a balance available.
17. Compensated Absence Liability report was not provided at the time of audit.
18. Federal 4th quarter 941 Tax Return was not made available for review at time of audit.
19. Department of Housing and Urban Development (HUD) most recent audit report was not provided at time of audit.
20. Bank reconciliation not performed for the Public Housing Agency Trust (HUD) Landlord Account as required by N.J.S.A. 40A:5-5.
21. There was a budget overexpenditure in the Current Fund of \$80,422 which is required to be reported by the Division of Local Government Services, Requirements of Audit for Overexpenditures.
22. Some purchases were incorrectly charged to the Open Space Trust Fund as stated in the "County of Passaic Open Space and Farmland Preservation Trust Fund Rules and Regulations."
23. Salaries were incorrectly reclassified out of the Planning Board salary and wages line item and charged against the Open Space Trust Fund.

RECOMMENDATIONS:

1. *That all transfers be made in accordance with N.J.S. 40A4:-45.1.
2. *That activity for all accounts be posted to the general ledger.
3. *That all transactions be researched and properly posted to the general ledger on a monthly basis.
4. More care is required to research the origin of each grant receipt to record the transaction the proper general ledger line item.
5. That all expenditures be review and charged to the correct budget account.
6. That open purchase orders are reviewed and cancelled in a timely manner.
7. That all bond ordinances be posted to the Edmunds Accounting System Improvement Authorization Budget Status in a timely manner upon adoption.
8. That all Refunding Bond and Capital Lease Bond issues be posted to the Edmunds Accounting System General Capital Fund General Ledger in a timely manner upon issue of the bonds.

COUNTY OF PASSAIC

**COMMENTS AND RECOMMENDATIONS
(CONTINUED)**

9. That all debt payments be posted to the Edmunds Accounting System General Capital Fund General Ledger.
10. That all debt issues be posted to General Ledger Line Item to reflect an accurate balance of Bonds and Notes Authorized Not Issued.
11. That Accounts Payable balances from prior year be researched for proper disposition.
12. Accrued interest payable balance be properly discharged and removed from balance sheet at the close of the year year.
13. That cost of issuance fees be allocated to the appropriate ordinances.
14. That all refunding bond remaining balances be cancelled from the Improvement Authorization balance.
15. Grant monies received for an Ordinance be properly posted to the Reserve for Grants Receivable General Ledger Line Item.
16. That Capital Fund cancellations be posted to Edmunds System in a timely manner to in order to avoid any additional expenditures being charged against line items without an available balance.
17. That a report of the liability for Compensated Absences be provided at the time of audit.
18. That all quarterly Federal 941 tax returns be made available at the time of audit.
19. That the most recent audit report of the Department of Housing and Urban Development be provided at the time of audit.
20. That the Public Housing Agency Trust Landlord Account be reconciled.
21. Current year appropriation balances be reviewed prior to expenditures being made in order to avoid over-expenditure.
22. That all Trust Fund purchases be charged in accordance with the County's Trust Fund Rules and Regulations.
23. That salaries not be charged against the Open Space Trust Fund line item.

COUNTY OF PASSAIC

**COMMENTS AND RECOMMENDATIONS
(CONTINUED)**

PREAKNESS HOSPITAL:

COMMENTS:

24. A cash receipt ledger is not being maintained.

RECOMMENDATIONS:

24. That supporting documentation for receipts be available and a ledger maintained.

PAYROLL:

COMMENT:

25. The net payroll and payroll agency account is not reconciled on a monthly basis.
26. There were instances in which employee's timesheets are not being signed by Department Head.
27. 1099's were not issued to all eligible vendors.

RECOMMENDATIONS

25. That the net payroll and payroll agency accounts be reconciled.
26. That all employee timesheet be signed be by the designated Department Head.
27. That 1099's be issued to all eligible vendors.

**COUNTY OF PASSAIC
GENERAL COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012
(continued)**

STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior year recommendations. Corrective action was taken on all prior year recommendations with the exception of those recommendations denoted with an asterisk (*).

The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

Very truly yours,



Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. CR00413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

September 19, 2013