

REPORT OF AUDIT
COUNTY OF PASSAIC
STATE OF NEW JERSEY
DECEMBER 31, 2016

THIS PAGE INTENTIONALLY LEFT BLANK

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	11
	<u>TRUST FUNDS</u>	
B	Comparative Balance Sheet - Regulatory Basis	28
	<u>GENERAL CAPITAL FUND</u>	
C	Comparative Balance Sheet - Regulatory Basis	30
C-1	Statement of Changes in Fund Balance - Regulatory Basis	31
	<u>GENERAL FIXED ASSETS</u>	
D	Statement of General Fixed Assets - Regulatory Basis	32
	Notes to Financial Statements Year Ended December 31, 2016	33
	Supplementary Data	95

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	98
A-5	Schedule of Cash - Change Fund	99
A-6	Schedule of Cash - Petty Cash	99
A-7	Schedule of Federal and State Grants Receivable	100
A-8	Schedule of Revenue Accounts Receivable	104
A-9	Schedule of Interfunds	105
A-10	Schedule of Appropriation Reserves	106
A-11	Schedule of Accounts Payable	109
A-12	Schedule of Encumbrances Payable	110
A-13	Schedule of Commitments Payable	111
A-14	Schedule of Appropriated Reserves for Grants	112
A-15	Schedule of Prepaid Revenues	117
A-16	Schedule of Miscellaneous Reserves	118
A-17	Schedule of Unappropriated Reserves for Grants	119
A-18	Schedule of Interfunds	120
A-19	Schedule of Deferred Charges - 40A:4-53 Special Emergency	121
<u>TRUST FUND</u>		
B-1	Schedule of Cash	122
B-2	Schedule of Various Trust Deposits	123
B-3	Schedule of Reserve for Dedicated Trusts	124
B-4	Schedule of Accounts Receivable-PCSD	125
B-5	Schedule of Open Space- Due to Municipalities	125
B-6	Schedule of Reserve for Open Space Trust Expenditures	126
B-7	Schedule of Open Space Commitments Payable	127
B-8	Schedule of Open Space Levy- Due to Municipalities	127
B-9	Schedule of Reserve for Confiscated Trust Fund	128
B-10	Schedule of Reserve for Workmen's Compensation	129
B-11	Schedule of Reserve for Health Benefit Funds	130
B-12	Schedule of Reserve for Liability Insurance	130
B-13	Schedule of Housing Voucher Program	131
B-14	Schedule of Interfunds	132

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	133
C-3	Analysis of Cash	134
C-4	Schedule of Receivables	136
C-5	Schedule of Deferred Charges to Future Taxation - Funded	138
C-6	Schedule of Deferred Charges to Future Taxation - Unfunded	139
C-7	Schedule of Improvement Authorizations	143
C-8	Schedule of Commitments Payable	145
C-9	Schedule of Capital Improvement Fund	146
C-10	Schedule of Reserve for Final Payments and Litigation	146
C-11	Schedule of Reserve for Payment of Bonds and Notes	147
C-12	Schedule of Interfunds	148
C-13	Schedule of Reserve for Salt Shed - West Milford	149
C-14	Schedule of Reserve for Interest - Fire Academy	150
C-15	Schedule of Reserve for Administration Building Settlement	151
C-16	Schedule of Reserve for Interest - DOT Programs	151
C-17	Schedule of Reserve for Grants Receivable	152
C-18	Schedule of Bond Anticipation Notes Payable	153
C-19	Schedule of General Serial Bonds Payable	155
C-20	Schedule of New Jersey Green Trust Loans Payable	169
C-21	Schedule of Capital Leases Payable	170
C-22	Schedule of Bonds and Notes Authorized But Not Issued	173

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	175
	Independent Auditor's Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance as Required by the Uniform Guidance and N.J. OMB Circular Letter 15-08	177
	Schedule of Expenditures of Federal Awards	180
	Schedule of Expenditures of State Awards	185
	Notes to the Schedules of Expenditures of Federal and State Awards	189
	Schedule of Findings and Questioned Costs	190
	Status of Prior Years Findings	189
	General Comments and Recommendations	197
	Comments and Recommendations	199
	Status of Prior Years' Audit Findings/Recommendations	200

COUNTY OF PASSAIC

STATE OF NEW JERSEY

*** * * * ***

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

THIS PAGE INTENTIONALLY LEFT BLANK

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

Charles J. Ferraloli, Jr., MBA, CPA, RMA
Steven D. Wielkocz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

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 County of Passaic in the State of New Jersey, as of December 31, 2016 and 2015, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2016, 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, 2016 and 2015 which represents 13.1 percent and 13.9 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



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, 2016 and 2015, or changes in financial position for the years then ended.



Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2016 and 2015, 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, 2016 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

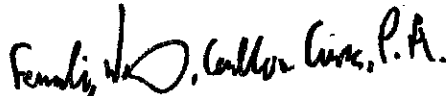


Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2017 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.



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



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

February 16, 2017



COUNTY OF PASSAIC

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 80,514,757	61,460,946
Investments	A-4		2,004,197
Change Fund	A-5	675	675
Cash - Fiscal Agent for Health Benefits		3,245,302	570,000
		<u>83,760,734</u>	<u>64,035,818</u>
Receivables and Other Assets with Full Reserves:			
Revenue Accounts Receivable	A-8	740,414	921,785
Amount Due from:			
Other Trust	A-9		79
HUD Trust	A-9		503
Payroll Agency Account	A-9		250
		<u>740,414</u>	<u>922,617</u>
Deferred Charges:			
Special Emergency Authorizations	A-19		1,129,611
			<u>1,129,611</u>
		<u>84,501,148</u>	<u>66,088,046</u>
Federal and State Grant Fund:			
Grants Receivable	A-7	59,619,754	43,359,116
Due from Current Fund	A-18	1,640,993	2,403,817
		<u>61,260,747</u>	<u>45,762,933</u>
Total Assets		<u>\$ 145,761,895</u>	<u>111,850,979</u>

COUNTY OF PASSAIC

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-10	\$ 23,854,963	19,496,070
Accounts Payable	A-11	2,482,010	1,393,980
Encumbrances Payable	A-12	7,236,001	6,212,192
Prepaid Revenues	A-15	33,056	19,825
Due to State & Federal Grants Fund	A-9	1,640,993	2,403,817
Due to Open Space Trust	A-9		1,099
Due to Worker's Compensation Trust Fund	A-9	2,367,731	
Due to General Capital Fund	A-9		63,509
Due to Motor Vehicle Dedicated Trust	A-9	448	
Miscellaneous Reserves	A-16	1,129,280	1,210,747
		<u>38,744,482</u>	<u>30,801,239</u>
Reserve for Receivables	Contra	740,414	922,617
Fund Balance	A-1	45,016,252	34,364,190
		<u>84,501,148</u>	<u>66,088,046</u>
Federal and State Grant Fund:			
Commitments Payable	A-13	14,963,815	14,075,446
Reserve for State and Federal Grants - Appropriated	A-14	46,241,932	31,305,587
Reserve for State and Federal Grants - Unappropriated	A-17	55,000	381,900
		<u>61,260,747</u>	<u>45,762,933</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 145,761,895</u>	<u>111,850,979</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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenues and Other Income:		
Fund Balance Utilized	\$ 18,000,000	17,000,000
Miscellaneous Revenue Anticipated	154,293,557	134,282,757
Receipts from Current Taxes	341,186,223	335,617,867
Non-Budget Revenue	4,361,145	4,626,966
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	8,832,278	7,711,777
Prior Year Interfunds Returned	833	3,411,004
Cancellation of Liabilities		20,128
Cancellation of Appropriated Grants	10,990,653	2,898,959
Additional Working Capital - Horizon Blue Cross Blue Shield	2,675,302	
	<u>540,339,991</u>	<u>505,569,458</u>
Total Revenues and Other Income		
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	137,464,822	135,643,570
Other Expenses	261,094,017	226,934,257
Capital Improvement Fund	755,000	700,000
Debt Service	55,416,549	57,043,450
Deferred Charges and Statutory Expenditures	47,364,577	54,272,101
Interfunds and Receivables Originating in Current Fund	61,752	640
Grant Receivables Canceled	9,301,613	2,551,987
Reserve for Grant Receivables Realized		3,000,000
Refunds	229,599	111,410
	<u>511,687,929</u>	<u>480,257,415</u>
Total Expenditures		
Statutory Excess to Surplus	28,652,062	25,312,043
Fund Balance, January 1,	34,364,190	26,052,147
	<u>63,016,252</u>	<u>51,364,190</u>
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>18,000,000</u>	<u>17,000,000</u>
Fund Balance, December 31,	<u>\$ 45,016,252</u>	<u>34,364,190</u>

See accompanying notes to the financial statements.

COUNTY OF PASSAIC
Statement of Revenues-Regulatory Basis
Current Fund
Year Ended December 31, 2016

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$ 18,000,000	18,000,000	
Miscellaneous Revenues:			
County Clerk	792,565	1,016,349	223,784
Register	2,632,093	3,189,239	557,146
Surrogate	390,000	504,486	114,486
Sheriff	997,494	2,547,351	1,549,857
Interest on Investments and Deposits	18,000	316,390	298,390
Road Opening Permits	275,000	376,295	101,295
Rental Income	228,000	315,529	87,529
State Aid - County College Bonds (N.J.S.A. 18A:64-22.6)	1,600,000	2,024,152	424,152
Division of Youth and Family Services	3,694,404	3,694,404	
Supplemental Social Security Income	1,438,704	1,416,791	(21,913)
Maintenance of Patients in State Institutions for Mental Diseases	19,528,820	19,528,820	
Maintenance of Patients in State Institutions for Mentally Retarded	7,737,354	7,737,354	
County Patients - State Hospital	7,731	4,246	(3,485)
University of Medicine and Dentistry	23,107	23,107	
Maintenance of Patients in State Institutions for Mentally Retarded - '12	29,959	29,959	
Casino Revenue	808,074	808,074	
Area Plan Grant - Aging Area Nutrition	1,274,722	1,274,722	
Area Plan Grant	1,362,336	1,362,336	
CoC Planning Grant	35,907	35,907	
Family Court Services	278,149	278,149	
State Community Partnership	500,656	500,656	
JARC	150,000	150,000	
Division of Child Behavior Health Services	158,456	158,456	
UASI Local Share	698,396	698,396	
CSBG Non-Discretionary	97,277	97,277	
Alcohol and Drug Abuse Grant	737,782	737,782	
Juvenile Detention Alternatives Innovations	123,633	123,633	
CoC Planning Grant	32,741	32,741	
16-17 Local Safety - Hi Frict Surface Treatment	3,000	3,000	
CSBG Non-Discretionary	67,386	67,386	
Sexual Assault Nurse Examiner (SART/SANE)	87,783	87,783	
Social Service for the Homeless	35,956	35,956	
Victim Witness Advocacy	282,361	282,361	
Victim Witness Advocacy Supplemental Program	400,000	400,000	
Stop Violence Against Women	32,925	32,925	
Insurance Fraud	261,250	261,250	
Radon Awareness Program	1,000	1,000	
MRC Challenge Award	15,000	15,000	
Click it or Ticket	5,000	5,000	
CoC Planning Grant	110,995	110,995	
Social Services for the Homeless	148,000	148,000	
Eva's Village Homeless Housing	118,815	118,815	
St. Joe's CDC	47,187	47,187	
St. Paul's	47,187	47,187	

COUNTY OF PASSAIC

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Heating Improvement (HIP) 2016	323,835	323,835	
County Aid - Resurfacing 2016	4,110,800	4,110,800	
USAI Local Share	657,500	657,500	
Workforce Innovation and Opportunity Act - WIOA Adult	1,671,380	1,671,380	
Workforce Innovation and Opportunity Act - WIOA Dislocated Worker	1,691,989	1,691,989	
Workforce Innovation and Opportunity Act - WIOA Youth	1,832,249	1,832,249	
General Assistance/Supplemental Nutrition Assistance Program (GA/SN)	1,832,660	1,832,660	
Workforce Learning Link (WLL)	188,000	188,000	
Housing First Pilot	329,213	329,213	
Housing First 2008	267,391	267,391	
2016 Warwick Turnpike	640,000	640,000	
2016 Fairfield Rd Bridge	1,000,000	1,000,000	
Social Services for the Homeless	1,477,780	1,477,780	
Municipal Alliance	512,024	512,024	
16BERN	48,997	48,997	
Transportation and TIP	404,914	404,914	
JARC FY2017	150,000	150,000	
PC Summer Concert Series	1,750	1,750	
JARC FY2012	50,000	50,000	
2015 CEHA	177,580	177,580	
Weatherization DOE	357,316	357,316	
JARC FY2012	40,000	40,000	
16-17 Local Safety - Rumble Strips	858,717	858,717	
16-17 Local Safety - Hi Frict Surface Treatment	5,431,702	5,431,702	
SHIP	26,000	26,000	
Clean Communities	94,415	94,415	
Seniors Farmer Market Nutrition	1,000	1,000	
Aging Area Nutrition	1,584	1,584	
Aging Area Plan Grant	2,500	2,500	
NAVAA Grant	5,000	5,000	
PHLP LINC'S 2017	501,586	501,586	
Social Services for the Homeless	314,000	314,000	
Universal Service Fund	441,168	441,168	
Right to Know	15,213	15,213	
PHLP LINC'S	10,000	10,000	
LIHEAP Assistance	662,752	662,752	
Temporary Assistance for Needy Families (TANF)	3,853,467	3,853,467	
CSBG Non-Discretionary	111,929	111,929	
Loves Pets	2,500	2,500	
National Children's Alliance	9,000	9,000	
Fairlawn Avenue Bridge	13,300,000	13,300,000	
Morris Canal Greenway Browertown Rd	450,000	450,000	
2016 Spruce Street Bridge	1,500,000	1,500,000	
Preakness Gero-Psych Program	338,210	338,210	
Community Development Block Grant (CDBG)	810,869	810,869	

COUNTY OF PASSAIC

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
County Gang, Gun & Narcotics Taskforce	174,378	174,378	
Justice Assistance Program	26,759	26,759	
Aging Area Nutrition	689,909	689,909	
Aging Area Plan Grant	475,693	475,693	
Smart STEPS	24,075	24,075	
Body Armor PCPO	6,595	6,595	
Body Armor PCSD	43,807	43,807	
Sub Regional Transportation Grant	132,048	132,048	
CSBG Non-Discretionary	155,133	155,133	
Passaic County Film Festival	2,300	2,300	
Housing First - 2011	404,509	404,509	
Housing First 2011 Bonus	78,729	78,729	
Mosquito ID & Control Efforts	27,325	27,325	
Weatherization LIHEAP 2016	651,795	651,795	
2013 FTA Section 5310	101,025	101,025	
Heating Improvement (HIP)	100,000	100,000	
Housing First 2009	81,260	81,260	
Housing First Collab II 2009	362,951	362,951	
Recycling Enhancement	381,900	381,900	
Green Infrastructure Plan	240,000	240,000	
Added and Omitted Taxes	900,000	1,118,295	218,295
Board Inmates at County-State	87,000	104,826	17,826
Title IV D Parent Locator Program	1,098,000	1,215,234	117,234
Fringe Benefits	10,000,000	12,354,859	2,354,859
Indirect Costs - Grants	3,500,000	1,662,842	(1,837,158)
Preakness Hospital - Medicaid Reimbursements	30,000,000	30,986,290	986,290
Maintenance in Lieu of Rent - Martin Luther King - Soc. Serv.	130,000	138,906	8,906
State School Building Aid (Chapter 12)	50,000		(50,000)
Park Fees	1,700,000	1,808,029	108,029
Telephone Commissions	80,000	327,804	247,804
Site Plan Fees	54,000	73,581	19,581
Radio Tower Rental	32,000	49,584	17,584
Rental Revenue - Quarry	800,000	851,832	51,832
Reserve for Payment of Bonds	500,000	500,000	
Due From OSTF - Court House Renovation	200,000	200,000	
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>148,701,234</u>	<u>154,293,557</u>	<u>5,592,323</u>
Total Miscellaneous Revenues			
Amount to be Raised by Taxation - County Purpose Tax	<u>341,186,222</u>	<u>341,186,223</u>	<u>1</u>
Total Budget Revenues	<u>\$ 507,887,456</u>	<u>513,479,780</u>	<u>5,592,324</u>
Nonbudget Revenue		<u>4,361,145</u>	
		<u>\$ 517,840,925</u>	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
OPERATIONS:					
GENERAL GOVERNMENT					
Administration Executive					
Board of Freeholders					
Salaries and Wages	340,500	350,500	343,978	6,522	
Other Expenses	75,000	75,000	61,437	13,563	
Contribution to Public Access Libraries	70,000	70,000	70,000		
County Administrator					
Salaries and Wages	569,227	569,227	501,373	67,854	
Other Expenses	327,053	252,053	183,788	68,265	
Finance Section					
Finance Department					
Salaries and Wages	1,260,000	1,175,000	1,132,598	42,402	
Other Expenses	394,306	394,306	316,834	77,472	
Audit	103,500	103,500	103,500		
Payroll Processing-Other Expenses	250,000	295,000	258,053	36,947	
Insurance Division	2,540	2,540	1,779	761	
Legal Department					
County Counsel					
Salaries and Wages	1,189,096	1,164,096	1,111,273	52,823	
Other Expenses	76,100	76,100	60,592	15,508	
Other Expenses Ethics	10,000	10,000		10,000	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
County Adjuster					
Salaries and Wages	272,000	272,000	204,740	67,260	
Other Expenses	75,388	85,388	80,751	4,637	
Clerk of the Board					
Salaries and Wages	394,694	394,694	380,908	13,786	
Other Expenses	28,000	28,000	27,801	199	
Personnel					
Salaries and Wages	443,100	443,100	399,545	43,555	
Other Expenses	77,540	77,540	67,946	9,594	
State and National Association of County Officials	10,930	10,930	10,929	1	
County Clerk					
Salaries and Wages	917,515	917,515	658,845	258,670	
Other Expenses	22,232	22,232	18,507	3,725	
Other Expenses	300,000	300,000	294,331	5,669	
County Register					
Salaries and Wages	1,232,465	1,237,465	1,184,152	53,313	
Other Expense	154,935	149,935	107,869	42,066	
Prosecutor's Office					
Salaries and Wages	18,732,789	18,283,315	16,816,718	1,466,597	
Other Expenses	623,297	623,297	579,252	44,045	
Countywide Police Radio	85,000	85,000	83,179	1,821	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Purchasing Department					
Salaries and Wages	849,078	824,078	766,292	57,786	
Other Expenses	34,750	34,750	21,084	13,666	
Other Expenses-Bulk Purchasing	86,550	86,550	(72,218)	158,768	
MIS Department (Finance Department)					
Other Expenses	880,000	880,000	872,302	7,698	
Building and Grounds					
Salaries and Wages	6,545,000	6,375,000	6,129,144	245,856	
Other Expenses	3,725,000	3,995,000	3,872,143	122,857	
Other Expenses-Parking	375,000	375,000	372,420	2,580	
Other Expenses-Preakness Health Center	125,000	125,000	85,032	39,968	
Other Expenses-Welfare Board	50,000	60,000	55,051	4,949	
Postage	200,000	200,000	162,466	37,534	
Photostat					
Other Expenses	35,493	35,493	26,421	9,072	
Surrogate					
Salaries and Wages	1,162,217	1,162,217	1,077,304	84,913	
Other Expenses	60,177	60,177	52,038	8,139	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	Budget after Modification <u>and Transfer</u>	Paid or <u>Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Cancelled</u>
Insurances: Group Hospitalization, Medical Surgical, Major Med. for Employees	55,650,000	55,650,000	50,631,173	5,018,827	
Group Life Insurance for Employee	40,000	40,000	38,667	1,333	
Surety Bond Premium	6,000	6,000	3,778	2,222	
Worker's Compensation	450,000	450,000	(1,260)	451,260	
Disability Insurance	450,000	450,000	399,000	51,000	
Liability Insurance	500,000	500,000	478,564	21,436	
Other Insurance	19,600,000	19,600,000	17,266,906	2,333,094	
Drug Plan	725,000	805,000	775,495	29,505	
Dental Plan					
REGULATION					
Sheriff's Office	12,409,000	12,409,000	9,062,481	3,346,519	
Salaries and Wages	245,750	245,750	200,440	45,310	
Other Expenses					
Weights and Measures	445,327	445,327	434,297	11,030	
Salaries and Wages	9,000	9,000	8,795	205	
Other Expenses					
Board of Taxation	377,551	377,551	376,645	906	
Salaries and Wages	15,000	15,000	11,284	3,716	
Office Expenses					
Medical Examiner					
Other Expenses-Contractual State of NJ	1,530,000	1,530,000	1,530,000		
Indigent Burials	50,000	50,000	7,227	42,773	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Board of Elections					
Salaries and Wages	730,800	760,800	759,229	1,571	
Other Expenses	159,200	159,200	136,656	22,544	
Superintendent of Elections					
Salaries and Wages	1,455,304	1,590,304	1,590,118	186	
Other Expenses	503,500	503,500	440,496	63,004	
County Emergency Management					
Salaries and Wages	192,245	192,245	135,232	57,013	
Other Expenses	18,000	18,000	14,010	3,990	
Planning Board (NJS 40:273)					
Salaries and Wages	328,144	328,144	320,373	7,771	
Other Expenses	36,850	36,850	28,501	8,349	
Economic Development					
Salaries and Wages	140,050	140,050	131,368	8,682	
Other Expenses	16,800	16,800	16,750	50	
Construction Board of Appeals	3,600	3,600		3,600	
ROADS & BRIDGES DEPT.					
Roads and Bridges Dept.					
Salaries and Wages-Roads	660,000	660,000	632,348	27,652	
Other Expenses-Roads	1,722,000	1,722,000	1,652,749	69,251	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Cancelled
Engineering					
Salaries and Wages	711,009	711,009	694,922	16,087	
Other Expenses	17,100	17,100	12,726	4,374	
CORRECTIONAL AND PENAL					
Jail and Workhouse					
Salaries and Wages - Jail	37,477,410	37,477,410	37,328,864	148,546	
Salaries and Wages - Patrol	11,612,411	11,612,411	10,713,660	898,751	
Other Expenses	4,131,648	4,131,648	3,432,825	698,823	
Other Expenses-Medical Expenses	5,563,642	5,563,642	4,487,097	1,076,545	
HEALTH AND WELFARE					
Crippled Children	36,000	36,000	36,000		
Mental Health Board (30:9A-3)					
Salaries and Wages	242,422	242,422	238,113	4,309	
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-Salaries and Wages	36,908	36,908	21,656	15,252	
Addiction Program Contractual-Other Expenses	155,092	155,092	155,092		

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Maintenance of Patients in State Institutions:					
Mentally Diseased and Mentally Retarded	30,659,206	30,659,206	30,651,616	7,590	
Welfare Board-Administration	13,137,623	13,137,623	13,137,623		
Administration-Fringe Benefits	5,700,000	5,700,000	5,700,000		
Supplement Security Income	1,438,704	1,438,704	1,370,000	68,704	
Aid to Dependent Children (NJS 44:10-1 ST Seq	1,352,685	1,352,685	970,000	382,685	
New Jersey Bureau of Children's Services	3,694,404	3,694,404	3,694,404		
Department of Youth Services					
Salaries and Wages	220,000	220,000	195,327	24,673	
Other Expenses-Shared Services Essex County	2,320,217	2,320,217	2,320,217		
Other Expenses-Education	481,000	481,000	466,657	14,343	
Other Expenses-Shelter Beds	260,783	260,783	247,000	13,783	
Other Expenses-Medical	500,000	500,000	495,071	4,929	
Other Expenses	14,000	14,000	6,654	7,346	
Preakness Hospital					
Salaries and Wages	30,663,800	30,163,800	28,561,603	1,602,197	
Other Expenses	6,632,000	7,132,000	6,999,402	132,598	
Camp Hope (40:23-6. 1 to 16)					
Salaries and Wages	469,143	469,143	447,446	21,697	
Other Expenses	46,720	46,720	46,501	219	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Div. of Senior Services, Disabilities, & Vets Affairs, Etc.					
Salaries and Wages	199,916	199,916	163,836	36,080	
Other Expenses	22,450	22,450	21,669	781	
County Health Dept. Chapter 329 PL 1975					
Salaries and Wages	539,477	539,477	451,702	87,775	
Other Expenses	23,700	23,700	11,294	12,406	
Mosquito Division					
Salaries and Wages	718,246	718,246	641,442	76,804	
Other Expenses	35,750	35,750	33,815	1,935	
EDUCATIONAL					
Office of County Superintendent of Schools					
Salaries and Wages	495,000	505,000	492,700	12,300	
Other Expenses	25,978	25,978	25,115	863	
Passaic County Vocational School					
County Extension Services	7,044,585	7,044,585	7,044,585		
Salaries and Wages	61,000	61,000	59,930	1,070	
Other Expenses	142,850	142,850	96,554	46,296	
Passaic County Community College					
Reimbursement for Residents Attending Out of County Two Year College (NJS18:A.64A-23)	13,445,560	13,445,560	13,445,560		
	175,000	175,000	105,402	69,598	
RECREATIONAL					
Park and Recreational Department					
Salaries and Wages-Parks	1,457,524	1,447,524	1,386,685	60,839	
Salaries and Wages-Golf Course	1,364,195	1,374,195	1,355,810	18,385	
Other Expenses-Parks	208,184	218,184	211,313	6,871	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Other Expenses-Golf Course	421,159	421,159	415,955	5,204	
Passaic County Historical Society (NJS 40:32-6)	25,000	25,000			
UNCLASSIFIED					
Equipment, Office, Car, Other	75,000	75,000	56,500	18,500	
Sick Leave Payment	400,000	400,000	384,813	15,187	
Matching Funds for Grants	250,000	250,000	125,933	124,067	
Aid to Children Care Coordination Committee (4C'S) (NJS 40:23)	22,500	22,500			
Aid to Women's Haven NJSA 30:14-11	15,750	15,750			
Aid to D.I.A.L (40:23-811)	54,000	54,000			
Para-Transit	81,600	81,600	81,593	7	
Salaries and Wages	50,000	50,000	48,965	1,035	
Other Expenses					
Police Academy	630,000	630,000	611,653	18,347	
Salaries and Wages	96,958	96,958	73,065	23,893	
Other Expenses	510,000	510,000	510,000		
Aid to Health & Welfare Councils (NJS 40-23-8.28)	503,133	503,133		503,133	
Salaries and Wage Adjustment					
Utilities (40A:4-45 4H)	1,150,000	1,050,000	754,358	295,642	
Gasoline	700,000	700,000	695,517	4,483	
Telephone and Telegraph	5,400,000	5,345,000	4,151,666	1,193,334	
Natural Gas & Electric	450,000	450,000	441,228	8,772	
Street Lighting	90,000	90,000	21,203	68,797	
Heating Oil	725,000	925,000	847,404	77,596	
Water	400,000	400,000	278,639	121,361	
Garbage					

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Debt Service Fees	50,000	50,000	22,214	27,786	
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		
SANE/SART Program					
Casino Revenue	808,074	808,074	808,074		
Area Plan Grant-Aging Area Nutrition	1,274,722	1,274,722	1,274,722		
Area Plan Grant	1,362,336	1,362,336	1,362,336		
Family Court Services	278,149	278,149	278,149		
State Community Partnership	500,656	500,656	500,656		
Alcohol/Drug Abuse Grant	737,782	737,782	737,782		
CoC Planning Grant	35,907	35,907	35,907		
CSBG Non-Discretionary	97,277	97,277	97,277		
JARC	150,000	150,000	150,000		
UASI Local Share	698,396	698,396	698,396		
Juvenile Detention Alternatives Innovations Funding	123,633	123,633	123,633		
CoC Planning Grant	32,741	32,741	32,741		
Division of Child Behavior Health Services	158,456	158,456	158,456		
GA/SNAP	1,832,660	1,832,660	1,832,660		
Workforce Learning Link	188,000	188,000	188,000		
Housing First Pilot	329,213	329,213	329,213		
Housing First 2008	267,391	267,391	267,391		
WIOA Adult	1,671,380	1,671,380	1,671,380		

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
WIOA Dislocated Worker	1,691,989	1,691,989	1,691,989		
WIOA Youth	1,832,249	1,832,249	1,832,249		
Social Services for the Homeless	1,477,780	1,477,780	1,477,780		
Municipal Alliance	512,024	512,024	512,024		
16 BERN PASP	48,997	48,997	48,997		
Transportation and Tip	404,914	404,914	404,914		
JARC FY2017	150,000	150,000	150,000		
PC Summer Concert Series	1,750	1,750	1,750		
TANF 16/17	3,853,467	3,853,467	3,853,467		
JARC FY2012	50,000	50,000	50,000		
Victim Witness Advocacy	282,361	282,361	282,361		
Victim Witness Advocacy Supplemental Program	400,000	400,000	400,000		
SHIP	26,000	26,000	26,000		
Housing First 2011	404,509	404,509	404,509		
Housing First 2011 Bonus	78,729	78,729	78,729		
Weatherization DOE	357,316	357,316	357,316		
JARC FY2012	40,000	40,000	40,000		
Seniors Farmer Market Nutrition	1,000	1,000	1,000		
Aging Area Nutrition FY14	1,584	1,584	1,584		
Aging Area Plan Grant	2,500	2,500	2,500		
Mosquito ID & Control Efforts	27,325	27,325	27,325		
Social Services for the Homeless	35,956	35,956	35,956		
Universal Service Fund	441,168	441,168	441,168		
Right to Know	15,213	15,213	15,213		
PHLP LINCS	10,000	10,000	10,000		
LIHEAP Assistance	662,752	662,752	662,752		

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Preakness GARO Psych Program	338,210	338,210	338,210		
CDBG	810,869	810,869	810,869		
County Gang, gun & Narcotics Taskforce	174,378	174,378	174,378		
Justice Assistance	26,759	26,759	26,759		
Aging Area Plan Grant	475,693	475,693	475,693		
Aging Area Nutrition FY14	689,909	689,909	689,909		
NAVAA Grant	5,000	5,000	5,000		
Stop Violence Against Woman Act	32,925	32,925	32,925		
Insurance Fraud	261,250	261,250	261,250		
Click It or Ticket	5,000	5,000	5,000		
Social Services for the Homeless	148,000	148,000	148,000		
Eva's Village Homeless Housing	118,815	118,815	118,815		
St Joes CDC	47,187	47,187	47,187		
St Pauls	47,187	47,187	47,187		
PHILP LINC'S 2017	501,586	501,586	501,586		
UASI Local Share	657,500	657,500	657,500		
Radon Awareness Program	1,000	1,000	1,000		
MRC Challenge Award	15,000	15,000	15,000		
2013 FTA Section 5310	101,025	101,025	101,025		
Smart Steps	24,075	24,075	24,075		
Body Armor PCPO	6,595	6,595	6,595		
Body Armor PCSD	43,807	43,807	43,807		
Clean Communities Entitlement	94,415	94,415	94,415		
Sub Regional Transportation Grant	132,048	132,048	132,048		
CSBG Non-Discretionary	155,133	155,133	155,133		
Passaic County Film Festival	2,300	2,300	2,300		

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Housing First 2009	81,260	81,260	81,260		
Housing First Collab II 2009	362,951	362,951	362,951		
Recycling Enhancement	381,900	381,900	381,900		
Green Infrastructure Plan	240,000	240,000	240,000		
Social Services for the Homeless	314,000	314,000	314,000		
CSBG Non-Discretionary	111,929	111,929	111,929		
Loves Pets	2,500	2,500	2,500		
National Children's Alliance	9,000	9,000	9,000		
Heating Improvement (HIP)	100,000	100,000	100,000		
Morris Canal Greenway Browertown Rd	450,000	450,000	450,000		
CEHA 2015	177,580	177,580	177,580		
Weatherization LIHEAP 2016	651,795	651,795	651,795		
16-17 Local Safety - Hi Frict Surface Treatment	3,000	3,000	3,000		
CSBG Non-Discretionary	67,386	67,386	67,386		
Sexual Assault Nurse Examiner (SART/SANE)	87,783	87,783	87,783		
CoC Planning Grant	110,995	110,995	110,995		
Heating Improvement (HIP)	323,835	323,835	323,835		
County Aid - Resurfacing 2016	4,110,800	4,110,800	4,110,800		
2016 Warwick Turnpike	640,000	640,000	640,000		
2016 Fairfield Rd Bridge	1,000,000	1,000,000	1,000,000		
16-17 Local Safety - Rumble Strips	858,717	858,717	858,717		
16-17 Local Safety - Hi Frict Surface Treatment	5,431,702	5,431,702	5,431,702		
Fairlawn Ave Bridge	13,300,000	13,300,000	13,300,000		
2016 Spruce St Bridge	1,500,000	1,500,000	1,500,000		
Total Operation (item 8(A))	398,722,803	398,548,329	375,607,091	22,941,238	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Contingent	50,000	50,000		50,000	
Total Operation Including Contingent	398,772,803	398,598,329	375,607,091	22,991,238	
Detail:					
Salaries and Wages	138,529,296	137,464,822	127,980,716	9,484,106	
Other Expenses (Including Contingent)	260,243,507	261,133,507	247,626,375	13,507,132	
Capital Improvement					
Capital Improvement Fund	500,000	555,000	555,000		
Acquisition of Various Equipment	200,000	200,000	160,509		39,491
Total Capital Improvements	700,000	755,000	715,509		39,491

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
County Debt Service					
Payment of Bond Principal					
County College Bonds	3,600,000	3,600,000	3,365,000		235,000
State Aid- County College Bonds (N.J.S. 18A:64A-22.6)	1,800,000	1,800,000	1,650,000		150,000
Vocational School Bonds	810,000	810,000	570,000		240,000
Other Bonds	31,000,000	31,000,000	29,229,000		1,771,000
Payment of Bond Anticipation Notes	800,000	800,000	800,000		
Interest on Bonds					
County College Bonds	900,000	900,000	665,340		234,660
State Aid- County College Bonds (N.J.S. 18A:64A-22.6)	450,000	450,000	374,151		75,849
Vocational School Bonds	150,000	153,000	152,865		135
Other Bonds	10,000,000	9,655,000	7,321,416		2,333,584
Interest on Notes	1,200,000	1,542,000	1,541,805		195
Passaic County Utilities Authority PCIA Loan	4,250,000	4,250,000	3,847,239		402,761
Prosecutors Building	460,000	460,000	444,063		15,937
Preakness Healthcare Center	5,700,000	5,700,000	5,406,128		293,872
Green Trust Loan	49,550	49,550	49,542		8
Total County Debt Service	61,169,550	61,169,550	55,416,549		5,753,001

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</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					
Bergen Regional	13,311	13,311	13,311		
Johnston Communications	250	250	250		
NEOPOST	929	929	929		
P & A Auto Parts	241	241	241		
Simplex Grinnell	9,782	9,782	9,782		
United Federated Systems	399	399	399		
Verizon	50,676	50,676	50,676		
Deffered Charges - Capital Fund	850,000	850,000	850,000		
Deffered Charges - OSTF Ord# 2015-2016	200,000	200,000	200,000		

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Statutory Charges:					
Contribution to PERS	14,181,706	14,201,180	14,201,180		
Social Security System (O.A.S.I.)	13,400,000	13,400,000	12,659,550	740,450	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	750,000	750,000	711,180	38,820	
Police and Fire Retirement System	14,558,198	14,558,198	14,558,198		
County Pension Fund	2,000,000	2,100,000	2,055,432	44,568	
Defined Benefit Pension	100,000	100,000	60,113	39,887	
Total Deferred Charges & Statutory Expenditures	<u>47,245,103</u>	<u>47,364,577</u>	<u>46,500,852</u>	<u>863,725</u>	
Total General Appropriations	\$ <u>507,887,456</u>	<u>507,887,456</u>	<u>478,240,001</u>	<u>23,854,963</u>	<u>5,792,492</u>

Adopted Budget 455,556,430
 Added by N.J.S.A. 40A:4-87 52,331,026

\$ 507,887,456

Cash \$ 435,238,595
 Reserve for Encumbrances 7,236,001
 Grants Appropriated 35,765,405

\$ 478,240,001

See accompanying notes to financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK

COUNTY OF PASSAIC

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>			
Other Trust Fund:			
Cash	B-1	\$ 37,704,679	34,099,389
Due from Current Fund	B-14	448	1,099
Due from Municipalities	B-5	40,000	
Accounts Receivable - PCSD Off Duty	B-4	439,274	251,508
		<u>38,184,401</u>	<u>34,351,996</u>
Confiscated Trust Fund:			
Cash	B-1	<u>2,560,675</u>	<u>2,600,573</u>
		<u>2,560,675</u>	<u>2,600,573</u>
Self Insurance Fund:			
Cash	B-1	4,089,171	832,668
Due from Current Fund	B-14	<u>2,367,731</u>	
		<u>6,456,902</u>	<u>832,668</u>
Community Development Grant Fund:			
Cash	B-1	<u>7,136,372</u>	<u>6,080,996</u>
		<u>7,136,372</u>	<u>6,080,996</u>
Total Assets		<u>\$ 54,338,350</u>	<u>43,866,233</u>

COUNTY OF PASSAIC

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Other Trust Fund:			
Various Trust Deposits	B-2	\$ 1,079,663	1,067,912
Reserve for Dedicated Revenues	B-3	21,451,121	19,573,674
Reserve for Open Space Expenditures	B-6	7,167,448	5,877,961
Open Space Grant Commitments Payable	B-7	8,486,169	7,675,308
Due to Current Fund	B-14		79
Open Space - Due to Municipalities	B-8		157,062
		<u>38,184,401</u>	<u>34,351,996</u>
Confiscated Trust Fund:			
Reserve for Confiscated Trust Fund	B-9	<u>2,560,675</u>	<u>2,600,573</u>
		<u>2,560,675</u>	<u>2,600,573</u>
Self Insurance Fund:			
Reserve for Workmen's Compensation	B-10	2,521,937	36,753
Reserve for Health Benefits	B-11	3,007,185	731,844
Reserve for Liability Insurance	B-12	<u>927,780</u>	<u>64,071</u>
		<u>6,456,902</u>	<u>832,668</u>
Community Development Grant Fund:			
Amount Due to Current Fund	B-14		503
Reserve for:			
Housing Voucher Program	B-13	<u>7,136,372</u>	<u>6,080,493</u>
		<u>7,136,372</u>	<u>6,080,996</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 54,338,350</u>	<u>43,866,233</u>

See accompanying notes to financial statements.

COUNTY OF PASSAIC

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

December 31, 2016 and 2015

<u>Assets</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Cash	C-2/C-3	\$ 76,971,629	36,542,805
Grants Receivable	C-4	91,646,516	103,539,223
Due from Current Fund Fund	C-12		63,509
Deferred Charges to Future Taxation:			
Funded	C-5	312,699,612	312,657,798
Unfunded	C-6	<u>158,396,104</u>	<u>151,588,274</u>
Total Assets		<u>\$ 639,713,861</u>	<u>604,391,609</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-19	\$ 234,825,000	231,964,000
Green Trust Loans Payable	C-20	234,612	278,798
Bond Anticipation Notes	C-18	108,950,000	80,930,000
Capital Leases Payable	C-21	77,640,000	80,415,000
Improvement Authorizations:			
Funded	C-7	44,156,308	64,934,499
Unfunded	C-7	85,532,816	66,929,947
Commitments Payable	C-8	45,651,462	36,796,788
Capital Improvement Fund	C-9	2,306	15,346
Reserve for Final Payments and Litigation	C-10	160,258	160,258
Reserve for Payment of Bonds and Notes	C-11	7,752,146	11,241,112
Reserve for Salt Shed - West Milford	C-13	296,619	296,619
Reserve for Interest for Fire Academy	C-14	1,101,710	1,101,710
Reserve for Administration Building Settlement	C-15	9,786	9,786
Reserve for Interest for DOT Projects	C-16	12,786	12,786
Reserve for Grants Receivable	C-17	27,347,679	24,722,037
Fund Balance	C-1	<u>6,040,373</u>	<u>4,582,923</u>
Total Liabilities		<u>\$ 639,713,861</u>	<u>604,391,609</u>

Footnote: There were Bonds and Notes Authorized But Not Issued on December 31, 2016 and 2015 of \$49,480,363 and \$71,428,760, respectively.

See accompanying notes to the financial statements.

COUNTY OF PASSAIC
Statement of Changes in Fund Balance-Regulatory Basis
General Capital Fund
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Balance - January 1,	\$ 4,582,923	4,027,727
Increased by:		
Premium on Bond/Note Sales	1,410,958	1,361,675
Improvement Authorizations Cancelled	3,063,593	1,215,914
Cancel Reserve Balance		9,607
	<u>4,474,551</u>	<u>2,587,196</u>
	9,057,474	6,614,923
Decreased by:		
Premium on Bond/Note Sales	14,086	32,000
Due to Current Fund - Anticipated Revenue		2,000,000
Schedule of Receivables-Cancel Grant Balances	2,028,015	
Improvement Authorizations - Ordinance 16-08	975,000	
	<u>3,017,101</u>	<u>2,032,000</u>
Balance - December 31,	<u>\$ 6,040,373</u>	<u>4,582,923</u>

See accompanying notes to the financial statements.

COUNTY OF PASSAIC

Comparative Statement of General Fixed Assets-Regulatory Basis

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>General Fixed Assets:</u>		
Land	\$ 326,979,707	326,979,707
Buildings	284,335,199	280,609,199
Equipment	64,541,624	61,800,381
Construction in Progress	<u>8,121,582</u>	<u>8,121,582</u>
	<u>\$ 683,978,112</u>	<u>677,510,869</u>
Investment in Fixed Assets	<u>\$ 683,978,112</u>	<u>677,510,869</u>

See accompanying notes to financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

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, 2016 AND 2015
(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, 2016 AND 2015
(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, 2016 AND 2015
(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 the years ended December 31, 2016 and 2015, the Governing Body approved additional revenues and appropriations of \$52,331,026 and \$22,564,484, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body in 2016 and 2015.

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.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

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

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

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.

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.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

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

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

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.

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.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

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

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

The County did not perform an update of its fixed assets inventory for the year ended December 31, 2016.

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.

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.

Recent Accounting Pronouncements

In February 2015, the Government Accounting Standards Board issued GASB Statement No. 72, Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for periods beginning after June 15, 2015. The County is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement is effective for periods beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for periods beginning after June 15, 2016. The County is currently reviewing what effect, if any, this Statement might have on future financial statements.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

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

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

Recent Accounting Pronouncements, (continued)

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for periods beginning after June 15, 2016. The County is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. The County is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. This Statement is effective for periods beginning after June 15, 2015. The County is currently reviewing what effect, if any, this Statement might have on future financial statements.

In August 2015, the Government Accounting Standards Board issued GASB Statement No. 77, Tax Abatement Disclosures, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The County is currently reviewing what effect, if any, this Statement might have on future financial statements.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

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

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

Recent Accounting Pronouncements, (continued)

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 78, Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for reporting periods beginning after December 15, 2015. The County is currently reviewing what effects, if any, this Statement might have on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 79, Certain External Investment Pools and Pool Participants. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it established criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement is effective for periods beginning after June 15, 2015, and for certain provisions, periods beginning after December 15, 2015. The County is currently reviewing what effects, if any, this Statement might have on future financial statements.

In January 2016, the Government Accounting Standards Board issued GASB Statement No. 80, Blending Requirements for Certain Component Units, which provides clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The County does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 81, Irrevocable Split-Interest Agreements. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The County does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 82, Pension Issues - an Amendment of GASB Statements No. 67, No. 68 and No. 73. The objective of this Statement is to address certain issues that have been raised with respect to Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and*

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

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

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

Recent Accounting Pronouncements, (continued)

Financial Reporting for Pensions, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for reporting periods beginning after June 15, 2016. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice.

In November 2016, the Government Accounting Standards Board issued GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflows of resources for asset retirement obligations (AROs). The County does not believe this Statement will have any effect on future financial statements.

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, 2016 and 2015, \$-0- of the County's bank balance of \$222,021,754 and \$152,602,974, respectively, were exposed to custodial credit risk.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

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

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.

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, 2016 and 2015 consisted of the following:

<u>2016</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable - General					
Obligation Debt	\$231,964,000	\$37,675,000	\$34,814,000	\$234,825,000	\$25,266,000
Capital Leases	80,415,000		2,775,000	77,640,000	2,930,000
Other Liabilities:					
Compensated Absences	38,008,125	2,859,766	2,349,407	38,518,484	
New Jersey:					
Green Trust Loans	278,798		44,186	234,612	45,074
Deferred Pension	8,594,182		573,994	8,020,188	625,642
	<u>\$359,260,105</u>	<u>\$40,534,766</u>	<u>\$40,556,587</u>	<u>\$359,238,284</u>	<u>\$28,866,716</u>

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 3. COUNTY DEBT, (continued)

	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Amounts Due</u>
<u>2015</u>	<u>Dec. 31, 2014</u>			<u>Dec. 31, 2015</u>	<u>Within</u>
					<u>One Year</u>
Bonds Payable - General					
Obligation Debt	\$254,601,000	\$56,490,000	\$79,127,000	\$231,964,000	\$34,814,000
Capital Leases	82,745,000	23,060,000	25,390,000	80,415,000	2,775,000
Other Liabilities:					
Compensated Absences	38,468,460	685,298	1,145,633	38,008,125	
New Jersey:					
Green Trust Loans	322,113		43,315	278,798	44,186
Deferred Pension	<u>9,123,989</u>		<u>529,807</u>	<u>8,594,182</u>	<u>573,994</u>
	<u>\$385,260,562</u>	<u>\$80,235,298</u>	<u>\$106,235,755</u>	<u>\$359,260,105</u>	<u>\$38,207,180</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.

The County's debt is summarized as follows:

	<u>2016</u>	<u>2015</u>
Issued		
General		
Bonds, Notes and Loans	\$344,009,612	\$313,172,798
Bonds Authorized by Another Public Body		
Guaranteed by the County	<u>107,249,778</u>	<u>102,268,951</u>
Total Issued	<u>451,259,390</u>	<u>415,441,749</u>
Authorized But Not Issued		
General		
Bonds, Notes and Loans	<u>49,480,363</u>	<u>71,428,760</u>
Total Issued and Authorized But Not Issued	<u>500,739,753</u>	<u>486,870,509</u>
Less: Funds Temporarily Held to Pay Bonds and Notes	7,752,146	11,241,112
Additional Borrowing for County College	11,291,000	11,441,000
Refunding Bonds	10,810,000	13,390,000
Bonds Authorized by Another Public Body		
Guaranteed by the County	<u>107,249,778</u>	<u>102,268,951</u>
Total Deductions	<u>137,102,924</u>	<u>138,341,063</u>
* Net Debt	<u>\$363,636,829</u>	<u>\$348,529,446</u>

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 3. COUNTY DEBT, (continued)

The summarized statement of debt condition which follows is extracted from the County's Annual Debt Statement, indicates a statutory net debt of .78% and .75% at December 31, 2016 and 2015, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2016</u>			
General debt	<u>\$500,739,753</u>	<u>\$137,102,924</u>	<u>\$363,636,829</u>
<u>2015</u>			
General debt	<u>\$486,870,509</u>	<u>\$138,341,063</u>	<u>\$348,529,446</u>

The County's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31 2016 and 2015, was as follows:

	<u>2016</u>	<u>2015</u>
2% of equalized valuation basis (county)	\$927,638,095	\$925,186,516
Net debt	<u>363,636,829</u>	<u>348,529,446</u>
Remaining Borrowing Power	<u>\$564,001,266</u>	<u>\$576,657,070</u>

The County's long-term debt consisted of the following at December 31, 2016 and 2015:

Paid by Current Fund:

General Obligation Bonds

	<u>2016</u>	<u>2015</u>
\$30,765,000, 1998 Bonds, due in annual installments of \$1,600,000 to \$2,500,000 through Sept. 1, 2020, interest at various rates from 5.88% to 6.77%	\$9,100,000	\$10,900,000
\$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
\$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%	1,045,000	1,825,000
\$21,855,000 2003 Bonds, due in annual installments of \$1,915,000 to \$1,985,000 through Mar. 1, 2016, interest at 5.20%		1,915,000

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

	<u>2016</u>	<u>2015</u>
NOTE 3. <u>COUNTY DEBT</u>, (continued)		
\$19,495,000, 2004 Bonds, due in annual installments of \$1,800,000 to \$3,745,000, through March 15, 2016, interest at various rates from 3.00% to 3.50%	\$	3,745,000
\$12,220,000, 2004 Bonds, due in annual installments of \$1,095,000 to \$1,205,000, through May 1, 2017, interest at various rates from 3.00% to 3.375%	1,095,000	2,265,000
\$4,788,000, 2004 Bonds, due in annual installments of \$420,000 to \$488,000, through Oct. 15, 2017, interest at 3.60%	488,000	953,000
\$20,000,000, 2006 Bonds, due in annual installments of \$200,000 to \$1,100,000 through June 1, 2026, interest at various rates from 4.375% to 4.50%		1,100,000
\$3,050,000, 2006 Bonds, due in annual installments of \$270,000 to \$300,000 through Nov. 15, 2018, interest at various rates from 3.625% to 4.00%	600,000	890,000
\$3,050,000, 2006 Bonds, due in annual installments of \$270,000 to \$300,000 through Nov. 15, 2018, interest at various rates from 3.625% to 4.00%	600,000	890,000
\$5,950,000, 2007 Bonds, due in annual installments of \$525,000 to \$625,000 through Nov. 15, 2019, interest at various rates from 3.625% to 4.00%	1,835,000	2,405,000
\$5,950,000, 2007 Bonds, due in annual installments of \$525,000 to \$625,000 through Nov. 15, 2019, interest at various rates from 3.625% to 4.00%	1,835,000	2,405,000
\$48,625,000, 2008 Bonds, due in annual installments of \$2,000,000 to \$4,225,000 through May 1, 2028, interest at various rates from 4.00% to 4.50%	2,900,000	5,000,000
\$2,938,000, 2008 Bonds, due in annual installments of \$260,000 to \$438,000 through May 1, 2019, interest at various rates from 4.00% to 5.00%	335,000	645,000

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

	<u>2016</u>	<u>2015</u>
NOTE 3. <u>COUNTY DEBT</u>, (continued)		
\$8,077,000, 2008 Bonds, due in annual installments of \$660,000 to \$812,000 through May 1, 2020, interest at various rates from 4.00% to 5.00%	\$710,000	\$1,410,000
\$19,671,000, 2010 Bonds, due in annual installments of \$350,000 to \$2,796,000 through Apr. 1, 2024, interest at various rates from 2.00% to 4.00%	16,696,000	17,696,000
\$945,000, 2010 Bonds, due in annual installments of \$100,000 to \$130,000 through Apr. 1, 2019, interest at various rates from 2.00% to 3.50%	355,000	475,000
\$2,130,000, 2010 Bonds, due in annual installments of \$180,000 to \$240,000 through Apr. 1, 2021, interest at various rates from 2.00% to 4.00%	1,080,000	1,280,000
\$10,045,000, 2010 Bonds, due in annual installments of \$1,665,000 to \$1,690,000 through June 1, 2016, interest at various rates from 2.00% to 3.00%		1,665,000
\$4,389,000, 2010 Bonds, due in annual installments of \$200,000 to \$374,000 through July 31, 2027, interest at various rates from 1.660% to 6.540%	3,193,000	3,407,000
\$1,177,000, 2010 Bonds, due in annual installments of \$95,000 to \$152,000 through Aug. 1, 2021, interest at various rates from 2.00% to 3.00%	622,000	727,000
\$1,176,000, 2010 Bonds, due in annual installments of \$95,000 to \$151,000 through Aug. 1, 2021, interest at various rates from 2.00% to 3.00%	621,000	\$726,000
\$26,415,000, 2011 Bonds, due in annual installments of \$735,000 to \$4,480,000 through May 1, 2020, interest at various rates from 2.00% to 5.00%	6,445,000	10,770,000
\$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%	6,325,000	8,200,000

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

	<u>2016</u>	<u>2015</u>
NOTE 3. <u>COUNTY DEBT</u>, (continued)		
\$23,155,000, 2012 Bonds, due in annual installments of \$1,025,000 to \$2,050,000 through Apr. 1, 2026, interest at various rates from 2.00% to 3.00%	\$18,555,000	\$19,905,000
\$13,570,000, 2012 Bonds, due in annual installments of \$1,000,000 to \$1,570,000 through Apr. 1, 2022, interest at various rates from 2.00% to 3.00%	9,370,000	10,570,000
\$4,250,000, 2012 Series A College Bonds, due in annual installments of \$375,000 to \$495,000 through June 1, 2022, interest at various rates from 1.50% to 3.00%	2,720,000	3,120,000
\$4,250,000, 2012 Series B College Bonds, due in annual installments of \$375,000 to \$495,000 through June 1, 2022, interest at various rates from 1.50% to 3.00%	2,720,000	3,120,000
\$10,200,000, 2012 Refunding Bonds, due in annual installments of \$550,000 to \$2,895,000 through Aug. 15, 2021, interest at various rates from 1.50% to 4.00%	2,890,000	5,785,000
\$530,000, 2012 Bonds, due in annual installments of \$120,000 to \$205,000 through Aug. 15, 2015, interest rate of 3.00%		\$120,000
\$17,650,000, 2013 Refunding Bonds, due in annual installments of \$1,265,000 to \$2,595,000 through Feb. 1, 2026, interest at various rates from 1.25% to 3.00%	17,480,000	17,480,000
\$2,875,000, 2014 Series A College Bonds, due in annual installments of \$175,000 to \$235,000 through June 15, 2028, interest at various rates from 2.00% to 5.00%	2,520,000	2,700,000
\$2,875,000 2014 Series B College Bonds, due in annual installments of \$175,000 to \$235,000 through June 15, 2028, interest at various rates from 2.00% to 5.00%	2,520,000	2,700,000

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

	<u>2016</u>	<u>2015</u>
NOTE 3. <u>COUNTY DEBT</u>, (continued)		
\$22,201,000, 2014 Bonds, due in annual installments of \$965,000 to \$1,921,000 through December 1, 2029, interest at various rates from 2.00% to 4.00%	\$20,271,000	\$21,236,000
\$979,000, 2014 Vocational School Bonds, due in annual installments of \$40,000 to \$80,000 through December 1, 2029, interest at various rates from 2.00% to 4.00%	899,000	939,000
\$2,500,000, 2014 Series A College Bonds, due in annual installments of \$325,000 to \$650,000 through December 1, 2019, interest at various rates from 2.00% to 3.00%	1,825,000	2,175,000
\$3,940,000, 2014 Series B College Bonds, due in annual installments of \$275,000 to \$515,000 through December 1, 2024, interest at various rates from 2.50% to 3.00%	3,365,000	3,665,000
\$36,570,000, 2015 General Obligation Refunding Bonds, due in annual installments of \$2,735,000 to \$4,050,000 through February 1, 2028, interest at various rates from 3.00% to 5.00%	36,570,000	36,570,000
\$815,000, 2015 County Vocational School Refunding Bonds, due in annual installments of \$380,000 to \$435,000 through February 1, 2019, interest at various rates from 4.00% to 5.00%	815,000	815,000
\$2,305,000, 2015 County College Refunding Bonds, due in annual installments of \$745,000 to \$790,000 through February 1, 2020, interest at various rates from 4.00% to 5.00%	2,305,000	2,305,000
\$1,600,000, 2015 County College Bonds, Series 2015A, due in annual installments of \$105,000 to \$200,000 through July 1, 2025, interest at various rates from 2.00% to 4.00%	1,495,000	1,600,000

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

	<u>2016</u>	<u>2015</u>
NOTE 3. COUNTY DEBT, (continued)		
\$1,600,000, 2015 County College Bonds, Series 2015B, due in annual installments of \$105,000 to \$200,000 through July 1, 2025, interest at various rates from 2.00% to 4.00%	\$1,495,000	\$1,600,000
\$11,600,000, 2015 General Improvement Bonds, due in annual installments of \$710,000 to \$1,400,000 through December 1, 2028, interest at various rates from 1.50% to 4.00%	10,890,000	11,600,000
\$2,000,000, 2015 County Vocational School Bonds, due in annual installments of \$100,000 to \$200,000 through December 1, 2027, interest at various rates from 1.50% to 4.00%	1,900,000	2,000,000
\$1,500,000, 2016 County College Bonds, Series 2016A, due in annual installments of \$105,000 to \$210,000 through July 1, 2026, interest at various rates from 1.00% to 2.00%	1,500,000	
\$1,500,000, 2016 County College Bonds, Series 2016B, due in annual installments of \$105,000 to \$210,000 through July 1, 2016, interest at various rates from 1.00% to 2.00%	1,500,000	
\$24,025,000, 2016 General Obligation Refunding Bonds, due in annual installments of \$1,030,000 to \$2,100,000 through December 1, 2031, interest at various rates from 2.00% to 5.00%	24,025,000	
\$8,150,000, 2016 County Vocational School Bonds, due in annual installments of \$350,000 to \$700,000 through December 1, 2031, interest at various rates from 2.00% to 5.00%	8,150,000	
\$2,500,000, 2016 County College Bonds, due in annual installments of \$210,000 to \$335,000 through December 1, 2025, interest at various rates from 2.00% to 5.00%	<u>2,500,000</u>	
	<u>\$234,825,000</u>	<u>\$231,964,000</u>

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(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.

	<u>2016</u>	<u>2015</u>
\$564,657 Loan, due in semi-annual installments of \$19,124 to \$24,526 through August 28, 2021, interest at 2.0%	<u>\$234,612</u>	<u>\$278,798</u>

The County's principal and interest for long-term debt issued and outstanding at December 31, 2016 is as follows:

Calendar Year	Bonds		Loans		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2017	\$29,746,000	\$8,839,313	\$45,074	\$4,468	\$38,634,855
2018	24,503,000	7,524,010	45,980	3,562	32,076,552
2019	25,084,000	6,553,541	46,904	2,638	31,687,083
2020	21,522,000	5,604,061	47,846	1,695	27,175,602
2021	18,993,000	4,716,028	48,808	733	23,758,569
2022-2026	83,443,000	13,587,427			97,030,427
2027-2031	<u>31,534,000</u>	<u>2,374,285</u>			<u>33,908,285</u>
	<u>\$234,825,000</u>	<u>\$49,198,665</u>	<u>\$234,612</u>	<u>\$13,096</u>	<u>\$284,271,373</u>

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.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 4. BOND ANTICIPATION NOTES, (continued)

On December 31, 2016 and 2015, the County had \$108,950,000 and \$80,930,000, respectively, in outstanding General Capital bond anticipation notes.

The following activity related to bond anticipation notes occurred during the calendar years ended December 31, 2016 and 2015:

<u>2016</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
TD Securities LLC	\$66,430,000	\$	\$66,430,000	\$0
Oppenheimer & Co.	14,500,000	25,455,000	14,500,000	25,455,000
J.P. Morgan Securities LLC		83,495,000		14,500,000
	<u>\$80,930,000</u>	<u>\$108,950,000</u>	<u>\$80,930,000</u>	<u>\$108,950,000</u>
<u>2015</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
TD Securities LLC	\$57,980,000	\$66,430,000	\$57,980,000	\$66,430,000
Jefferies, LLC	6,500,000		6,500,000	
Oppenheimer & Co.		14,500,000		14,500,000
	<u>\$64,480,000</u>	<u>\$80,930,000</u>	<u>\$64,480,000</u>	<u>\$80,930,000</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. In 2015, the County entered into a \$19,550,000 refunding capital lease agreement for the Preakness Healthcare Center capital lease and a \$3,510,000 refunding capital lease agreement for the Prosecutor's Office to take advantage of debt savings. Annual debt service requirements for these capital leases are as follows:

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 5. CAPITAL LEASES PAYABLE, (continued)

The County's principal and interest for long-term debt issued and outstanding at December 31, 2016 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$2,930,000	\$3,645,119	\$6,575,119
2018	3,070,000	3,508,794	6,578,794
2019	3,195,000	3,383,294	6,578,294
2020	3,310,000	3,273,788	6,583,788
2021	3,445,000	3,137,757	6,582,757
2022-2026	19,170,000	12,518,113	31,688,113
2027-2031	17,875,000	5,613,566	23,488,566
2032-2036	<u>24,645,000</u>	<u>1,679,906</u>	<u>26,324,906</u>
	<u>\$77,640,000</u>	<u>\$36,760,337</u>	<u>\$114,400,337</u>

NOTE 6. FIXED ASSETS

The following is a summary of the General Fixed Assets Account Group as of December 31, 2016 and 2015.

<u>2016</u>	<u>Balance Dec. 31, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance Dec. 31, 2016</u>
Land	\$326,979,707	\$	\$	\$326,979,707
Buildings and Building Improvements	280,609,199	3,746,000		284,355,199
Machinery and Equipment	61,800,381	2,956,549	215,306	64,541,624
Construction in Progress	<u>8,121,582</u>			<u>8,121,582</u>
	<u>\$677,510,869</u>	<u>\$6,702,549</u>	<u>\$215,306</u>	<u>\$683,998,112</u>

<u>2015</u>	<u>Balance Dec. 31, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance Dec. 31, 2015</u>
Land	\$327,505,114	\$	\$525,407	\$326,979,707
Buildings and Building Improvements	301,416,385	4,814,346	25,621,532	280,609,199
Machinery and Equipment	60,268,440	1,629,068	97,127	61,800,381
Construction in Progress	<u>8,121,582</u>			<u>8,121,582</u>
	<u>\$697,311,521</u>	<u>\$6,443,414</u>	<u>\$26,244,066</u>	<u>\$677,510,869</u>

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 7. INTERFUND BALANCES AND ACTIVITIES

Balances due to/from other funds at December 31, 2016 consist of the following:

\$2,367,731	Due to the Self Insurance Fund from the Current Fund for reimbursement of worker's compensation claims.
1,640,993	Due to the Federal and State Grant Fund from the Current Fund for grants receivable.
<u>448</u>	Due to the Other Trust Fund from the Current Fund to cover fund transfers and overpayments.
<u>\$4,009,172</u>	

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

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, 2016</u>	<u>Amount Raised in 2017 Budget</u>	<u>Balance Succeeding Year budget</u>
Current Fund:			
Special Emergency:			
Accrued Sick & Vacation	\$	\$	_____
Hurricane Irene	_____	_____	_____
Total Deferred Charges	<u>\$0</u>	<u>\$0</u>	<u>\$_____</u>
	<u>Balance Dec. 31, 2015</u>	<u>Amount Raised in 2016 Budget</u>	<u>Balance Succeeding Year budget</u>
Current Fund:			
Special Emergency:			
Accrued Sick & Vacation	\$593,250	\$593,250	_____
Hurricane Irene	<u>536,361</u>	<u>536,361</u>	_____
Total Deferred Charges	<u>\$1,129,611</u>	<u>\$1,129,611</u>	<u>\$_____</u>

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

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>2017</u>	<u>2016</u>
Current Fund	<u>\$18,000,000</u>	<u>\$18,000,000</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 \$38,518,484 and \$38,008,125 at December 31, 2016 and 2015, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

NOTE 11. EMPLOYEE RETIREMENT SYSTEM

Description of Plans:

County employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Description of Plans:

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60^a of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemens' Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Description of Plans:

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and 60% (Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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 of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Defined Contribution Retirement Program, (continued)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

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 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. 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 year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2016	\$14,201,186	\$14,558,198	\$60,113
2015	14,236,973	18,653,632	53,946
2014	13,066,410	13,128,150	55,161

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees Retirement System (PERS)

At December 31, 2016, the County had a liability of \$311,319,131 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2016, the County's proportion was 1.0511454452 percent, which was an increase/(decrease) of 0.0230951906 percent from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the County recognized pension expense of \$28,972,016. At December 31, 2016, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$5,789,592	\$
Changes of assumptions	64,488,695	
Net difference between projected and actual earnings on pension plan investments	11,870,882	
Changes in proportion and differences between the County's contributions and proportionate share of contributions	3,763,742	5,844,246
County contributions subsequent to the measurement date	<u>1,352,626</u>	<u> </u>
Total	<u>\$87,265,537</u>	<u>\$5,844,246</u>

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2016) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$18,463,606
2018	18,463,606
2019	21,427,241
2020	18,002,016
2021	5,729,632

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.57, 5.72 and 6.44 years for 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2016 and June 30, 2015 are as follows:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Collective deferred outflows of resources	\$8,685,338,380	\$3,578,755,666
Collective deferred inflows of resources	870,133,595	993,410,455
Collective net pension liability	29,617,131,759	22,447,996,119
County s Proportion	1.0511454452%	1.0280502546%

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

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

Inflation	3.08 Percent
Salary Increases:	
Through 2016	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.65 Percent

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

Mortality Rates

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

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

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

Long-Term Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Discount Rate

The discount rate used to measure the total pension liability was 3.98% and 4.90% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

	June 30, 2016		
	1% Decrease <u>2.98%</u>	At Current Discount Rate <u>3.98%</u>	1% Increase <u>4.98%</u>
County's proportionate share of the pension liability	\$381,485,258	\$311,319,131	\$253,390,910

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At December 31, 2016, the County had a liability of \$293,226,067 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2016, the County's proportion was 1.5350094313 percent, which was an increase/(decrease) of (0.1086707221) percent from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the County recognized pension expense of \$28,831,509. At December 31, 2016, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$	\$1,922,140
Changes of assumptions	40,614,219	
Net difference between projected and actual earnings on pension plan investments	20,545,761	
Changes in proportion and differences between County contributions and proportionate share of contributions	2,201,243	14,288,745
County contributions subsequent to the measurement date	<u>12,515,555</u>	<u> </u>
Total	<u>\$75,876,778</u>	<u>\$16,210,885</u>

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2016) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$14,180,111
2018	14,180,111
2019	19,106,156
2020	11,298,122
2021	473,341

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.58, 5.53 and 6.17 years for 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2016 and June 30, 2015 are as follows:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Collective deferred outflows of resources	\$4,547,316,543	\$3,512,729,953
Collective deferred inflows of resources	688,197,590	871,083,367
Collective net pension liability	20,706,699,056	16,656,514,197
County's Proportion	1.5350094313%	1.6436801534%

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Actuarial Assumptions

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

Inflation	3.08 Percent
Salary Increases:	
Through 2026	2.10-8.98 Percent (based on age)
Thereafter	3.10-9.98 Percent (based on age)
Investment Rate of Return	7.65 Percent

Mortality Rates

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.55% and 5.79% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

	June 30, 2016		
	1% Decrease <u>4.55%</u>	At Current Discount Rate <u>5.55%</u>	1% Increase <u>6.55%</u>
County's proportionate share of the pension liability	\$409,843,989	\$293,226,067	\$242,834,041

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

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.

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.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

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.

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.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

Pension Benefit Obligations

The actuarial present value of accumulated plan benefits, is that amount that results from applying actuarial assumptions, to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions underlying the actuarial present value of accumulated plan benefits at December 31, 2013 are as follows:

Actuarial Assumptions

Interest Rate	5.0% compounded annually for pre and post retirement.
Mortality	RP2000 Gender specific table projected to the valuation year using scale AA (post retirement only)
Salary Scale	It is assumed that salaries will increase at 2.5% per year.
Cost of Living	Pension payments are assumed to increase 2% per year.
Load for Ancillary Benefits	None

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The actuarial valuation was performed as of December 31, 2015. Plan assets, as reported by the independent auditor's were \$212,186, while the liabilities were \$17,721,300, producing a deficit of (\$17,509,114) as of that date.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 11. EMPLOYEE RETIREMENT SYSTEM, (continued)

The valuation results are summarized below:

Number of Plan Members:		
Actives		\$ 1
Retired Members & Beneficiaries		<u>66</u>
Total		<u><u>67</u></u>
Present Value of Benefits:		
Active Members	\$967,642	
Retired Members	<u>16,753,658</u>	
Total		\$17,721,300
Plan Assets		<u>212,186</u>
		<u><u>(\$17,509,114)</u></u>
Excess (deficiency) of assets over liabilities		

Annual pension payments to retirees totaled \$2,096,439. The average payment was \$31,764. The additional potential payment to the one active member was \$96,930. Pension payments are increased annually (after the first three years of retirement). The rate of increase is provided by the State Retirement Bureau. We have assumed an annual increase of 2.00% in our valuation. The aggregate total of future pension payments will decrease as a result of the death of any retirees or beneficiaries currently in pay status. The average age of the pensioners was 84.

Based on current and projected annual payments, it is recommended that the fund maintain at least \$2.276 million in liquid assets for the next five years.

The valuation was based on an assumed rate of return of 5.00%. The mortality assumption was changed from the 1994 GAR table to the RP2000 Gender specific table to account for mortality improvements. In our opinion, these assumptions are reasonable for valuation purposes.

If the assumed rate of return was 4.00%, the plan liabilities would be \$18,913,313, making the deficit (\$18,701,126). On the other hand, if the assumed rate of return was 6.00%, the liabilities would be \$16,665,132, and the deficit would be (\$16,452,946).

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(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, 2016 and 2015. 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 2016 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, 2016 and 2015. 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-12 summarizes the 2016 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, 2016 and 2015. 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

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 14. SELF-INSURANCE HEALTH BENEFITS PLAN, (continued)

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. Benefits are paid directly from current fund budget appropriations.

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, 2016 and 2015, 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").

- \$33,015,000 aggregate principal amount of Solid Waste Disposal Revenue Bonds, Refunding Series 2012 (the "2012 Refunding Bonds") outstanding in the amount of \$32,500,000 consisting of \$14,480,000 aggregate principal amount of Solid Waste Disposal Revenue Bonds, Refunding Series 2012A and \$18,020,000 aggregate principal amount of Solid Waste Disposal Revenue Bonds, Refunding Series 2012B (Federally Taxable)

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 16. RELATED PARTY TRANSACTIONS, (continued)

On November 1, 2012 the Authority advance refunded the callable portion of the outstanding \$31,745,000 amount of its \$35,680,000 principal amount of Solid Waste Disposal Revenue Bonds (Tax Exempt Series 2004A) (the "Tax Exempt 2004A Bonds") to a March 1, 2014 call date with the proceeds of the 2012 Refunding Bonds referenced above, and such callable Tax Exempt 2004A Bonds, with the exception of the 2013 and 2014 maturities which are not callable, \$910,000 is outstanding; and

- \$9,145,000 Solid Waste Disposal Revenue Bonds (Taxable Series 2004B) (the "Taxable Series 2004B Bonds") outstanding in the amount \$8,060,000.
- \$19,270,000 in aggregate principal amount of its Solid Waste Disposal Revenue Bonds, Refunding Series 2008 outstanding in the amount of \$17,215,000.

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 May 15, 2013, August 15, 2012, February 1, 2012, May 1, 2011, June 17, 2010, September 15, 2009, September 1, 2001, May 1, 2004, September 1, 2003, March 1, 2001, September 1, 1998, September 1, 1995, February 1, 1994, September 1, 1993 and December 1, 1992, \$17,075,000, \$10,647,000, \$11,950,000, \$26,540,000, \$10,045,000, \$13,029,000, \$12,220,000, \$48,513,000, \$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

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 18. LITIGATION, (continued)

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

PenPac, Inc. v. Passaic County Utilities Authority, Docket No. PAS-L-2040-05 (Superior Court of New Jersey, Law Division — Passaic County) (Appellate Docket No. A-3861-06T3) (Certification Denied, New Jersey Supreme Court Docket No. 62,832); and,

PenPac, Inc. v. Passaic County Utilities Authority, Docket No. PAS-L-2615-08 (Superior Court of New Jersey, Law Division — Passaic County).

Determination of Underrecovery

From December 12, 1992 to approximately November 11, 1997, PenPac, Inc. ("PenPac") provided solid waste transfer station services to the Authority pursuant to an interim rate, which was subject to eventual adjustment to account for over recovery by the Authority, or under recovery by PenPac. A Verified Petition in the administrative matter, which is the first case captioned above, was filed by the Authority on or about October 12, 1992 with DEP to establish the rates in question. Essentially, the Authority claimed that it was entitled to an over recovery in excess of \$5,000,000 from PenPac. PenPac in turn claimed that it was entitled to an under recovery in excess of \$20,000,000 (inclusive of interest) from the Authority. The administrative proceedings sought to establish a final rate for the transfer services in question for the years 1993, 1994, 1995 and 1996.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 18. LITIGATION, (continued)

Hearings before an administrative law judge commenced in November, 1996 and concluded at the end of May, 1997. On April 12, 1999, the administrative law judge hearing the matter issued her Initial Decision, awarding approximately \$8,000,000 to PenPac as an under recovery for services rendered. The Initial Decision was a recommended decision, which was submitted to the Commissioner of the DEP for consideration and the issuance of a Final Decision.

On July 5, 2000, the Commissioner of the DEP issued his Summary Order memorializing the decision of the DEP. The Summary Order reduced the award to PenPac from the recommended award of \$8,000,000 to \$3,238,792. The Summary Order further provided that there would be no further rate proceedings for years after 1996. The Summary Order did not include a full list of findings of fact and conclusions of law, which were set forth in the Commissioner's Final Decision. The Final Decision was appealed to the Appellate Division of the Superior Court by the Authority.

The Appellate Division entered a decision affirming the DEP Commissioner's Summary Order awarding PenPac \$3,238,792, plus interest in the amount of \$256,313. The Appellate Division also remanded the matter to the DEP for a determination of rate underrecovery for that portion of calendar year 1997 during which PenPac provided transfer station services, and for a determination of the overall rate of interest on the entire award¹. Certification of that decision was sought to the New Jersey Supreme Court, and ultimately denied.

Entry of August 2005 Judgment and Post-Collection Efforts (1st of 2 PenPac Judgments)

PenPac thereafter filed a Complaint in Superior Court, captioned PenPac, Inc. v. Passaic County Utilities Authority, Docket No. PAS-1-2040-05 (Superior Court of New Jersey, Law Division - Passaic County, the second case listed above), seeking to have the administrative

¹ On remand, the NJDEP determined that PenPac was entitled to an additional \$1.3 million of underrecovery for services rendered for portions of 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 efforts are ongoing, primarily and directly, against the County of Passaic at this time, discussed *infra*. Nonetheless, the unsatisfied portion of both judgments remain obligations of the Authority, despite its financial condition and regardless of collection efforts against the County.

² As well as since the entry of the Remand Award in 2009 constituting the Second Judgment against the Authority.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 18. LITIGATION, (continued)

underrecovery decision, as affirmed by the Appellate Division, reduced to a judgment in the Superior Court. On August 15, 2005, the Passaic County Superior Court entered a judgment against the Authority in the amount of the Commissioner's Decision, as affirmed, plus interest (total judgment amount of \$3,495,105).

Since the entry of the August 15, 2005 judgment in PenPac's favor², PenPac has engaged in various efforts to enforce the judgment and collect upon it from the Authority (and, as of 2012, against the County of Passaic as well - see *infra*). As a result of the Authority's financial condition, including the amount of outstanding debt, its inability to generate operating revenues in the wake of the judicial rulings in Atlantic Coast Demolition & Recycling, Inc. v. Atlantic County Bd. Of Chosen Freeholders, 112 F.3d 652 (3d Cir. 1997), amended, 135 F.3d 891 (3d Cir. 1998) (the "Atlantic Coast" decisions) and its obligations to the Authority's bondholders, the Authority has consistently taken the position that its limited monetary assets are pledged to the bondholders and should be applied to reduce debt service. Therefore, the Authority has maintained that PenPac's judgment for underrecovery may not be satisfied out of the Authority's monetary assets. The Authority has argued consistently in State court that State law clearly provides that the assets of a county or municipal utilities authority are exempt from levy and execution, and are otherwise pledged to its bondholders in either event. They are not available to satisfy unsecured judgment creditors. Stated simply, the Authority has argued that its assets are pledged to the superior priority of the bondholders, and are not subject to seizure by an unsecured judgment creditor such as PenPac.

Nonetheless, PenPac, as part of its collection efforts, in the Fall of 2006 made an application to the Superior Court for mandamus relief to compel the Authority to pay the judgment from its available monetary assets, or to otherwise provide for payment. The Authority resisted that application, and opposed it for the reasons set forth in the previous paragraph, focusing largely on the pledge of monetary assets first and foremost to the Authority's bondholders. The Court granted the relief sought by PenPac as a threshold matter, and thereafter held a plenary hearing on January 3-4, 2007 to establish the extent of the Authority's known assets, and the degree to which they are pledged to bondholders as argued by the Authority, or otherwise were potentially available to pay PenPac's 2005 Judgment. The Authority argued that PenPac was precluded from levying against the assets of the Authority, or otherwise obtaining an order to compel payment of the August, 2005 judgment from those assets. After the January, 2007 hearing, during which evidence and testimony were taken with respect to the Authority's assets and financial condition, the Court reserved decision.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 18. LITIGATION, (continued)

March 12, 2007 Order Directing Turnover and Assignment of Assets to PenPac

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) turnover \$701,230.41 in Bank of New York accounts to PenPac; 2) to turnover \$1,702,220.84 in Bank of America accounts to PenPac; and 3) to assign all future income derived 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 known monetary assets to PenPac, excepting only certain Bank of New York accounts associated with the Authority's active and outstanding 1999 and 2004 Series Bonds (as well as any account associated with an active bond issue, such as the 2008 Bonds), which the trial court found were validly pledged to the bondholders and thus not subject to turnover. The rest of the assets were found to be free and available to satisfy PenPac's Judgment.

The Authority authorized appeal of this decision first to the Superior Court Appellate Division (which affirmed), and then to the New Jersey Supreme Court. The New Jersey Supreme Court refused to grant Certification to hear the case, rendering the trial court's March 2007 determination final as of September 5, 2008. At that point, the stay of the trial court's decision was dissolved.

Compliance with the March 12, 2007 Order of the Trial Court: Turnover of Assets and Assignment of Mortgage Receivable Income

As a result of the finality of the March 12, 2007 Mandamus Order by exhaustion of available appellate review, the Authority adopted a resolution at a special meeting held on September 25, 2008 to comply with the terms of that Order, 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 Bank of America accounts to PenPac; and, 3) assigned all future income derived from the Passaic Investors mortgage receivable, held by the Authority, to PenPac³.

³ That Mortgage has now been paid and amortized in full.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 18. LITIGATION, (continued)

Future of PenPac Litigation - Collection Efforts directly against County of Passaic

As noted above, the Remand Award was also reduced to judgment in the amount of approximately \$1.3 million 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). PenPac, is still owed payment by the Authority with respect to the balance due on the 2005 judgment, and the entire 2009 Remand Award judgment. What is outstanding does not include post-judgment interest, which accrues pursuant to the New Jersey Rules of Court.

In 2010, PenPac undertook limited, additional post-judgment discovery against the Authority. However, no additional assets were discovered or found (as expected in the light of the 2008 turnover of assets), and no additional post-judgment activity has been taken against the Authority since. None is imminently anticipated.

In 2011, PenPac brought a direct legal action against the County of Passaic to collect on these Judgments. Since the Authority has no available assets, PenPac's collection efforts naturally turned to the County of Passaic - as had been long anticipated. PenPac's lawsuit had asserted various legal theories under which it maintained the County is responsible for the Judgments - contractual debts of the Authority - despite the absence of direct contractual privity with the County. Among them was a theory that the Authority should be dissolved by *de facto* merger with the County of Passaic, and all of its debts assumed by the County - including the PenPac Judgments. That suit was captioned PenPac, Inc. v. County of Passaic, Docket No. PAS-L-2635-11, and was brought in the Superior Court in Passaic County. The County had retained outside, separate counsel to defend against that action.

After discovery, in August of 2012 both the County and PenPac moved for summary judgment. The parties fully briefed the issues in the case - including notably, the inability of the courts to independently dissolve a county utilities authority subject to State oversight, which has outstanding debt. Oral argument was heard in that case on October 23, 2012, on both summary judgment motions. On October 25, 2012, Judge Chiocca in Passaic County dismissed all Counts of PenPac's action against the County for the reasons delivered in an oral opinion.

PenPac then appealed that dismissal to the Appellate Division of the Superior Court. After a full briefing of the issues by both Parties, the Appellate Division, by written decision issued on December 27, 2013, affirmed the trial court's dismissal of the action against the County in its entirety. The Appellate Division found that there was no indication that the County had assumed the PenPac Judgments as a matter of law.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 18. LITIGATION, (continued)

On or about January 28, 2014, PenPac petitioned the New Jersey Supreme Court for a grant of certification to review the December 27, 2013 decision of the Appellate Division. That application remains pending at this time.

2. 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.

Plaintiffs rejected a \$500,000.00 offer to resolve all claims in this litigation. Furthering settlement negotiations, it was revealed that the plaintiff, Gilgorri would agree to give up his demand of reinstatement as part of settlement of this litigation. Judge Hammer indicated that both plaintiffs, Racanelli and Gilgorri were very anxious in resolving this litigation without demanding reinstatement to their prior positions with the County Sheriff's Department. Plaintiff Tundo continues to seek reinstatement of his position as part of settlement of this lawsuit. Judge Hammer inquired as to whether the County would be willing to resolve the claims on behalf of plaintiffs, Racanelli and Gilgorri. In this regard, plaintiffs made a demand of \$550,000.00 which would include all counsel fees incurred to date. As part of the proposal, the claim on behalf of plaintiff Tundo would proceed forward. Based on the fact that plaintiff, Tundo was still seeking reinstatement, the settlement conference with Magistrate Judge Hammer was adjourned pending a meeting with Sheriff Berdnik with regard to the reinstatement issue and pending a meeting with the Board of Chosen Freeholders.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 18. LITIGATION, (continued)

Accordingly, the within lawsuit remains pending and the parties are waiting for the scheduling of a settlement conference with Magistrate Judge Hammer. Based upon negotiations conducted to date, it appears that this lawsuit presents two separate settlement scenarios. Initially, it does appear that all three plaintiffs would be willing to resolve this litigation with the reinstatement of plaintiff, Tundo. The terms of reinstatement would still need to be discussed. The second scenario would be a global monetary settlement involving all three plaintiffs which would not include the reinstatement of plaintiff, Tundo. Based upon discussions with Magistrate Judge Hammer, the settlement range for the latter scenario would be somewhere in the area of \$900,000.00

**3. 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 (the "Superintendent"), and the County of Passaic, in federal district court on June 13, 2011 under docket no. 2:11-CV 3393-FSH-PS. 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.

Plaintiffs, thereafter, filed a complaint in state court against Defendants, Laura Freytes and the Passaic County Superintendent of Elections, on January 23, 2013 under docket no. PAS-L-304-13. Defendants/Third-Party Plaintiffs filed an Answer and Third-Party Complaint against the Third-Party Defendants, the County and the State of New Jersey (the "State"), on or about March 11, 2013 which served on the County on March 21, 2013. In their Third-Party Complaint against the County and the State, the Superintendent Defendants asserted a claim for contribution and indemnification.

During the pendency of the federal court action, Defendants, Laura Freytes and the Passaic County Superintendent of Elections, had already made a request for indemnity, contribution, insurance and defense to the State of New Jersey Office of the Attorney General. This request was denied by the Attorney General's Office as a final administrative decision on July 25, 2013. The Superintendent Defendants timely appealed this decision and that appeal is currently pending before the Appellate Division under docket no. A-005807-12T2.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 18. LITIGATION, (continued)

The County and the Superintendent Defendants filed R. 4:6-2 motions to dismiss the Plaintiff's state court complaint before the Law Division based on, among other things, the collateral estoppel doctrine, the statute of limitations, and failure to state a claim upon which relief can be granted. The trial court granted the County's Motion to Dismiss Plaintiff's complaint on August 29, 2013. The court also dismissed the Third-Party Complaint filed by the Superintendent Defendants by order, dated December 23, 2013, due to the Superintendent Defendants' pending appeal of the Attorney General's July 25, 2013 final administrative decision. Following the dismissal of their state court complaint, Plaintiffs' filed an appeal to the Appellate Division, which is currently pending under docket no. A-000831-13T2.

The County filed a motion to intervene in the Superintendent's appeal of the State's administrative agency decision, bearing docket no. A-005807-12T and a motion to consolidate that appeal with the Plaintiffs' appeal of the trial court's dismissal of their action, under docket no. A-000831-13. Both motions were granted on January 14, 2014. After multiple requests by Plaintiffs and the Superintendent for extensions of the briefing schedule, all parties' briefs were submitted to the Court by October 17, 2014. To date, the Appellate Division has not yet issued a decision on these appeals.

On February 23, 2017, the Appellate Division issued an opinion, which affirmed, in part, and reversed, in part, the trial court's dismissal of Plaintiff's complaint. The opinion affirmed the dismissal of all Plaintiff's constitutional claims as well as the CEPA claims of William Malave and Elvin Sanchez. However, it reversed the dismissal of Cedestino Malave's CEPA's claim, finding that the CEPA claim was not barred by the statute of limitations. That claim has been remanded back to the trial court.

4. Danya Heydorn v. Preakness Healthcare Center, et al.
United States District Court, District of New Jersey
Docket No. 2:16-cv 02331-MCA-MAH

On July 13, 2015, Plaintiff, Danya Heydorn ("Plaintiff") filed a complaint against Preakness Healthcare Center, the County of Passaic, and various John Doe Defendants in the Superior Court of New Jersey, Passaic County. The complaint alleges discrimination and retaliation claims under the New Jersey Law Against Discrimination ("LAD") as well as interference and retaliation claims under the Family and Medical Leave Act ("FMLA"), arising from Plaintiff's termination as a licensed practical nurse at Preakness Healthcare Center.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 18. LITIGATION, (continued)

Based on a technical deficiency in the summons, Defendants obtained a pre-answer dismissal of the complaint without prejudice for insufficient process and lack of personal jurisdiction on January 8, 2016. Plaintiff was ordered to serve the complaint and a corrected summons on Defendants within 20 days, but failed to timely do so. Plaintiff filed a motion to reinstate the complaint and enlarge the time to serve the complaint and correct summons, which was granted on April 1, 2016. After proper service of the complaint, Defendants removed the case to federal court based on subject matter jurisdiction derived from the FMLA claim.

An initial Rule 16 scheduling conference was held on August 5, 2016 before Magistrate Judge Hammer at which time it was decided and agreed that initial discovery would be limited to settlement-target discovery only. Since then, the parties have exchanged some initial discovery pursuant to a consent scheduling order although Plaintiff has failed to produce any documents bearing upon her attempts to mitigate damages as required under the order. On October 12, 2016, Plaintiff provided an initial settlement demand of \$185,000, most of which appears to be comprised of emotional distress damages due to the fact that Plaintiff obtained employment within months of her termination from Preakness. A better assessment of Plaintiff's economic damages can be made once Plaintiff produces her outstanding discovery. A telephone status conference with the court is current scheduled for March 7, 2017.

**5. Northeast Remsco Construction, Inc. v. County of Passaic and Dewberry Engineers
Superior Court of New Jersey, Passaic County
Docket No. L-000336-17**

Plaintiff, Northeast Remsco Construction, Inc. ("NRC"), filed a complaint against the County of Passaic ("County") and Dewberry Engineers ("Dewberry"), in the Superior Court of New Jersey, Passaic County, on January 30, 2017.

The claims in the Complaint arising from the County's bid for the replacement of West Brook Road Bridge over Wanaque Reservoir. Defendant Dewberry served as engineer for this project. In response to the County's bid documents, which contained the New Jersey Department of Transportation 2007 Standard Specifications for Road and Bridge Construction along with Supplemental Specifications, Plaintiff NRC bid for the project. The County and NRC entered into a contract on July 23, 2013, whereby NRC could serve as general contractor. During the course of the project, Plaintiff NRS claimed that they had to engage in extra work related to additional costs it incurred related to the treatment of

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 18. LITIGATION, (continued)

concrete in the drilled shaft foundations as Mass Concrete, in the amount of \$135,023.86, including overhead and profit. The County rejected this claim based upon its contention that NRC had been informed from the bid documents prior to the contract of the requirement of thermal curing treatment for the Mass Concrete.

Plaintiff also claimed it was subjected to differing site conditions in the rock foundation for the project, which it alleged as materially different than what the project plans depicted. According to Plaintiff, the Project Specifications and Plans provided insufficient information for NRC to anticipate the underwater conditions and that no bidder could have anticipated such conditions. Plaintiff claimed it had to incur additional costs associated with redesigns to address the alleged differing site conditions, and sought recovery of such costs from the County.

The contract between the County and NRC required, as a condition precedent to litigation that NRC and the County participate in non-binding arbitration on NRC's claims. The County and NRC participated in non-binding arbitration before the Hon. Peter E. Doyne (J.S.C. Ret.). On August 9, 2016, Judge Doyne rendered a decision in favor of the County and denied NRC's claim for additional monies relating to the handling of mass concrete in the construction of bridge support columns, finding that all work concerning mass concrete and thermal curing was set forth in the bid documents, construction plans and specifications. On November 30, 2016, Judge Doyne rendered a decision in favor of the County on NRC's claim of differing site conditions, finding that under the bid documents and contract, NRC had the responsibility to investigate subsurface conditions, not the County (Type I claim). As to NRC's claim that the rock formation was an unusual condition that materially differed from those ordinarily encountered or which could not have been reasonably anticipated pre-bid (Type II claim), Judge Doyne determined that based on competing expert reports and the record, he could not determine whether NRC had shown such a claim.

Based upon the aforementioned factual background, Plaintiff thereafter filed its Complaint against the County and Dewberry alleging breach of contract (County only, Count I), unjust enrichment (County only, Count II), *Quantum Meruit* (County only, Count III), and misrepresentation (Dewberry only, Count IV). Plaintiff claims that as a result of the County's and Dewberry's alleged actions, it has sustained damages in excess of three (3) million dollars.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 18. LITIGATION, (continued)

The County of Passaic was served with the Complaint on February 8, 2017, and has obtained the consent of Plaintiff's counsel to file a Stipulation Extending Time to Answer for thirty (30) days, to April 14, 2017. The litigation of this matter will involve substantial discovery, including numerous depositions of fact witnesses and experts, document review and production, and motion practice. Given the early stage of this matter, we cannot estimate what exposure, if any, the County may have to NRC.

6. Garcia v. Speziale, et al

This is the second installment of lawsuits advanced by Felix Garcia, a former Warden at the Passaic County Jail and former Republican candidate for Sheriff.

He now claims that the Sheriff refused to sign his gun permit application, as an act of political retaliation. This statement is ridiculous and has no merit.

However, the new nuisance value for federal employment litigation is \$100,000.00. The Federal Magistrate who is currently handling this matter is also Judge Mark Falk who has again placed a settlement value on this matter of \$100,000.00.

However, the plaintiffs are demanding \$1,000,000.00. As such, we should please a reserve on this file of \$500,000.00.

7. Guisseppi Iudici v. Passaic County Sheriff's Department

In this matter, the plaintiff was arrested by the Passaic County Sheriff's Department warrant squad for an outstanding child support debts.

During the arrest, the plaintiff became combative and additional criminal charges were filed against him. Plaintiff contested those criminal charges, which were dismissed in a Municipal Court. At this time, the plaintiff has instituted this litigation, and has made a demand of \$250,000.00 for settlement which was recently increased to \$500,000.00

For purposes of our reserve, we would state that we should place \$250,000.00 of value on this matter, keeping in line with the Federal Court's current nuisance evaluation on cases of this type.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 18. LITIGATION, (continued)

8. Richard Vieira v. County of Passaic

This is a matter which is currently venued in the Federal District Court of New Jersey, and is an employment litigation matter. In this instance, the plaintiff states that he has been retaliated against, because of political animus by his supervisors, which is a common theme in many of the current pending matters. In addition, the plaintiff's current attorney represents many plaintiffs that have other federal matters pending.

Since this matter was just filed, it is too early to place any value on this case.

However, in keeping with the Court's assessment of matter on the federal district level, we should state that it has a value of \$250,000.00. For extra protection, we should place a reserve on this matter of \$500,000.00.

9. Terrance Robinson v. Oscar Ivles

This is a very bizarre case, which involves the plaintiff's lawsuit against five different police departments and three different correctional institutions, involving a plethora of issues that the plaintiff has had with various agencies.

The County of Passaic was recently implead into this matter, after 4 prior complaints were filed. Based upon all of the foregoing, it is almost impossible to place a value on this case at this time, because there are over seven thousand pages of discovery that were previously exchanged. We have not yet reviewed those materials, and are in the process of compiling an index of those documents.

However, this matter involves the plaintiff's allegations of sexual abuse and assault, while he was allegedly a prisoner at the Passaic County Jail, as well as beatings that he claims he incurred at the hands of inmates and officers.

This matter has the potential to be expensive due to the fee shifting nature of the matter, and the manner in which the plaintiff's attorneys are litigating this matter. For reserve value, we should place a value of \$450,000.00 on this matter.

10. James Weston v. Passaic County and Office of Passaic County Sheriff and Richard Berdnik

For purposes of a reserve, the value should be \$250,000.00

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 18. LITIGATION, (continued)

11. McDuffie v. County of Passaic

This case is in the midst of very detailed and combative litigation. The plaintiffs have reduced their demand from \$10,000,000.00 to \$2,000,000.00. The case is headed to mediation. The County's liability should be diminimus. For purpose of a reserve – we suggest a value of \$150,000.00.

**12. Harmon vs. County of Passaic
Docket No. PAS-L-3269-13**

The Plaintiff, Sandra Harmon, alleges to have fallen on an uneven surface on the landing in front of 401 Grand Street on December 12, 2012. The injuries alleged include fracture of the left foot and soft tissue injuries to her side, back and knees. The original Notice of Claim claimed the damages to be in the amount of \$2,000,000.00.

Presently discovery is underway. To date, paper discovery has been exchanged and the deposition of the Plaintiff has been concluded as well as that of the Passaic County Engineer. There is another deposition which Plaintiff intends to take which should take place during the next few weeks.

Obviously, the damages claimed in the Notice of Claim are ludicrous. We are presently awaiting documentation on any lost wage claim being asserted as well as any out of pocket expenses. Once this information is received, we will be in a better position to evaluate the claim. One of the defenses in this case is the fact that an incident report prepared on the date of the incident had the fall occurring in a different location. The Plaintiff has explained this away as saying the reporting officer was mistaken when he filled out the report. Plaintiff does present herself as a good witness however, the injuries I believe will be limited.

13. Papendick vs. County of Passaic

The claims asserted by the plaintiffs in this case are essentially that employees of Passaic County and Sheriff's Department, inclusive of Warden Michael Tolerico and Sheriff Richard Berdnik did not properly diagnose and treat the underlying psychiatric/medical condition of the deceased Thomas Carl Papendick and as a result, Mr. Papendick hung himself on December 1, 2012 while he was incarcerated at the jail. The plaintiffs also allege that the deceased was negligently left unsupervised; there was a denial of his civil rights under 42 U.S.C. §1983 and 1985; there was a failure to train various agents, servants or employees of the County.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 18. LITIGATION, (continued)

Plaintiff claim of 1.5 million dollars is probably the "upper limit" on a possible loss. There is no wage loss claim made by the Administrator Ad Prosequendum. Although Plaintiff's counsel has not articulated a "bottom line figure", it would seem that a verdict range in this case is between \$400,000.00 - \$800,000.00.

14. Crump/Nichols/Johnson and Goodwin vs. County of Passaic

This matter involves complex litigation and a potential class action lawsuit. Plaintiff Jeremy Crump commenced this action, individually and on behalf of a class of others similarly situated, on April 11, 2014, alleging upon information and belief, that it is defendants' written policy to strip search "all individuals who enter into the custody of Passaic County Jail and are placed into jail clothing, regardless of the nature of their charged crime and without the presence of reasonable suspicion to believe that the individual was concealing a weapon or contraband." Crump claimed a deprivation of his rights under the United States Constitution in violation of 42 U.S.C. Sections 1981 and 1983, under the New Jersey Constitution, the New Jersey Civil Rights Act, and the New Jersey Strip Search statute. The complaint sought both compensatory and punitive damages.

A case management conference with the Court is now scheduled for March 13, 2017, during which several issues will be raised including, but not limited to, the Court's *in camera* review of privileged documents that had already been produced by predecessor counsel and current defense counsel's attorney-client privilege analysis of said privileged documents; as well as current defense counsel's analysis of the newly exchanged additional documents forwarded by defendants to plaintiffs which incorporate two attorney/client privilege logs and several markings as to confidential documents – for various confidential identifiers such as address, phone number, date of birth, driver license number, social security number, information about family members, medical information and discipline information.

Plaintiffs have filed a motion for attorney's fees for the time period of predecessor defense counsel's representation of the defendants. Plaintiffs are seeking attorney's fees in the amount of approximately \$97,000.00, for what plaintiffs claim was obstructionist discovery practices prior to the time period that Weiner Law Group LLP began to represent defendants. That motion is now returnable on May 1, 2017, with opposition required from the defense by April 17, 2017.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 18. LITIGATION, (continued)

Significant tasks must still be undertaken once written discovery is deemed complete, i.e., preparation for the various depositions that must be taken including, but not limited to, the depositions of the plaintiffs and the preparation of some of the witnesses that will be subpoenaed and/or noticed for depositions by plaintiffs.

As of this time, we are evaluating all of these issues, so it is difficult to assess a real outcome of this case at this time or an estimate as to the amount of the range for damages. As indicated in our previous submission to you, the plaintiffs have made a combined settlement demand of \$3.5 million in December 2015. That demand has not changed as of now.

The County is a defendant in various other legal proceedings. These cases, if decided against the County, would be raised by future taxation. The County's legal counsel estimate such amounts to be immaterial.

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 2016 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, 2016 AND 2015
(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, 2016, the effective date of the biannual Other Post-Employment Benefit, herein referred to as "OPEB", valuation is 1,281. Of these, 753 retirees retain dependent or spousal coverage. There have been no significant changes in the number of covered retirees or type of coverage since the valuation date.

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

Actuarial Valuation Results

The Actuarial Accrued Liability for retirees is \$744,450,000, and for current active employees is \$509,991,000 for a total accrued liability of \$1,247,441,000.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 21. POST RETIREMENT BENEFITS, (continued)

Funding Policy

Summary of Principal Results for GASB 45 Accounting Purposes

1. Annual Required Contribution	\$112,673,298
2. Interest on Net OPEB Obligation	1037109
3. Adjustment to Annual Required Contribution	<u>(1,414,882)</u>
4. Annual OPEB Cost (Expense)	112,295,525
5. Contributions Made or Accrued	<u>(36,991,368)</u>
6. Increase in Net Obligation	<u>\$75,304,157</u>
7. Net OPEB Obligation (BOY)	23,046,857
8. Net OPEB Obligation (EOY)	98,351,014

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Percentage of</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>	<u>Discount</u> <u>Rate</u>
12/31/2016	\$112,295,525	32.9%	\$98,351,014	4.50%

Method and Assumptions

Cost Method: Projected Unit Credit

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 21. POST RETIREMENT BENEFITS, (continued)

Summary of Principal Results for GASB 45 Accounting Purposes, (continued)

Assumptions

The actuarial assumptions used to value the postretirement medical liabilities can be categorized into three groups:

- Economic Assumptions – the discount rate and health care cost trend rates.
- Benefit assumptions – the initial per capita cost rates for medical and prescription drug coverage.
- Demographic assumptions -- including the probabilities of retiring, dying, terminating (without a benefit), becoming disabled, recovery from disability, election (participation rates) and coverage levels.

Discount Rate:	4.50%
Mortality:	MP-2016 gender specific
Salary Scale:	3.00%
Marital Assumption:	50% are assumed married
Utilization:	Participants: Service based range from 50%-90%
	Spouses: 55% elect coverage
Retirement Age:	As specified in the following table:

<u>Age</u>	<u>Retirement Rate</u>
55-59	11.59% per year
60-64	13.63% per year
65-69	15.60 per year%
70-74	13.89% per year
75-80	6.32% per year

Valuation of Assets: Assets are valued at market value (Plan currently not funded)

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(continued)

NOTE 21. POST RETIREMENT BENEFITS, (continued)

Summary of Plan Provisions

Death Benefits: The County provides for no post-retirement death benefits.

Health Benefits:

Benefits: At the age at which employee may begin to receive retirement benefits under the County's pension plan, the employee may retire and retain their health insurance coverage. Depending on age and years of service at retirement, the retirees may have to pay for some or all of the coverage. The County will contribute 100% for those individuals retired with 25 or more years of services.

NOTE 22. SUBSEQUENT EVENTS

The County has evaluated subsequent events through February 16, 2017, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA

THIS PAGE INTENTIONALLY LEFT BLANK

COUNTY OF PASSAIC

Supplementary Data

Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Type of bond</u>
Theodore Best, Jr	Freeholder - Director	(A)
John Bartlett	Freeholder Deputy Director	(A)
Hector Lora	Freeholder	(A)
Cassandra Lazzara	Freeholder	(A)
Terry Duffy	Freeholder	(A)
Pasquale Lepore	Freeholder	(A)
Bruce James	Freeholder	(A)
Louis E. Imhof III	Clerk of the Board	(B)
Anthony DeNova III	County Administrator	
William J. Pascrell III	County Counsel	(B)
Richard Cahill	Finance Director	
Richard H. Berdnik	Sheriff	
Honorable Bernice Toledo	Surrogate	
Kristin M. Corrado	County Clerk	(B)

(A) Passaic County Self-Insurance Fund.

(B) All County employees were covered under a Public Employees Dishonesty Blanket Bond.

COUNTY OF PASSAIC

Supplementary data

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

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>Year 2016</u>		<u>Year 2015</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Fund Balance Utilized	\$ 18,000,000	3.33 %	\$ 17,000,000	3.36 %
Miscellaneous - From Other Than				
Tax Levies	181,153,768	33.53	152,951,592	30.25
Collection of Current Tax Levy	<u>341,186,223</u>	<u>63.14</u>	<u>335,617,867</u>	<u>66.38</u>
Total Income	<u>540,339,991</u>	<u>100.00 %</u>	<u>505,569,459</u>	<u>100.00 %</u>
<u>EXPENDITURES</u>				
Budget	502,094,965	98.13	474,593,378	98.82
Other	<u>9,592,964</u>	<u>1.87</u>	<u>5,664,038</u>	<u>1.18</u>
Total Expenditures	<u>511,687,929</u>	<u>100.00 %</u>	<u>480,257,416</u>	<u>100.00 %</u>
Fund Balance, January 1	<u>34,364,190</u>		<u>26,052,147</u>	
	63,016,252		51,364,190	
Utilized as Budget Revenue	<u>18,000,000</u>		<u>17,000,000</u>	
Fund Balance, December 31	<u>\$ 45,016,252</u>		<u>\$ 34,364,190</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>
2016	\$	34,617,289,618	43,757,319	34,661,046,937	47,060,736,325	0.7365
2015		32,786,310,200	34,040,195	32,820,350,395	46,282,627,448	0.7091
2014		35,280,703,902	33,890,547	35,314,594,449	45,880,150,930	0.7697
2013		35,477,614,974	38,786,512	35,516,401,486	46,688,025,747	0.7607
2012		36,051,366,476	40,161,083	36,091,527,559	47,373,694,806	0.7618

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>
2016	\$	341,186,223	341,186,223	100.00%
2015		335,617,867	335,617,867	100.00%
2014		319,796,781	319,796,781	100.00%
2013		310,795,236	310,795,236	100.00%
2012		304,999,886	304,999,886	100.00%

Comparative Schedule of Fund Balance

	<u>Year</u>		<u>Dec. 31</u>	<u>Utilized in budget of succeeding year</u>
Current Fund	2016	\$	45,016,252	18,000,000
	2015		34,364,188	18,000,000
	2014		26,052,147	17,000,000
	2013		26,351,307	17,000,000
	2012		27,412,049	18,000,000

THIS PAGE INTENTIONALLY LEFT BLANK

COUNTY OF PASSAIC

Schedule of Cash and Investments

Current Fund

Year Ended December 31, 2016

	<u>Checking</u>	<u>Investments</u>
Balance, December 31, 2015	\$ 61,460,946	2,004,197
Increased by Receipts:		
2016 Tax Levy	341,186,223	
Federal and State Grants Receivable	35,748,250	
Revenue Accounts Receivable	95,684,576	
Non-Budget Revenues	4,361,145	
Petty Cash	15,650	
Schedule of Interfunds	42,204,356	
Prepaid Revenues	33,056	
Miscellaneous Reserves	3,617,354	
Unappropriated Reserves for Grants	55,000	
Transfer Investments	2,004,783	
Interest		586
	<u>524,910,393</u>	<u>586</u>
	586,371,339	2,004,783
Decreased by Disbursements:		
2016 Budget Appropriation	435,238,595	
2015 Appropriation Reserves	15,567,016	
Schedule of Interfunds	15,845,894	
Accounts Payable	108,897	
Federal & State Grant Commitments Payable	14,075,446	
Reserve for Federal & State Grants Appropriated	20,801,588	
Petty Cash	15,650	
Miscellaneous Reserves	3,973,897	
Refunds	229,599	
Transfer Investments		2,004,783
	<u>505,856,582</u>	<u>2,004,783</u>
Balance, December 31, 2016	<u>\$ 80,514,757</u>	<u></u>

Exhibit A-5

COUNTY OF PASSAIC
Schedule of Cash - Change Fund
Current Fund
Year Ended December 31, 2016

<u>Office</u>	Balance December 31, <u>2015</u>	Balance December 31, <u>2016</u>
County Courts	\$ <u>675</u>	<u>675</u>

Exhibit A-6

Schedule of Cash - Petty Cash
Current Fund
Year Ended December 31, 2016

<u>Office</u>	Received From <u>Treasurer</u>	Returned To <u>Treasurer</u>
Finance	200	200
Road	200	200
Preakness Hospital	250	250
Prosecutor	<u>15,000</u>	<u>15,000</u>
	<u>15,650</u>	<u>15,650</u>

COUNTY OF PASSAIC
 Schedule of Federal and State Grants Receivable
 Federal and State Grant Fund
 Year Ended December 31, 2016

<u>Grant</u>	Balance, December 31, 2015	2016 Budget Revenue Realized	Revenue Realized by 40A:4-87	<u>Received</u>	Canceled/ Adjusted	Balance, December 31, 2016
USF 2016	\$ 409,863			409,863		
USF 2017			441,168			441,168
Weatherization LIHEAP 2015	635,191			324,697		310,494
LIHEAP Assistance 2015			651,795			651,795
LIHEAP Assistance 2016	566,001			566,001		
Heating Improvement (HIP) 2013			662,752			662,752
Heating Improvement (HIP) 2015	264,533			264,533		
Heating Improvement (HIP) 2016			423,835	66,322		357,513
Weatherization DOE 2013	315,435			315,435		
Weatherization DOE 2017			357,316			357,316
Preakness Gero-Psych Program	2				2	
Preakness Gero-Psych Program	84,553			84,553		
Preakness Gero-Psych Program			338,210	253,657		84,553
WIOA Adult 15/16	1,610,967			734,413		876,554
WIOA Adult 16/17			1,671,380			1,671,380
WIOA Youth 15/16	1,719,409			1,540,832		178,577
WIOA Youth 16/17			1,832,249	80,975		1,751,274
WIOA Dislocated Worker 15/16	1,576,586			638,872		937,714
WIOA Dislocated Worker 16/17			1,691,989			1,691,989
Workforce Learning Link Program 15/16	120,058			120,058		
Workforce Learning Link Program 16/17			188,000	39,502		148,498
WFNJ TANF 15/16	2,573,302			2,459,199		114,103
WFNJ TANF 16/17			3,853,467	894,384		2,959,083
WFNJ GA/SNAP 15/16	1,461,577			1,147,640		313,937
WFNJ GA/SNAP 16/17			1,832,660	481,933		1,350,727
Dislocated Worker Employer Focus	287,359					287,359
Workfirst-ABAED 1997	89,402					89,402
Smart Steps	16,050			16,050		
Smart Steps 16/17			24,075			24,075
Parolee Job Placement Initiative Program	232,502			105,445		127,057
Alcohol/Drug Abuse Grant FY14	127,429			123,970	3,459	
Alcohol/Drug Abuse Grant FY15	559,293			555,481		3,812
Alcohol/Drug Abuse Grant FY16		737,782		175,412		562,370
Municipal Alliance 2013	76,781				76,781	
Municipal Alliance 2014	401,314			345,430	55,884	
Municipal Alliance 2015	512,024			117,360		394,664
Municipal Alliance 2016			512,024			512,024
Workforce Learning Link Program	6,009				6,009	
Workforce Investment (PIC) 2012/2013	191,665				191,665	
Workforce Investment (PIC) 2014/2015	128,276			128,276		
Workfirst NJ 2012/2013	861,068				861,068	
Workfirst NJ 2013/2014	272,813				272,813	
Workfirst NJ - TANF	220,435			28,975	191,460	
Workfirst NJ - GA/SNAP	301,038			4,766	296,272	
Department of Labor - WIA Adult	104,685				104,685	
Department of Labor - WIA Adult	991,616			991,616		
Department of Labor - WIA Dislocated Worker	39,941				39,941	
Department of Labor - WIA Dislocated Worker	1				1	
Department of Labor - WIA Dislocated Worker	832,821			832,821		
Workforce Invest (Pic) 2010/11	140,781				140,781	
Workforce Invest (Pic) 2011/12	2,859,022				2,859,022	
Community Svc. Block Grant PHLP LINCNS 2015	28,997					28,997
Community Svc. Block Grant PHLP LINCNS 2016	415,376			361,992		53,384
Community Svc. Block Grant PHLP LINCNS 2017			511,586			511,586
CEHA 2016			177,580	177,580		
Right to Know Program 2015	11,410			11,410		
Right to Know Program 2016			15,213	3,803		11,410

COUNTY OF PASSAIC
Schedule of Federal and State Grants Receivable
Federal and State Grant Fund
Year Ended December 31, 2016

<u>Grant</u>	Balance, December 31, 2015	2016 Budget Revenue <u>Realized</u>	Revenue Realized by <u>40A:4-87</u>	<u>Received</u>	Canceled/ <u>Adjusted</u>	Balance, December 31, 2016
Sandy Grant (L.I.N.C.S. Agencies) 2015	1,134					1,134
MRC Challenge			15,000	15,000		
CEHA Calendar	13,640				13,640	
Clean Communities Grant 2016			94,415	94,415		
Recycling Enhancement Act REA 2014			381,900	381,900		
Radon Awareness Program (RAP) 2015	4					4
Radon Awareness Program (RAP) 2016			1,000			1,000
Mosquito ID & Control Effects 2016			27,325			27,325
Passaic County Film Festival 2016	2,250			2,250		
Passaic County Film Festival 2017			2,300			2,300
2012 Disaster Relief	70,094			69,969		125
CDBG - DR Program	7,660,331			4,340,411		3,319,920
Passaic County Summer Concert Series			1,750	1,750		
Aging Area Nutrition FY16		4,537,058	1,169,686	5,662,299		44,445
Casino Revenue 2013	202				202	
Casino Revenue 2015	454,658			454,658		
Casino Revenue 2016		1,885,387		1,180,720		704,667
Farmers Market Nutrition Program			1,000			1,000
Meals on Wheels Pet Food			2,500			2,500
State Health Insurance Program 2015	14,001			14,001		
State Health Insurance Program 2016			26,000	12,996		13,004
2013 FTA Section 5310			101,025			101,025
JJC Partnership 2014	86,936					86,936
JJC Partnership 2015	500,656			500,656		
JJC Partnership 2016		500,656		65,544		435,112
Social Services for the Homeless	4,599			375		4,224
Social Services for the Homeless	783,764			783,764		
Social Services for the Homeless	783,764		497,956	1,268,678		13,042
Social Services for the Homeless			1,477,780	608,948		868,832
Human Services 13BERN	2,949					2,949
Human Services 15BERN	144,427			144,427		
Div of Child Behavioral Health Services		158,456		158,456		
Special Initiative and Transportation 2014	265,538					265,538
Special Initiative and Transportation 2015	303,685			282,594		21,091
Special Initiative and Transportation 2016			404,914	101,229		303,685
HUD - St. Joseph NJ36310	5,892				5,892	
Eva's Village Apartments	34,195				34,195	
Passaic County Housing First Leasing	19,776				19,776	
Passaic County Housing First	121,392			28,541		92,851
Passaic County Housing First NJ-513	816,669					816,669
Passaic County Housing First	731,784					731,784
HUD Eva's Project NJ36308	308,345					308,345
Passaic County Housing First Collaborative II	484,400			103,987		380,413
Passaic County Housing First Collaborative III	268,227			15,502		252,725
New Passaic County Housing First	198,838			70,086		128,752
HUD St. Paul's	117,949					117,949
HUD	186,660					186,660
HUD Paterson Park Apartments	444,568			24,207		420,361
C.S.B.G. 2015 Non-Discretionary	136,168			136,168		
C.S.B.G. 2016 Non-Discretionary		97,277	222,519	97,277		222,519
C.S.B.G. 2017 Non-Discretionary			111,929			111,929
J.A.I.B.G. 2013	641					641
Juvenile Detention Alternative Innovation	120,000			119,588		412
Juvenile Detention Alternative Innovation		123,633		32,059		91,574
Birch Street Apartments	238,479					238,479
Human Services 15 BERN PASP	16,332			16,332		
Family Court Services 2013			48,997	48,997		
Family Court Services 2014	49,824					49,824

COUNTY OF PASSAIC
Schedule of Federal and State Grants Receivable
Federal and State Grant Fund
Year Ended December 31, 2016

<u>Grant</u>	Balance, December 31, 2015	2016 Budget Revenue Realized	Revenue Realized by 40A:4-87	Received	Canceled/ Adjusted	Balance, December 31, 2016
Family Court Services 2015	278,149			272,966		5,183
Family Court Services 2016		278,149		6,561		271,588
JARC 2012	19,414			(90,171)		109,585
JARC 2014/15	121,580	150,000	90,000	286,016		75,564
JARC 2017			150,000			150,000
Plan Conformance	70,000					70,000
Paterson Transit Facility Pedestrian Safety Project	250,000					250,000
Transfer of Development Rights TDR	50,000					50,000
Weatherization LIHEAP 2013	305,999			305,999		
Great Falls Circulation Study	230,212			223,164		7,048
PC Green Infrastructure 2017			300,000	60,000		240,000
Subregional Transportation Planning	457					457
Subregional Transportation Planning	132,048			130,507		1,541
Subregional Transportation Planning			165,060	33,012		132,048
Community Development Block Grant 2009	23,470			9,165		14,305
Community Development Block Grant 2010	49,846					49,846
Community Development Block Grant 2011	734					734
Community Development Block Grant 2012	37,278			2,109		35,169
Community Development Block Grant 2013	224,729			93,487		131,242
Community Development Block Grant 2014	705,245			418,911		286,334
Community Development Block Grant 2015	821,606			200,184		621,422
CSBG			810,869	7,532		803,337
Hazard Mitigation	187,500			146,541		40,959
UASI - Local Projects	515,164			381,629		133,535
UASI - Local Projects		698,396				698,396
UASI - Local Projects			657,500			657,500
County EOC Generator Project	100,223					100,223
Victim Witness Advocacy Supplement			400,000			400,000
SANE/SART Program 2015	13,361			1,321	12,040	
SANE/SART Program 2016			109,729	76,566		33,163
Justice Assistance Program	27,348			27,348		
Justice Assistance Program			26,759			26,759
Victims of Crime Act Grant 2015	27,377			27,377		
Victim Witness Advocacy			282,361			282,361
NAVAAG Grant			5,000	5,000		
Insurance Fraud Reimbursement Program	72,796			72,796		
Insurance Fraud Reimbursement Program			261,250	195,249		66,001
Body Armor P.C.P.O.			6,595	6,595		
National Childrens Alliance Program 2015	9,000			4,007	4,993	
National Childrens Alliance Program 2016			9,000			9,000
Violence Against Women Act - DV Advocate			43,900	43,900		
Justice Assistance Grant	136,254			136,254		
Justice Assistance Grant			174,378			174,378
Homeland Security Grant FY14	337,740			337,708	32	
Homeland Security Grant FY15	365,351			104,079		261,272
Body Armor P.C.S.D.			43,807	43,807		
Click it or Ticket			5,000	5,000		
Drive Sober or Get Pulled Over	200				200	
Drive Sober or Get Pulled Over	900					900
Apartments	59,081					59,081
Eva's Village Homeless Housing	51,913					51,913
Eva's Village Homeless Housing	65,783			28,802		36,981
Eva's Village Homeless Housing	114,495			26,146		88,349
Eva's Village Homeless Housing			118,815			118,815
HUD - Scattered Sites Homeless Program	4,667					4,667
HUD - St. Joe's CDC	10,600					10,600
HUD - St. Joe's CDC	9,151					9,151
HUD - St. Joe's CDC	44,595			27,255		17,340
HUD - St. Joe's CDC			47,187			47,187

COUNTY OF PASSAIC
Schedule of Federal and State Grants Receivable
Federal and State Grant Fund
Year Ended December 31, 2016

<u>Grant</u>	Balance, December 31, <u>2015</u>	2016 Budget Revenue <u>Realized</u>	Revenue Realized by <u>40A:4-87</u>	<u>Received</u>	Canceled/ <u>Adjusted</u>	Balance, December 31, <u>2016</u>
HUD - St. Paul's CDC	47,736					47,736
HUD - St. Paul's CDC	20,288			15,621		4,667
HUD - St. Paul's CDC	44,595			15,023		29,572
HUD - St. Paul's CDC			47,187			47,187
NJ-511-PC Housing First	455,064			168,486		286,578
PC Housing First 2011			404,509			404,509
PC Housing First Bonus	156,462			37,179		119,283
PC Housing First Bonus			78,729			78,729
Housing First PILOT Project	7,741					7,741
Housing First PILOT Project 2007	40,436					40,436
Housing First PILOT Project	311,069			117,957		193,112
Housing First PILOT Project			329,213			329,213
Housing First PILOT Project 2008	110,400					110,400
Housing First 2008	252,703			102,841		149,862
Housing First 2008			267,391			267,391
CoC Planning Gant		32,741		32,741		
CoC Planning Gant		35,907		26,930		8,977
CoC Planning Gant			110,995			110,995
PC Housing First 2009			81,260			81,260
PC Housing First Collaborative II 2009			362,951			362,951
County Aid - Road Resurfacing 2016			4,110,800		4,110,800	
2016 Warwick Turnpike			640,000			640,000
2016 Fairfield Road Bridge			1,000,000	715,510		284,490
16-17 Local Safety Prog - Center Rumble			858,717			858,717
16-17 Local Safety Prog - High Friction Surface Treatment			5,434,702			5,434,702
Fairlawn Avenue Bridge			13,300,000			13,300,000
2015 Spruce Street Bridge			1,500,000			1,500,000
Morris Canal Greenway Bowertown Rd			450,000			450,000
	<u>\$ 43,359,116</u>	<u>9,235,442</u>	<u>52,456,959</u>	<u>36,130,150</u>	<u>9,301,613</u>	<u>59,619,754</u>
Grant		\$ 6,258,129	52,331,026			
Match		<u>2,977,313</u>	<u>125,933</u>			
		<u>\$ 9,235,442</u>	<u>52,456,959</u>			
			Unappropriated Reserves \$ 381,900			
			Cash <u>35,748,250</u>			
				<u>\$ 36,130,150</u>		

COUNTY OF PASSAIC
Schedule of Revenue Accounts Receivable
Current Fund
Year Ended December 31, 2016

	Balance, December 31, <u>2015</u>	Accrued <u>2016</u>	<u>Collected</u>	Balance, December 31, <u>2016</u>
Miscellaneous Revenues:				
County Clerk	\$	1,016,349	1,016,349	
Clerk - Registry Division		3,189,239	3,189,239	
Surrogate		504,486	504,486	
Sheriff		2,547,351	2,547,351	
Interest on Investments and Deposits		316,390	316,390	
Road Opening Permits		376,295	376,295	
Rental Income		315,529	315,529	
State Aid - College County Bonds		2,024,152	2,024,152	
Division of Youth and Family Services		3,694,404	3,694,404	
Welfare - Supplemental Security Income		1,416,791	1,416,791	
Maintenance of Patients in State Institutions for Mental Diseases		19,528,820	19,528,820	
Maintenance of Patients in State Institutions for Mentally Retarded		7,767,313	7,767,313	
County Patients - State Hospital		4,245	4,245	
University of Medicine and Dentistry		23,107	23,107	
Added and Omitted Taxes	921,785	936,924	1,118,295	740,414
Board of Inmates at County - State		104,826	104,826	
Title IV D Parent Locator Program		1,215,234	1,215,234	
Fringe Benefits		12,354,859	12,354,859	
Indirect Costs - Grants		1,662,842	1,662,842	
Preakness Hospital-Medicaid Reimbursements		30,986,290	30,986,290	
Maintenance in Lieu of Rent-Martin Luther King-Soc Serv.		138,906	138,906	
Park Fees		1,808,029	1,808,029	
Telephone Commissions		327,804	327,804	
Site Plan Fees		73,581	73,581	
Radio Tower Rental		49,584	49,584	
Rental Revenue - Quarry		851,832	851,832	
Reserve for Payment of Bonds		500,000	500,000	
Due from OSTF - Courthouse Renovations		200,000	200,000	
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>\$ 921,785</u>	<u>95,523,030</u>	<u>95,704,401</u>	<u>740,414</u>
			\$ 95,684,576	
			19,825	
			<u>\$ 95,704,401</u>	

COUNTY OF PASSAIC

Schedule of Interfunds

Current Fund

Year Ended December 31, 2016

	Balance, December 31, <u>2015</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2016</u>
Federal and State Grant Fund	\$ (2,403,817)	45,867,689	45,104,865	(1,640,993)
Other Trust Fund:				
Off-Duty Emp.		1,565,130	1,565,130	
Open Space Trust	(1,099)	2,487,710	2,486,611	
Register of Deeds		88,343	88,343	
Other Trust	79	1,017,023	1,017,102	
Homelessness Trust		65,681	65,681	
Motor Vehicle Fines Trust		271,656	272,104	(448)
PCSD Local		12,994	12,994	
PCSD Municipal		1,008,759	1,008,759	
PCSD Treasury		4,463	4,463	
PCSD Justice		126,297	126,297	
PCPO Local		275,044	275,044	
PCPO Treasury		26,033	26,033	
PCPO Justice		267,285	267,285	
Para Transit		29,893	29,893	
Total Other Trust Fund	\$ <u>(1,020)</u>	<u>7,246,311</u>	<u>7,245,739</u>	<u>(448)</u>
Health Insurance Trust Fund		2,274,199	2,274,199	
Confiscated Trust Fund		308,118	308,118	
Worker's Comp Trust Fund		351,404	2,719,135	(2,367,731)
Liability Trust Fund		4,381,184	4,381,184	
HUD Trust Fund	503	593,074	593,577	
General Capital Fund	(63,509)	40,231,338	40,167,829	
Payroll Agency Account	250	355,919	356,169	
	<u>(2,467,593)</u>	<u>101,609,236</u>	<u>103,150,815</u>	<u>(4,009,172)</u>
Due from	832	12,399,438	12,400,270	
Due (to)	<u>(2,468,425)</u>	<u>89,209,798</u>	<u>90,750,545</u>	<u>(4,009,172)</u>
	\$ <u>(2,467,593)</u>	<u>101,609,236</u>	<u>103,150,815</u>	<u>(4,009,172)</u>
Cash Receipts			42,204,356	
Cash Disbursements		15,845,894		
Reimbursement for Expenses Paid		39,263,927	12,033,781	
Deposit in Error			448	
Interest Earnings		122,804		
Grants Receivable Cancelled			9,301,614	
Appropriated Grants Cancelled		10,990,653		
Reserve for Payment of Debt			2,341,805	
Budgeted Revenue		500,000	1,350,000	
Federal and State Grants		34,877,037	35,803,251	
Budget Appropriations		8,921	115,560	
		<u>\$ 101,609,236</u>	<u>103,150,815</u>	

COUNTY OF PASSAIC
Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2016

	Balance, Dec. 31, <u>2015</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Salaries and Wages:				
Board of Freeholders	\$ 38,622	8,622		8,622
County Administrator	78,774	28,773		28,773
Finance Department	101,804	21,804		21,804
County Counsel	28,285	13,285		13,285
County Adjuster	25,405	10,405		10,405
Clerk of the Board	12,435	7,435		7,435
Personnel	34,148	9,148		9,148
County Clerk	107,347	37,347		37,347
County Register	59,536	29,536		29,536
Prosecutor's Office	1,037,557	437,557	155,829	281,728
Purchasing Department	77,766	17,766		17,766
Buildings and Grounds	408,064	28,064	28,064	
Surrogate	716	716		716
Sheriff's Office	2,216,690	2,216,690	1,061,000	1,155,690
Weights and Measures	95	95		95
Board of Taxation	1	1		1
Board of Elections	73,821	23,821		23,821
Superintendent of Elections	23,733	733		733
County Emergency Management	55,144	30,144		30,144
Planning Board (NJS 40:273)	18,165	18,165	2,085	16,080
Economic Development	1,157	1,157		1,157
Roads	69,789	269,789	269,789	
Mosquito	87,203	12,203		12,203
Engineering	157,379	7,379		7,379
Jail and Workhouse - Jail	890,782	890,782	57,100	833,682
Jail and Workhouse - Patrol	1,762,953	1,762,953		1,762,953
Mental Health Board (30:9A-3)	31,665	31,665	31,600	65
Department of Human Services	75,000			
Department of Youth Services	24,850	10,850		10,850
Preakness Hospital	859,795	459,795	459,795	
Camp Hope (40:23-6 1 to 16)	19,733	19,733		19,733
Div. of Senior Services, Disabilities, & Vets Affaris, Etc.	29,688	29,688		29,688
County Health Dept. Chapter 329 PL 1975	87,988	62,988	55,200	7,788
Office of County Superintendent of Schools	16,791	6,791	6,791	
County Extensive Services	941	941		941
Parks	189,136	89,136	89,000	136
Golf Course	136,071	36,071	36,000	71
Sick Leave Payout	213,040	213,040	213,040	
Para-Transit	1,223	1,223		1,223
Police Academy	5,741	5,740	5,000	740
Salary and Wage Adjustment	293,611	293,611	293,611	
Other Expenses:				
Board of Freeholders	37,201	42,786	4,918	37,868
County Administrator	110,514	129,401	61,322	68,079
Finance Department	71,317	91,734	57,025	34,709
Postage	15,020	36,500	1,480	35,020
Audit		105,500	105,500	
MIS Department (Finance Department)	34,112	121,752	87,543	34,209
Payroll Processing		40,699	23,305	17,394
County Counsel	17,301	24,841	7,437	17,404
County Counsel Ethics	9,251	9,251	2,562	6,689
County Adjuster	5,555	16,108	13,714	2,394
Clerk of the Board	7,983	12,436	2,439	9,997
Personnel	23,337	29,155	3,059	26,096
County Clerk	4,856	6,637	1,673	4,964
County Register	44,673	73,778	25,865	47,913

COUNTY OF PASSAIC
Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2016

	Balance, Dec. 31, <u>2015</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Photostat	1,448	10,474	5,945	4,529
Prosecutors Office	26,731	121,733	120,077	1,656
Countywide Radio	27,099	41,061	13,246	27,815
Purchasing Dept.	5,650	12,004	643	11,361
Bulk Purchasing	65,640	95,381	58,177	37,204
Building and Grounds	51,441	860,026	743,937	116,089
Building and Grounds - Preakness Health Center	425	8,049	2,680	5,369
Building and Grounds - Welfare Board	13,863	17,064	12,215	4,849
Parking	23,040	23,040		23,040
Economic Development	27	1,606	1,564	42
Surrogate	6,199	10,988	4,779	6,209
Surgical, Major Medical for Employees	1,107,844	2,271,219	2,271,147	72
Group Life Insurance for Employees	29,333	333		333
Surety Bond Premium	2,026	2,026		2,026
Worker's Compensation	351,404	351,405	351,404	1
Other Insurance	125,795	1,795		1,795
Disability Insurance	140,180	1,142,160	1,142,160	
Drug Plan	1,738,548	1,738,548	1,738,548	
Dental Plan	54,244	119,244	119,244	
Sheriff's Office	77,680	189,578	130,760	58,818
Weights and Measures	998	2,231	1,160	1,071
Board of Taxation	8,778	10,009	1,462	8,547
Medical Examiner	175,176	674,606	601,893	72,713
Indigent Burials	40,477	40,477	977	39,500
Board of Elections	49,105	86,559	51,860	34,699
Superintendent of Elections	287,329	142,993	142,912	81
Election-County Clerk	150,547	25,791		25,791
County Emergency Management	1,385	8,131	6,843	1,288
Planning Board (NJS 40:273)	8,058	11,901	4,415	7,486
Construction Board of Appeals	3,000	3,000	2,250	750
Roads	162,318	734,950	659,727	75,223
Mosquito	1,661	3,361	1,935	1,426
Engineering	9,097	9,538	462	9,076
Jail and Workhouse	769,713	1,418,122	834,858	583,264
Jail and Workhouse - Medical	220,188	696,646	387,010	309,636
Mental Health Programs	1	181,503	181,502	1
Addiction Program Contractual	23,758	51,317	44,772	6,545
Mentally Diseased and Mentally Retarded	757,750	894,249	893,465	784
Welfare Board - Administration	8,100	8,100		8,100
Supplement Security Income	56,787	56,787		56,787
Aid to Dependent Children	100,816	100,816		100,816
Department of Human Services	25,000			
Department of Youth Services	2,186	165,515	42,377	123,138
Department of Youth Services-Education	22,084			
Medical Expenses	19,616			
Preakness Hospital	410,424	1,343,307	1,343,307	
Camp Hope (40:23-6. 1 to 16)	16,191	20,700	5,761	14,939
Div. of Senior Services, Disabilities, & Vets Affairs, Etc.	862	4,516	4,315	201
County Health Dept. Ch 329 PL 1975	5,229	11,726	6,604	5,122
Office of County Superintendent of Schools	3,386	7,444	3,263	4,181
Passaic County Vocational School	9	9		9
County Extensive Services	56,728	58,154	28,956	29,198
Reimbursement for Residents Attending Out of County Two Year College (NJS18:A:64A-23)	14,064	29,044	17,824	11,220
Parks	4,477	26,784	26,443	341
Golf Course	6,456	21,562	13,522	8,040
Equipment, Office, Car, Other	28,297	42,082		42,082

COUNTY OF PASSAIC
Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2016

	Balance, Dec. 31, 2015	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Matching Funds for Grants	239,542	239,542		239,542
Para-Transit	18	11,280	4,740	6,540
Police Academy	21,285	27,360	17,052	10,308
Aid to Health & Welfare Councils (NJS 40-23-8.28)	2,598	30,700	30,700	
Utilities:				
Gasoline	374,049	424,922	24,854	400,068
Telephone and Telegraph	61,275	129,680	124,018	5,662
Natural Gas & Electric	716,385	1,683,516	626,231	1,057,285
Street Lighting	110,341	129,736	127,202	2,534
Heating Oil	73,186	75,348		75,348
Water	11,258	152,631	88,767	63,864
Garbage	188,149	215,869	25,444	190,425
Debt Service Fees	19,500	14,219		14,219
Aid to Housing First	90,000	90,000	90,000	
Contingent	37,515	37,515	18,800	18,715
Acquisition of Various Equipment	47,757	200,000	200,000	
Passaic County Utilities Authority (P.C.U.A.)		280	280	
Statutory Charges:				
Contribution to PERS		2,000	1,335	665
Contribution to DCRP		21,054		21,054
Social Security System (O.A.S.I.)	368,713	168,713	50,566	118,147
Unemployment Compensation	56,013	56,013	56,013	
County Pension Fund		200,000	200,000	
Police and Fire Retirement System		2,000	1,835	165
Defined Benefit Program	46,054			
	<u>\$ 19,496,070</u>	<u>25,708,262</u>	<u>16,875,984</u>	<u>8,832,278</u>

Appropriation Reserves \$ 19,496,070
Reserve for Encumbrances 6,212,192

\$ 25,708,262

Transfer to Accounts Payable \$ 1,015,357
Reserve for Salary and Wage Adjustment 293,611
Budget Reimbursements (97,061)
Cash Disbursements 15,664,077

\$ 16,875,984

COUNTY OF PASSAIC
Schedule of Accounts Payable
Current Fund
Year Ended December 31, 2016

Balance, December 31, 2015		\$ 1,393,980
Increased by:		
Transfers from Appropriation Reserves	\$ 1,015,357	
Due to State - PIC	<u>181,570</u>	
		<u>1,196,927</u>
		2,590,907
Decreased by:		
Payments		<u>108,897</u>
Balance, December 31, 2016		<u><u>\$ 2,482,010</u></u>

COUNTY OF PASSAIC

Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2016

	<u>Total</u>	<u>Budget Appropriations</u>	<u>Reserve for Federal and State Grant Funds</u>
Balance, December 31, 2015	\$ 6,212,192	6,212,192	_____
Increased by:			
Charges to 2016 Budget Appropriations	7,236,001	7,236,001	
Charges to Reserve for Federal and State Grants Appropriated	<u>14,963,815</u>	_____	<u>14,963,815</u>
	<u>22,199,816</u>	<u>7,236,001</u>	<u>14,963,815</u>
	28,412,008	13,448,193	14,963,815
Decreased by:			
Encumbrances Transferred to Appropriation Reserves	6,212,192	6,212,192	
Encumbrances Transferred to Federal and State Grant Fund	<u>14,963,815</u>	_____	<u>14,963,815</u>
	<u>21,176,007</u>	<u>6,212,192</u>	<u>14,963,815</u>
Balance, December 31, 2016	\$ <u><u>7,236,001</u></u>	<u><u>7,236,001</u></u>	<u><u>_____</u></u>

COUNTY OF PASSAIC
Schedule of Commitments Payable
Federal and State Grant Fund
Year Ended December 31, 2016

Balance, December 31, 2015	\$ 14,075,446
Increased by:	
Transfer from Current Fund - Encumbrances Payable	<u>14,963,815</u>
	29,039,261
Decreased by:	
Payments	<u>14,075,446</u>
Balance, December 31, 2016	\$ <u><u>14,963,815</u></u>

COUNTY OF PASSAIC

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2016

Grant	Balance, Dec. 31, 2015	Transferred From 2016 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled	Balance, Dec. 31, 2016
		Budget	Appropriation By 40A:4-87				
USF 2016	\$ 271,235				271,235		
USF 2017			441,168		107,766		333,402
Weatherization LIHEAP 2015	585,333				585,333		
Weatherization LIHEAP 2016			651,795		109,308		542,487
LIHEAP Assistance 2016	566,001				566,001		
LIHEAP Assistance 2017			662,752				662,752
Heating Improvement (HIP) 2015	108,611				108,611		
Heating Improvement (HIP) 2016			423,835		373,363		50,472
Weatherization DOE 2013	171,495				171,495		
Weatherization DOE 2016			357,316		87,683		269,633
Preakness Gero-Psych Program	14,671					(14,671)	
Preakness Gero-Psych Program			338,210		338,210		
WIOA Adult 15/16	1,610,962				887,985		722,977
WIOA Adult 16/17			1,671,380				1,671,380
WIOA Youth 15/16	1,558,645				1,421,087		137,558
WIOA Youth 16/17			1,832,249		96,287		1,735,962
WIOA Dislocated Worker 15/16	1,576,580				763,285		813,295
WIOA Dislocated Worker 16/17			1,691,989		599		1,691,390
Workforce Learning Link Program 15/16	104,362				104,362		
Workforce Learning Link Program 16/17			188,000		48,676		139,324
WFNJ TANF 15/16	2,322,331				2,168,090		154,241
WFNJ TANF 16/17			3,853,467		1,160,393		2,693,074
WFNJ GA/SNAP 15/16	1,370,930				1,044,430		326,500
WFNJ GA/SNAP 16/17			1,832,660		615,590		1,217,070
Dislocated Worker Employer Focus	287,359						287,359
SmartSteps 2015	16,050				16,050		
SmartSteps 2016			24,075				24,075
Parolee Employment Placement Program	243,858				116,801		127,057
Alcohol/Drug Abuse Grant FY14'	3,460					(3,460)	
Alcohol/Drug Abuse Grant FY15'	21,303				17,521		3,782
Alcohol/Drug Abuse Grant FY16'			737,782		664,355		73,427
Municipal Alliance 2013	76,781					(76,781)	
Municipal Alliance 2014	47,254				(8,630)	(55,884)	
Municipal Alliance 2015	61,076				27,351		33,725
Municipal Alliance 2016			512,024		459,769		52,255
Workforce Learning Link Program	13,855					(13,855)	
Workforce Investment (PIC) 2012/2013	242,845				(847)	(243,692)	
Workforce Invest Allocation - Youth 13/14	108,308					(108,308)	
Workforce Invest Allocation - Youth 14/15	176,797				176,797		
WorkFirst New Jersey 2012/2013	1,529,058					(1,529,058)	
WorkFirst NJ Grant	706,758				(3,145)	(709,903)	
WorkFirst NJ Grant - TANF	198,319				6,860	(191,459)	
WorkFirst NJ Grant - GA/SNAP	303,656				7,385	(296,271)	
Department of Labor - WIA Adult	786,818				(706)	(787,524)	
Department of Labor - WIA Adult	124,757					(124,757)	
Department of Labor - WIA Adult	868,224				868,224		
Department of Labor - WIA Dislocated Worker	530,344				(721)	(531,066)	(1)
Department of Labor - WIA Dislocated Worker	63,504				(26,761)	(90,265)	
Department of Labor - WIA Dislocated Worker	707,128				707,128		
Disability Employment Initiative	142,071					(142,071)	
Workforce Invest 2010/11	196,268					(196,268)	
Workforce Invest 2011/12	1,486,072					(1,486,072)	
L.E.O.T.E.F 2008	46,546				42,504		4,042
L.E.O.T.E.F 2009	9,943						9,943
L.E.O.T.E.F 2010	57,487						57,487

COUNTY OF PASSAIC

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2016

Grant	Balance, Dec. 31, 2015	Transferred From 2016 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled	Balance, Dec. 31, 2016
		Budget	Appropriation By 40A:4-87				
L.E.O.T.E.F 2012	58,170						58,170
L.E.O.T.E.F 2013	14,133						14,133
L.E.O.T.E.F 2014	43,795						43,795
L.E.O.T.E.F 2015	24,386						24,386
Community Svc. Block Grant PHLP LINC	29,189						29,189
Community Svc. Block Grant PHLP LINC	168,782				114,932		53,850
Community Svc. Block Grant PHLP LINC			511,586		209,949		301,637
CEHA 2015			177,580		177,580		
MRC Cap Bldg Non-Competitive	2,530				923		1,607
MRC Cap Bldg Non-Competitive	3,500						3,500
Right to Know Program			15,213		15,213		
Sandy Grant (LINC Agencies)	1,134						1,134
MRC Challenge Award 2016			15,000		8,795		6,205
MRC Competitive Award	4,402				1,976		2,426
CEHA Grant Award Calendar	13,592					(13,592)	
Clean Communities 2014	584				584		
Clean Communities 2015	39,199				38,360		839
Clean Communities 2016			94,415		47,241		47,174
Recycling Enhancement Act Bonus Grant	23,320				23,320		
Recycling Enhancement Act	1,500				140		1,360
Recycling Enhancement Act	266,669				262,052		4,617
Recycling Enhancement Act	423,500				105,889		317,611
Recycling Enhancement Act			381,900				381,900
Radon Awareness Program 2015	4						4
Radon Awareness Program 2016			1,000		998		2
Mosquito ID & Control 2016			27,325		26,920		405
Passaic County Film Festival	2,250				2,250		
Passaic County Film Festival 2017			2,300				2,300
Disaster Relief 2012	125						125
CDBG-DR Program	102,989				2,457		100,532
Passaic County Summer Concert Series			1,750		1,750		
PC Youth Golf Program	71,337				14,982		56,355
Aging Area Nutrition FY 2015	1,902,654				940,937		961,717
Aging Area Nutrition FY 2016		1,274,722	691,493	1,500,000	1,851,774		1,614,441
Aging Administration 2015	895,331				749,161	(146,170)	
Aging Administration 2016		1,362,336	478,193	400,000	1,379,816		860,713
Casino Revenue 2014	80,814						80,814
Casino Revenue 2015	137,504				(70,725)		208,229
Casino Revenue 2016		808,074		1,077,313	1,845,876		39,511
Farmers Market Nutrition Prgm 2016			1,000		1,000		
Meals on Wheels Pet Food Grant			2,500				2,500
State Health Insurance Program 2015	7,203				7,203		
State Health Insurance Program 2016			26,000		12,996		13,004
Access & Functional Needs Program Assis.	11,565				11,565		
2013 FTA Section 5310			101,025		23,077		77,948
JJC Partnership 2014	6,737				(9,992)		16,729
State Community Partnership 2015	3,383				(27,395)		30,778
State Community Partnership 2016		500,656			460,190		40,466
Social Services for the Homeless	12,796						12,796
Social Services for the Homeless	27,618		497,956		476,949		48,625
Social Services for the Homeless			1,477,780		487,868		989,912
Human Services 13BERN	34,129				(1,461)		35,590
Human Services 15BERN	224,519				156,044		68,475
Div. Of Child Behavioral Hlth Serv. 2015	24,877						24,877
Div. Of Child Behavioral Hlth Serv. 2016		158,456			143,726		14,730
Transportation and TIP	131,194						131,194

COUNTY OF PASSAIC

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2016

Grant	Balance, Dec. 31, 2015	Transferred From 2016 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled	Balance, Dec. 31, 2016
		Budget	Appropriation By 40A:4-87				
Tranportation and TIP	111,062				85,069		25,993
Tranportation and TIP			404,914		302,878		102,036
HUD - St. Joseph NJ 36310	7,995					(7,995)	
EVA's Village Apartments	34,195					(34,195)	
New Passaic County Housing First	13,949				(5,828)	(19,777)	
Passaic County Housing First	85,786				18,956		66,830
Passaic County Housing First	412,643				(184,779)		597,422
Passaic County Housing First	731,781						731,781
HUD-EVA'S Project	295,056						295,056
Collaborative II	404,482				184,281		220,201
Passaic County Housing First	273,058				33,144		239,914
New Passaic County Housing First	59,301				33,612		25,689
HUD-St. Paul's	110,142				(11,683)		121,825
HUD-St. Joseph	186,660						186,660
HUD-Paterson Park Apartments	34,173						34,173
C.S.B.G. Non-Discretionary 2015	34,009				34,009		
C.S.B.G. Non-Discretionary 2016		97,277	222,519		219,533		100,263
C.S.B.G. Non-Discretionary 2017			111,929				111,929
J.A.I.B.G. 2014	98						98
Juvenile Det. Alternatives Innovations Funding		123,633			123,633		
Birch Street Apartments	238,479						238,479
Human Services 15 BERN PASP	6,997						6,997
Human Services 14 BERN PASP	414				13		401
Human Services 16 BERN PASP			48,997		47,899		1,098
Family Court Services 2014	49				(100)		149
Family Court Services 2015	10,000				(7,440)		17,440
Family Court Services 2016		278,149			273,923		4,226
JARC 2014		150,000	90,000		150,051		89,949
JARC NJ 3SFY2017			150,000				150,000
NJ Highlands - Plan Conformance	70,000						70,000
Pat Transit Facility Pedestrian Safety	250,000						250,000
Transfer of Development Rights	50,000				35,000		15,000
Weatherization LIHEAP	102,559				102,559		
Great Falls Circulation Study	39,497				30,899		8,598
PC Green Infrastructure - NJIT			240,000	60,000			300,000
Subregional Transportation Planning					(45)	(45)	
Subregional Transportation Planning	316						316
Subregional Transportation Planning	85,307				83,522		1,785
Subregional Transportation Planning			132,048	33,012	87,777		77,283
Community Development Block Grant 2009	10,185				10,185		
Community Development Block Grant 2010	49,846				49,846		
Community Development Block Grant 2011	1,399						1,399
Community Development Block Grant 2012	27,283				(940)		28,223
Community Development Block Grant 2013	11,712				(21,162)		32,874
Community Development Block Grant 2014	13,835				9,772		4,063
Community Development Block Grant 2015	163,939				161,208		2,731
Community Development Block Grant 2016			810,869		729,227		81,642
Emergency Management Agency Assistance	55,000				55,000		
Hazard Mitigation Grant	40,959						40,959
UASI - Local Share	200,714				12,942		187,772
UASI - Local Share		698,396			342,316		356,080
UASI - Local Share			657,500		212		657,288
County EOC Generator Project	100,223						100,223
Victim Witness Advocacy			400,000				400,000
SANE/SART Program 2013					(100)	(100)	
Sexual Assault Nurse Examiner SAST/SANE	12,039					(12,039)	

COUNTY OF PASSAIC

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2016

Grant	Balance, Dec. 31, 2015	Transferred From 2016 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled	Balance, Dec. 31, 2016
		Budget	Appropriation By 40A:4-87				
Sexual Assault Nurse Examiner SAST/SANE			87,783	21,946	59,421		50,308
Justice Assistance Program	27,348				27,348		
Justice Assistance Program			26,759				26,759
Victims of Crime Act Grant	148,679				148,679		
Victim Witness Advocacy			282,361				282,361
NAVAA			5,000		5,000		
Insurance Fraud			261,250		250,000		11,250
Body Armor P.C.P.O 2014	1,000				1,000		
Body Armor P.C.P.O 2015	7,151				6,237		914
Body Armor P.C.P.O 2016			6,595				6,595
National Childrens Alliance Program 2015	4,895					(4,895)	
National Childrens Alliance Program 2016			9,000		8,991		9
STOP Violence Against Women Act Formula Gra			32,925	10,975	43,900		
County Gang, Gun & Narcotic Task Force	174,698				174,698		
County Gang, Gun & Narcotic Task Force			174,378				174,378
Multi Jursidictional NARC Task Force 2012	21,662					(21,662)	
Multi Jursidictional NARC Task Force 2013	17,786					(17,786)	
Multi Jursidictional NARC Task Force 2014	50,045						50,045
Homeland Security Grant FY 14	51,820				51,788	(32)	
Homeland Security Grant FY 15	365,351				233,870		131,481
Body Armor P.C.S.D	44,955				44,955		
Body Armor P.C.S.D			43,807				43,807
Click It or Ticket 2015	4,000				4,000		
Click It or Ticket 2016			5,000				5,000
Drive Sober or Get Pulled Over	5,000				4,800	(200)	
Drive Sober or Get Pulled Over	5,000						5,000
REN Eva's Village Apartments	54,695				4,260		50,435
Eva's Village Homeless Housing	9,730				7,773		1,957
Eva's Village Homeless Housing	33,917				(32,900)		66,817
Eva's Village Homeless Housing	114,158				79,863		34,295
Eva's Village Homeless Housing			118,815				118,815

COUNTY OF PASSAIC

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2016

Grant	Balance, Dec. 31, 2015	Transferred From 2016 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled	Balance, Dec. 31, 2016
		Budget	Appropriation By 40A:4-87				
HUD - Scatterd Sites	6,905				4,182		2,723
HUD - St. Joe's CDC	9,025						9,025
HUD - St. Joe's CDC	3,125				(11,862)		14,987
HUD - St. Joe's CDC	44,595				14,809		29,786
HUD - St. Joe's CDC			47,187		38,132		9,055
HUD - St. Paul's CDC	38,719				(5,803)		44,522
HUD - St. Paul's CDC	14,443				1,648		12,795
HUD - St. Paul's CDC	44,595				15,859		28,736
HUD - St. Paul's CDC			47,187		925		46,262
NJ-511-PC Housing First	507,300				162,622		344,678
PC Housing First 2011			404,509		171,433		233,076
PC Housing First Bonus	204,038				3,272		200,766
PC Housing First Bonus 2011			78,729		29,791		48,938
Housing First PILOT Project	19,757				114		19,643
Housing First PILOT Project 2007	67,661				15,134		52,527
Housing First PILOT	311,069				93,305		217,764
Housing First PILOT			329,213		170,000		159,213
Housing First 2008	192,151				(3,373)		195,524
Housing First 2008	252,703				131,627		121,076
Housing First 2008			267,391		136,123		131,268
CoC Planning Grant		32,741			5,428		27,313
CoC Planning Grant		35,907			2,819		33,088
CoC Planning Grant			110,995				110,995
PC Housing First 2009			81,260		52,350		28,910
PC Housing First Collaborative II 2009			362,951		192,995		169,956
County Aid - Road Resurfacing 2016			4,110,800			(4,110,800)	
2016 Warwick Turnpike			640,000				640,000
2016 Fairfield Road Bridge			1,000,000		965,663		34,337
2016-17 Local Safety Prog - Center Rumble			858,717		718,994		139,723
2016-17 Local Safety Prog - High Friction			5,434,702		5,155,500		279,202
Fairlawn Avenue Bridge			13,300,000				13,300,000
2015 Spruce Street Bridge			1,500,000				1,500,000
Morris Canal Greenway Browertown Rd			450,000				450,000
	<u>\$ 31,305,587</u>	<u>6,258,129</u>	<u>52,331,026</u>	<u>3,103,246</u>	<u>35,765,403</u>	<u>(10,990,653)</u>	<u>46,241,932</u>

Cash Disbursed	\$ 20,801,588
Encumbrances Payable	<u>14,963,815</u>
	<u>\$ 35,765,403</u>

COUNTY OF PASSAIC
Schedule of Prepaid Revenues
Current Fund
Year Ended December 31, 2016

Balance, December 31, 2015	\$ 19,825
Increased by:	
Cash Receipts	\$ <u>33,056</u>
	52,881
Decreased by:	
Applied	<u>19,825</u>
Balance, December 31, 2016	\$ <u><u>33,056</u></u>

COUNTY OF PASSAIC

Schedule of Miscellaneous Reserves

Current Fund

Year Ended December 31, 2016

	Balance, December 31, <u>2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance, Dec. 31, <u>2016</u>
Sheriff's DWI-DDEF	\$ 18,535		18,535	
Office on Aging - Deferred Revenue	799,276	24,318	37,925	785,669
Salary and Wage Adjustment	50,000	293,611		343,611
Payroll Deductions - P.E.R.S.	<u>342,936</u>	<u>3,593,036</u>	<u>3,935,972</u>	
	<u>\$ 1,210,747</u>	<u>3,910,965</u>	<u>3,992,432</u>	<u>1,129,280</u>
Cash		\$ 3,617,354	3,973,897	
Transfer from Appropriation Reserves		293,611		
Transfer to Current Year Appropriations			<u>18,535</u>	
		<u>\$ 3,910,965</u>	<u>3,992,432</u>	

COUNTY OF PASSAIC

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2016

<u>Grant</u>	Balance, Dec. 31, <u>2015</u>	Transferred To 2016 Budget <u>Appropriations</u> <u>Budget</u>	Cash <u>Received</u>	Balance, Dec. 31, <u>2016</u>
2014 REA Entitlement Emergency Management Performance Grant EMAA	\$ 381,900	381,900	55,000	55,000
	<u>\$ 381,900</u>	<u>381,900</u>	<u>55,000</u>	<u>55,000</u>

COUNTY OF PASSAIC

Schedule of Interfunds

Federal and State Grants Fund

Year Ended December 31, 2016

	Balance, December 31, <u>2015</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2016</u>
Current Fund	\$ 2,403,817	45,104,865	45,867,689	1,640,993
	<u>2,403,817</u>	<u>45,104,865</u>	<u>45,867,689</u>	<u>1,640,993</u>
Due from	2,403,817	34,114,213	34,877,037	1,640,993
Due (to)	<u>2,403,817</u>	<u>10,990,652</u>	<u>10,990,652</u>	<u>1,640,993</u>
	\$ <u>2,403,817</u>	<u>45,104,865</u>	<u>45,867,689</u>	<u>1,640,993</u>
Cancellation of Grant Receivable	\$ 9,301,614			
Cancellation of Appropriated Grants			10,990,652	
Grant Receipts		35,748,251		
Unappropriated Grant Receipts		55,000		
Reimbursement for expenses			<u>34,877,037</u>	
		<u>\$ 45,104,865</u>	<u>45,867,689</u>	

COUNTY OF PASSAIC

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

Current Fund

Year Ended December 31, 2016

	Date Authorized	Amount Authorized	1/5 of Amount Authorized	Balance, December 31, 2015	Reduced in 2016
Payment of Accrued Sick & Vacation Time	04/26/11	2,966,250	593,250	593,250	593,250
Hurricane Irene	09/27/11	2,681,805	536,361	536,361	536,361
				<u>\$ 1,129,611</u>	<u>1,129,611</u>

COUNTY OF PASSAIC

Schedule of Cash

Trust Funds

Year Ended December 31, 2016

	Other Trust Fund	Confiscated Trust Fund	Self- Insurance Trust Fund	Community Development Trust Fund
Balance - December 31, 2015	<u>34,099,389</u>	<u>2,600,573</u>	<u>832,668</u>	<u>6,080,996</u>
Increase by Receipts:				
Various Trust Deposits	86,624			
Interest	98,150	4,727	3,042	
Reserve for Dedicated Trusts	6,309,332			
Outside Duty Accounts Receivable	1,629,479			
Reserve for Open Space Trust	4,734,712			
Interfunds	936,359	228	1,514,703	
Receipts from Confiscated Funds		1,452,670		
Reserve for Workmen's Compensation			5,665,182	
Reserve for Health Benefits			2,274,199	
Reserve for Liability Insurance			4,448,347	
Housing Voucher Program				10,516,141
Total Receipts	<u>13,794,656</u>	<u>1,457,625</u>	<u>13,905,473</u>	<u>10,516,141</u>
	<u>47,894,045</u>	<u>4,058,198</u>	<u>14,738,141</u>	<u>16,597,137</u>
Decreased by Disbursements:				
Various Trust Deposits	74,873			
Reserve for Dedicated Revenues	6,213,379			
Open Space Trust Expenditures	74,000			
Interfunds	3,827,114	258,937	7,468,972	593,577
Adjudicated Confiscations		1,238,586		
Reserve for Workmen's Compensation			3,179,998	
Housing Voucher Program				8,867,188
Total Disbursements	<u>10,189,366</u>	<u>1,497,523</u>	<u>10,648,970</u>	<u>9,460,765</u>
Balance - December 31, 2016	<u>\$ 37,704,679</u>	<u>2,560,675</u>	<u>4,089,171</u>	<u>7,136,372</u>

COUNTY OF PASSAIC
Schedule of Various Trust Deposits
Year Ended December 31, 2016

Balance - December 31, 2015	\$ 1,067,912
Increased by:	
Cash Deposits	<u>86,624</u>
	1,154,536
Decreased by:	
Payments	<u>74,873</u>
Balance - December 31, 2016	<u>\$ 1,079,663</u>

COUNTY OF PASSAIC

Schedule of Reserve for Dedicated Trusts

Year Ended December 31, 2016

	Balance December 31, <u>2015</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2016</u>
Homelessness Trust Fund	\$ 444,481	128,509	64,412	508,578
Off-Duty Police Outside Employment	243,159	1,509,981	1,467,689	285,451
Off-Duty Police Vehicle Fee	339,241	204,459	350,027	193,673
Off-Duty Police Admin Fee	273	89,223	93	89,403
Off-Duty Police PBA Admin Fee	9,146	13,582	18	22,710
Weights and Measure Fines	1,383,456	223,033	300,957	1,305,532
Tax Appeal Fees	1,132,770	130,000	287,669	975,101
County Clerk	444,376	52,696		497,072
County Sheriff	52,220	51,499	17,589	86,130
Surrogate	68,717	25,802	12,085	82,434
Forensic Lab Fees	203,520	55,008		258,528
Parks - Fines	33			33
Human Services	8,838			8,838
Parks - Lambert Castle	660	25,000		25,660
Passaic County Corr. Enh. Dist.	831,225	119,046	121,031	829,240
502 Pat-Ham Tpk Sidewalks	20,000			20,000
County Retirement Plan	220,643	207,761	6,200	422,204
Accumulated Absences	366,700	213,040		579,740
Snow Removal	124,000	276,288		400,288
Unemployment Comp. Ins.		55,621		55,621
Motor Vehicle Fines	1,696,283	3,383,039	2,950,000	2,129,322
Sheriff's Confiscated Funds - Local	78,350	255,234	12,994	320,590
Sheriff's Confiscated Funds - Treasury	63,426	32	4,463	58,995
Sheriff's Confiscated Funds - Justice	1,167,695	452,455	135,423	1,484,727
Municipal Confiscated Funds - Local	1,747,939	451,018	751,740	1,447,217
Municipal Confiscated Funds - Federal	1,240,811	361,053	259,104	1,342,760
Prosecutor's Confiscated Funds - Local	4,802,020	504,293	275,044	5,031,269
Prosecutor's Confiscated Funds - Treasury	213,569	31,998	35,980	209,587
Prosecutor's Confiscated Funds - Justice	964,943	295,465	241,654	1,018,754
Para Transit	179,860	44,829	29,933	194,756
Register of Deeds	1,525,320	125,572	83,984	1,566,908
	<u>\$ 19,573,674</u>	<u>9,285,536</u>	<u>7,408,089</u>	<u>21,451,121</u>
		Cash \$ 6,309,332	6,213,379	
		Interfunds 1,043,874	1,172,894	
		Intrafunds 94,041		
		Reclass 21,044	21,816	
Accounts Receivable		<u>1,817,245</u>		
		<u>\$ 9,285,536</u>	<u>7,408,089</u>	

COUNTY OF PASSAIC

Schedule of Accounts Receivable - PCSD Off Duty

Year Ended December 31, 2016

Balance - December 31, 2015	\$ <u>251,508</u>
Increased by:	
Billings	\$ <u>1,817,245</u>
	2,068,753
Decreased by:	
Cash Received	<u>1,629,479</u>
Balance - December 31, 2016	\$ <u><u>439,274</u></u>

COUNTY OF PASSAIC

Schedule of Open Space Due from Municipalities

Year Ended December 31, 2016

Balance - December 31, 2015	\$ <u>-</u>
Increased by:	
Due from Township of Little Falls	\$ <u>40,000</u>
Balance - December 31, 2016	\$ <u><u>40,000</u></u>

COUNTY OF PASSAIC
 Schedule of Reserve for Open Space Trust Expenditures
 Year Ended December 31, 2016

	Balance December 31, <u>2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Reallocated</u>	Balance December 31, <u>2016</u>
Freeholder Fund	\$ 1,123,437			(1,123,437)	
Municipal/Non-Profit Fund	186,879			(186,879)	
Farmland Preservation Fund	4,433,916			(4,433,916)	
Discretionary/Administration Fund	1,317			(1,317)	
County Historic Preservation Fund	131,213			(131,213)	
Reserve for Unallocated General Funds				2,827,036	2,827,036
Reserve for Unallocated Municipal/Non-Profit Funds				2,444,506	2,444,506
Reserve for Budgeted Projects	<u>5,877,961</u>	<u>4,942,058</u>	<u>3,652,571</u>	<u>(5,271,542)</u>	<u>1,895,906</u>
	<u>\$ 11,754,723</u>	<u>4,942,058</u>	<u>3,652,571</u>	<u>(5,876,762)</u>	<u>7,167,448</u>
		Levy \$ 4,659,727			
		Added and Omitted 15,739			
		Interfunds 157,062	2,767,710		
Open Space Grant Commitments Payable			810,861		
Payments			74,000		
Reimbursements		59,246			
Interest on Investments		<u>50,284</u>			
		<u>\$ 4,942,058</u>	<u>3,652,571</u>		

COUNTY OF PASSAIC

Schedule of Open Space Grant Commitments Payable

Year Ended December 31, 2016

Balance - December 31, 2015	\$ 7,675,308
Increased by:	
Reserve for Open Space Trust Expenditures	<u>2,552,842</u>
	10,228,150
Decreased by:	
Interfunds	<u>1,741,981</u>
Balance - December 31, 2016	\$ <u><u>8,486,169</u></u>

COUNTY OF PASSAIC

Schedule of Open Space Levy - Due to Municipalities

Year Ended December 31, 2016

Balance - December 31, 2015	\$ <u>157,062</u>
Decreased by:	
Interfund - Due from Current	<u><u>157,062</u></u>

COUNTY OF PASSAIC

Schedule of Reserve for Confiscated Trust Fund

Year Ended December 31, 2016

	Balance December 31, <u>2015</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2016</u>
Reserve for Interest - Prosecutor	\$ 3,175	12,229		15,404
Narcotics	268,845	3,507,429	1,255,408	2,520,866
Gambling	224,866		224,866	
Prostitution	164,404		164,404	
Theft/Robbery	127,829		127,829	
Other Crimes	1,750,907		1,750,907	
Lottery	18,122		18,122	
Gambling/Narc	3,454		3,454	
Bribery	16,000		16,000	
Adjudicated to Distribute	<u>22,971</u>	<u>1,318,391</u>	<u>1,316,957</u>	<u>24,405</u>
	<u>\$ 2,600,573</u>	<u>4,838,049</u>	<u>4,877,947</u>	<u>2,560,675</u>
Reclass		\$ 3,385,379	3,488,906	
Interfund			150,455	
Cash		<u>1,452,670</u>	<u>1,238,586</u>	
		<u>\$ 4,838,049</u>	<u>4,877,947</u>	

COUNTY OF PASSAIC

Schedule of Reserve for Workmen's Compensation

Year Ended December 31, 2016

Balance - December 31, 2015		\$	36,753
Increased by:			
Miscellaneous Contributions and Reimbursements	\$	180,047	
Budget Appropriations		2,719,135	
General Capital Fund - Insurance Bond		<u>2,766,000</u>	
			<u>5,665,182</u>
			5,701,935
Decreased by:			
Payment of Claims			<u>3,179,998</u>
Balance - December 31, 2016		\$	<u><u>2,521,937</u></u>

Exhibit B-11

COUNTY OF PASSAIC
Schedule of Reserve for Health Benefit Funds
Year Ended December 31, 2016

Balance - December 31, 2015		\$ 731,844
Increased by:		
Interest Income	1,142	
Unexpended Medical/RX Funds	<u>2,274,199</u>	
		<u>2,275,341</u>
Balance - December 31, 2016		<u>\$ 3,007,185</u>

Exhibit B-12

Schedule of Reserve for Liability Insurance
Year Ended December 31, 2016

Balance - December 31, 2015		\$ 64,071
Increased by:		
Miscellaneous Contributions and Reimbursements	\$ 12,167	
Budget Appropriations	1,140,180	
General Capital Fund - Refunding Ordinance	<u>3,296,000</u>	
		<u>4,448,347</u>
		4,512,418
Decreased by:		
Interfunds		<u>3,584,638</u>
Balance - December 31, 2016		<u>\$ 927,780</u>

COUNTY OF PASSAIC
Reserve for Housing Voucher Program
Year Ended December 31, 2016

Balance - December 31, 2015		\$ 6,080,493
Increased by:		
Grant Revenues	\$ 10,320,247	
Other Income	179,201	
Interest Income	<u>16,693</u>	
		<u>10,516,141</u>
		16,596,634
Decreased by:		
Interfunds	593,074	
Expenditures	<u>8,867,188</u>	
		<u>9,460,262</u>
Balance - December 31, 2016		<u>\$ 7,136,372</u>

COUNTY OF PASSAIC

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2016

	Balance December 31, 2014	Increased	Decreased	Balance December 31, 2015
Due from/(to) Current Fund:				
Other Trust Fund				
Homelessness Trust	\$	65,681	65,681	
Off-Duty Emp.		1,565,130	1,565,130	
Open Space Trust - Due from (to) Current	1,099	2,486,611	2,487,710	
Open Space Trust - Due from (to) Capital		280,000	280,000	
Register of Deeds		88,343	88,343	
Other Trust	(79)	1,017,102	1,017,023	
Motor Vehicle Dedicated Trust		272,104	271,656	448
PCSD Local		12,994	12,994	
PCSD Treasury		4,463	4,463	
PCSD Justice		126,297	126,297	
PCSD Municipal		1,008,759	1,008,759	
PCPO Local		275,044	275,044	
PCPO Treasury		26,033	26,033	
PCPO Justice		267,285	267,285	
Para Transit		29,893	29,893	
Confiscated Trust Fund		311,568	311,568	
Self Insurance Trust Fund:				
Worker's Compensation		2,719,135	351,404	2,367,731
Health Benefits Fund		2,274,199	2,274,199	
Liability Insurance		4,387,522	4,387,522	
HUD Trust Fund	(503)	593,577	593,074	
Total Due from/(to) Current Fund	<u>517</u>	<u>17,811,740</u>	<u>15,444,078</u>	<u>2,368,179</u>
Due from (to) Capital Fund:				
Open Space Trust		280,000	280,000	
Total Due from (to) Capital Fund		<u>280,000</u>	<u>280,000</u>	
Intrafunds:				
Confiscated - PCPO		94,041	94,041	
PCPO - Confiscated		94,041	94,041	
Register of Deeds - Other Trust	2,292		2,292	
Other Trust - Register of Deeds	(2,292)	2,292		
Total Intrafunds		<u>190,374</u>	<u>190,374</u>	
	<u>\$ 517</u>	<u>18,282,114</u>	<u>15,914,452</u>	<u>2,368,179</u>
Cash Receipts				
Intrafunds			2,451,290	
Budget Appropriations				
Reimbursement for Expenses Paid			13,463,162	
Transfer from Appropriation Reserves		2,367,731		
Transfer from Budget		3,765,783		
Deposit in Error				
Cash Disbursements		<u>12,148,600</u>		
		<u>\$ 18,282,114</u>	<u>15,914,452</u>	

THIS PAGE INTENTIONALLY LEFT BLANK

COUNTY OF PASSAIC
Schedule of Cash
General Capital Fund
Year Ended December 31, 2016

Balance - December 31, 2015		\$	36,542,805
Increased by Receipts:			
Cash Proceeds	\$		195,724
Bond Anticipation Notes		64,013,554	
Grants Receivable		8,280,923	
Reserve for Payment of Bonds and Notes		282,400	
Schedule of Interfunds		7,822,846	
Interest Earnings		121,442	
Fund Balance		<u>1,410,958</u>	
			<u>82,127,847</u>
			118,670,652
Decreased by Disbursements:			
Committments Payable		7,495,077	
Schedule of Interfunds		<u>34,203,946</u>	
			<u>41,699,023</u>
Balance - December 31, 2016		\$	<u><u>76,971,629</u></u>

COUNTY OF PASSAIC

Analysis of Cash

General Capital Fund

Year Ended December 31, 2016

Fund Balance	\$ 6,040,373
Grants Receivable	(91,646,516)
Committments payable	45,651,462
Capital Improvement Fund	2,306
Reserve for Final Payments and Litigation	160,258
Reserve for Payment of Bonds and Notes	7,752,146
Reserve for Salt Shed - West Milford	296,619
Reserve for Interest for Fire Academy	1,101,710
Reserve for Administration Building Settlement	9,786
Reserve for Interest for DOT Projects	12,786
Reserve for Grants Receivable	27,347,679

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
87-25	Reconstruction Phases I - III	(337,629)
96-24	Expansion PCCC	(222,000)
97-26	Rehabilitate Bridges - PC #28 & #29	(344,538)
98-36	Kingsland Avenue Bridge PC #81	271,219
99-10	Minor Drainage Project - Supplemental	(238,000)
99-15	Totowa and French Hill Road Improvements	(476,000)
00-14	Supplemental - Redecking of McBride Bridge	(238,000)
00-40	Supplemental - Repairs/Rehab. To Kingsland Ave Bridge PC #81.	700,000
01-37	Supplemental - Structure Deficient Bridges	18,042
04-05	Acquisition of Property for a Salt Dome	(40,689)
04-09	Acq of Equipment for Passaic County Comm. College	(183,013)
04-23	Intersection Improvements	(141,849)
04-24	Miscellaneous Buildings & Grounds Improvements	64,638
04-29	Acquisition of & Renovation to County Building	66,115
05-07	Parks & Recreation General Improvements	69,725
05-09	Acquisition of Equipment- Preakness Healthcare Center	4,339
06-05	Private Fiber Optic Network	3,554
06-06	Bridge Replacements and/or Repairs	34,260
06-08	Parks & Recreation General Improvements	14,958
06-16	Reconstruction and Rehabilitations of Various Bridges	26,802
07-06	Various Capital Improvments	(378,894)
07-08	2007 Road Improvement Projects	616,884
07-11	Intersection Improvement Projects	(66,668)
07-12	Acquisition of Various Equipment	2,440

COUNTY OF PASSAIC

Analysis of Cash

General Capital Fund

Year Ended December 31, 2016

07-13	Various Capital Improvments	261,843
07-15	Various Imp for the Vocational Technical School	(174)
08-01	Various Building and Grounds Improvements	(410,000)
08-02	Various Roadway Imp & Acq. of Equipment	(252)
08-03	Various Capital Improvements	244,189
09-01	2009 Road Resurfacing	(18,270)
09-06	Building & Grounds Improvements	1,249,708
09-07	Acquisition of Equipment	123,026
09-08	Various Capital Improvements - PCCC	(988)
09-09	Various Capital Improvements - PCTI	(328,380)
10-03	Dey Mansion Renovations	187,761
10-04	County Park Improvements	191,483
10-06	Various Capital Improvements	697,050
10-07	Refunding Bonds - GI 2003, 32mil	(1,041,865)
10-08	Various Capital Improvement Funds	2,470,186
11-03	Various Capital Improvements	1,161,024
11-04	Various Capital Improvements	(20,326)
12-05	Improvement of the Passaic County Technical School	36,149
12-06	Various Capital Improvements	136,617
12-07	Various Capital Improvements	1,675,654
13-05	Various Bridge/Drain/Road Impvts.	(107,537)
13-06	Improvement of Passaic County Community College	(3,110)
13-07	Various Capital Improvements	576,032
13-08	Improvement of the Passaic County Vocational School District	38,007
13-09	Improvement of Passaic County Community College	282,026
13-10	Various Capital Improvements	(13,192)
14-03	Improvement of Passaic County Community College	4,210,507
14-04	Improvement of the Passaic County Vocational School District	571,911
14-06	Self Insurance Funding	4,628,471
14-07	Improvement of the Passaic County Vocational School District	249,383
14-08	Various Capital Improvements	15,196,805
14-10	Police Radio Communications System	21,849
15-02	Acquisition Golf/Utility Carts	16,950
15-03	PCTI Improvements	978,258
15-05	PCCC Improvements - Chp. 12	2,726,973
15-06	Renovations to Courthouse Complex - Historic Preservation Trust	324,600
15-07/16-06	Various Capital Improvements	20,484,866
16-02	PCCC Improvements - Chp. 12	2,943,309
16-03	PCCC Improvements	(4,801)
16-04	Various Capital Improvements	2,700,432
16-05	PCTI Building & Grounds Improvements	(359,500)
16-09	PCTI-STEM Academy	18,885,650
16-11	9-1-1 Emergency System	55,000
		<u>\$ 76,971,629</u>

COUNTY OF PASSAIC
 Schedule of Receivables
 General Capital Fund

Year Ended December 31, 2016

Grantor	Project	Ord. No.	Balance Dec. 31, 2015	Awarded in 2016	Decreased	Balance Dec. 31, 2016
Federal Grants:						
Community Development	Replacement of Hillery Street Bridge	07-04	\$ 317,878		317,878	-
Federal Highway Administration	Main Street Drainage	13-05	200,000			200,000
Federal Highway Administration	Future Bridge Needs - Preakness Avenue Bridge	14-08	1,000,000			1,000,000
Federal Highway Administration	Future Bridge Needs - Fairfield Avenue Bridge	14-08	1,000,000			1,000,000
Federal Highway Administration	Various Road Improvements	14-08	2,200,000			2,200,000
			4,717,878		317,878	4,400,000
State Grants:						
State of New Jersey	Renovation to Market Street	00-06	441,134		441,134	-
State of New Jersey	Rehab of Paterson-Hamburg Tpk Bridge PC # 42,43,44	00-15	260,705		260,705	-
State of New Jersey	Study and Improvement to Hazel St	00-44	122,949		122,949	-
N.J. Department of Transportation	Hurricane Floyd - Cedar Grove Road Wall	01-32	444,000		444,000	-
N.J. Department of Transportation	Goffle Brook Stabilization	02-13	221,729		221,729	-
N.J. Department of Transportation	Clove Road/Long Hill Road & Hazel St.	03-11	220,566		220,566	-
N.J. Department of Transportation	Bridge Replacement and/or Repairs	06-06	531,792		531,792	-
State of New Jersey	2006 Various Road Improvements	06-07	224,500		224,500	-
County Aid	Union Valley Road, PC #434	08-03	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	106,883		106,883	-
N.J. Department of Transportation	Black Oak Ridge Road/Pompton Planes Cross Road	08-03	16,544		16,544	-
N.J. Department of Transportation	County Road Improvement Project	09-05	4,141,758	518,252	519,219	4,140,791
N.J. Department of Transportation	Rehabilitation and Reconstruction of Dey Mansion	10-03	807,937		2,682	805,255
N.J. Department of Transportation	Pennington Ave Culvert	10-08	150,000			150,000
N.J. Department of Transportation	Local Bridges - Warburton Ave/Goffle Brook, PC 81	10-08	72,546			72,546
County Aid	Moores town Road	10-08	200,000			200,000
N.J. Department of Transportation	Squirewood Road	10-08	470,002		470,002	-
County Aid	Black Oak Ridge Road/Jackson Avenue Signal Replacement	10-08	300,223		5,367	294,856
County Aid	McBride/Hillery Street Improvements	10-08	236,498		236,498	-
N.J. Department of Transportation	Fairlawn Avenue Bridge	10-08	249,097		151,808	97,289
N.J. Department of Transportation	Two Bridges Road/West Belt	10-08	1,031,756		403,059	628,697
N.J. Department of Transportation	West Brook Road/Wanaque Reservoir, PC 491	10-08	300,000			300,000
N.J. Department of Transportation	Eighth Street Bridge Rehabilitation	10-08	609,122		313,148	295,974
DOT Surface Transportation	Bridge Replacement, Rehab, Repairs	11-03	20,400,000		16,283,673	4,116,327
DOT Future Needs	Bridge Replacement, Rehab, Repairs	11-03	1,000,000			1,000,000
County Aid	Bridge Replacement, Rehab, Repairs	11-03	124,000			124,000
N.J. Department of Transportation	Resurfacing Various Roads	11-04	670,785			670,785
N.J. Department of Transportation	Resurfacing Various Roads	12-03	6,757,000			6,757,000
N.J. Department of Transportation	West Brook Road/Wanaque Reservoir, PC 491	12-07	907,620			907,620
N.J. Department of Transportation	Two Bridges Road/West Belt	12-07	3,794,195	12,779,629	1,516,381	12,170,868
N.J. Department of Transportation	Clinton Road Bridge	12-07	1,000,000			1,000,000
N.J. Department of Transportation	Pompton Hamburg Turnpike/Valley Road	12-07	1,000,000		924,385	3,794,195
N.J. Department of Transportation	McBride/Slippery Rock Improvements	13-05	1,000,000			1,000,000

COUNTY OF PASSAIC

Schedule of Receivables

General Capital Fund

Year Ended December 31, 2016

Grantor	Project	Ord. No.	Balance Dec. 31, 2015	Awarded in 2016	Decreased	Balance Dec. 31, 2016
N.J. Open Space	County Golf Course Bridges	13-05	400,000	-	400,000	-
N.J. Department of Fish & Wildlife	Haledon Avenue(Green Street) Improvements	13-05	100,000	-	-	100,000
N.J. Transportation Planning Authority	Clove Road in Little Falls	13-05	1,600,000	-	-	1,600,000
N.J. Open Space	Parks & Recreation Improvements	13-07	250,000	-	-	250,000
N.J. Green Acres	Parks & Recreation Improvements	13-07	650,000	-	250,000	400,000
N.J. Department of Transportation	Various Road Improvements	14-08	6,999,344	-	1,018,910	5,980,434
County Aid	Road Resurfacing	14-08	921,425	-	-	921,425
N.J. Transportation Planning Authority	Various Road Improvements	14-08	101,708	-	101,708	-
N.J. Department of Transportation	2015 Future Bridge Needs	15-07	1,000,000	-	1,000,000	-
N.J. Department of Transportation	Various Road Improvements	15-07	34,184,000	1,699,133	-	35,883,133
	1772 Foundation Grant	15-07	13,000	-	13,000	-
N.J. Dept. of Environment Protection	Haledon Avenue(Green Street) Improvements	15-07	330,572	-	24,046	306,526
County Aid	Resurfacing Various Roads	15-07	4,110,800	-	-	4,110,800
State Aid	2015 Future Bridge Needs	16-04	-	1,000,000	-	1,000,000
North Jersey Trans Planning Authority	NJTPA-Bridge Replacement & Repair	16-04	13,300,000	13,300,000	-	-
State Transportation Project	NJTPA-Bridge Replacement & Repair	16-04	255,000	255,000	-	-
North Jersey Trans Planning Authority	NJTPA-Improvements to Morris Canal Greenway	16-04	130,000	130,000	-	-
North Jersey Trans Planning Authority	NJTPA-Traffic Safety Program	16-04	3,500,000	3,500,000	-	-
State Aid	Road Resurfacing	16-04	4,110,800	4,110,800	-	-
			<u>98,694,801</u>	<u>37,292,814</u>	<u>48,741,099</u>	<u>87,246,516</u>
Local Grants:						
Borough of Wanaque	Amending Ordinance 2009-05	13-04	126,544	-	126,544	-
			<u>126,544</u>		<u>126,544</u>	
			<u>\$ 103,539,223</u>	<u>\$ 37,292,814</u>	<u>\$ 49,185,521</u>	<u>\$ 91,646,516</u>
	Reallocated		\$ 13,297,881			
	Improvement Authorizations		23,994,933			
			<u>\$ 37,292,814</u>			
	Cash		\$ 8,280,923			
	Reallocated		13,297,881			
	Cancelled		<u>27,606,717</u>			
			<u>\$ 49,185,521</u>			

COUNTY OF PASSAIC
Schedule of Deferred Charges to Future
Taxation - Funded

General Capital Fund

Year Ended December 31, 2016

Balance - December 31, 2015		\$	312,657,798
Increased by:			
Serial Bonds Issued			<u>37,675,000</u>
			350,332,798
Decreased by:			
2016 Budget Appropriations to Pay Bonds	\$		34,814,000
2016 Budget Appropriations to Pay Loans			44,186
2016 Budget Appropriations to Pay Capital Leases			<u>2,775,000</u>
			<u>37,633,186</u>
Balance - December 31, 2016		\$	<u><u>312,699,612</u></u>

COUNTY OF PASSAIC

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2016

Ordinance Number	Improvement Description	Balance		Reduced	Balance Dec. 31, 2016	Analysis of Balance - Dec. 31, 2016		Unexpended Improvement Authorization
		Dec. 31, 2015	2016 Authorizations			Financed by Bond Anticipation Notes	Expenditures	
87-25	General Improvements:							
	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				
91-30	East Main Street Bridge	101,608		101,608				
95-04	Road Intersection Program	63,538		63,538				
95-07	Reconstruction Lafayette Ave. - Supplemental	1,500		1,500				
96-06	Road Improvements Passaic Avenue	81,782		81,782				
96-15	Hazel Street Scoping/Construction	5,937		5,937				
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		222,000	
97-01	Main St. & Arch St. Bridges - PC #15 & 16	58,685		58,685				
97-05	Road Resurfacing Program - 1997	2,040		2,040				
97-13	Church St. Bridge - PC #125	92,581		92,581				
97-20	Police Academy Addition	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				
98-23	Wagaraw Road Bridge PC #103	75,000		75,000				
98-35	Belmont & Barbour Street Intersection	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				
00-14	Supplemental - Redecking of McBride Bridge Turnpike to Hinchman Ave	1,067		1,067				
00-40	Supplemental - Repairs/Rehab. To Kingsland Ave Bridge PC #81.	238,000			238,000		238,000	
00-41	Supplemental - Valley Road and Pompton-Hamburg Turnpike intersection improvements.	36,000		36,000				
01-29	Supplemental - Reconstruction of Greenwood Lake Turnpike	88,000		88,000				
02-41	Refunding Ordinance - Payment of Pension Obligations	900		900				
03-06	Supplemental - Road Improvements	107		107				
04-01	Improvements to Paterson Hamburg	266		266				
04-03	Imp to Paterson Hamburg Turnpike/Jackson Ave.	77,758		77,758				
04-05	Acquisition of Property for a Salt Dome	98		98				
04-09	Acq of Equipment for Passaic County Comm. College	185,000			185,000		185,000	144,311
04-12	Imp & Renovations to 435 Hamburg Turnpike	881		881				
04-23	Intersection Improvements	480,000			480,000		183,013	296,987
		282,500		140,651	141,849		141,849	

COUNTY OF PASSAIC
Schedule of Deferred Charges to Future Taxation - Unfunded
General Capital Fund

Year Ended December 31, 2016

Ordinance Number	Improvement Description	Balance		2016 Authorizations	Reduced	Balance Dec. 31, 2016	Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
		Dec. 31, 2015	308						
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	211,964			657,923	657,923		
06-07	Various Capital Improvements	359,500	359,500						
06-11	Improvements to the Vocational School	549	549						
06-12	Improvements to the Community College	761	761						
07-06	Various Capital Improvements	995,000	199,198			995,000		378,894	616,106
07-11	Intersection Improvement Projects	332,500				133,302		66,668	66,634
07-12	Acquisition of Various Equipment	946,850				946,850	900,000	174	46,850
08-01	Various Imp for the Vocational Technical School	308	134			2,410,000	2,000,000	410,000	
08-02	Various Building and Grounds Improvements	4,910,000	2,500,000			5,696,252	5,696,000	252	
09-01	Various Roadway Imp & Acq. of Equipment	5,696,252				18,270		18,270	
09-04	2009 Road Resurfacing	18,270							
09-04	Various Park & Recreation Improvements	717,250	717,250						
09-05	Bridge, Road, & Traffic Safety	1,164,700	1,164,700						
09-06	Building & Grounds Improvements	4,502,034	1,395,394			3,106,640	3,106,640		
09-07	Acquisition of Equipment	1,914,000	1,914,000						
09-08	Various Capital Improvements - PCCC	2,278,988				2,278,988	2,278,000	988	9,544
09-09	Various Capital Improvements - PCTI	937,924				937,924	600,000	328,380	98,488
10-06	Various Capital Improvements	104,500	6,012			98,488			
10-07	Refunding Bonds - GI 2003, 32mil	1,041,865				1,041,865			
11-03	Various Capital Improvements	6,032,305	3,405,879			2,626,426			
11-04	Various Capital Improvements	2,970,609	2,000,000			970,609	800,000		2,626,426
12-04	Improvement of Passaic County Community College	2,338,508				2,338,508	2,338,508	20,326	150,283
12-05	Improvement of the Passaic County Technical Institute	1,958,616				1,958,616	1,200,000		758,616
12-06	Various Capital Improvements	8,631,466	7,000,000			1,631,466	1,500,000		131,466
12-07	Various Capital Improvements	17,144,089	5,512,764			11,631,325	8,000,000		3,631,325
13-05	Various Bridge/Drain/Road Impvts.	6,550,000	2,500,000			6,550,000	1,500,000	107,537	4,942,463
13-06	Improvement of Passaic County Community College	4,368,110				1,868,110	1,865,000	3,110	
13-07	Various Capital Improvements	2,672,000				2,672,000	2,672,000		
13-08	Improvement of the Passaic County Vocational School District	951,308				951,308	815,000		136,308

COUNTY OF PASSAIC
Schedule of Deferred Charges to Future Taxation - Unfunded
General Capital Fund

Year Ended December 31, 2016

Ordinance Number	Improvement Description	Balance		2016 Authorizations	Reduced	Balance Dec. 31, 2016	Analysis of Balance - Dec. 31, 2016		
		Dec. 31, 2015	Dec. 31, 2016				Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
13-10	Various Capital Improvements	5,094,325	3,594,325		1,500,000	3,594,325	2,600,000	13,192	981,133
14-01	Various Capital Improvements	285,000	285,000			285,000	285,000		
14-02	Improvement of Passaic County Community College	980,840	980,840			980,840	980,840		
14-04	Improvement of the Passaic County Vocational School District	1,958,616	1,958,616			1,958,616	1,958,616		2,142
14-06	Self Insurance Funding	25,457,142	25,457,142			25,457,142	25,455,000		5,622
14-07	Improvement of the Passaic County Vocational School District	8,155,622	8,155,622		8,150,000	5,622	9,510,000		40,000
14-08	Various Capital Improvements	9,550,000	9,550,000			9,550,000	9,510,000		500
14-10	Police Radio Communications System	1,206,500	1,206,500			1,206,500	1,206,000		
15-02	Acquisition of Golf & Utility Carts	580,806	580,806			580,806	580,806		
15-03	PCTII Improvements	979,308	979,308			979,308	979,308		
15-04	PCCC Improvements	1,896,985	1,896,985			1,896,985	1,896,985		
15-06	Court House Complex	2,375,000	2,375,000		200,000	2,175,000	2,175,000		2,175,000
15-07/16-06	Various Capital Improvements	8,930,000	8,930,000			8,930,000	8,930,000		8,930,000
16-02	PCCC Improvements - Chp. 12		3,000,000			3,000,000			
16-03	PCCC Improvements		2,476,632			2,476,632		4,801	2,471,831
16-04	Various Capital Improvements		9,611,960			9,611,960	4,034,115		5,577,845
16-05	PCTII Improvements		979,308			979,308	979,308	359,500	619,808
16-08	Acquisition of Office Condominium		2,500,000			2,500,000	2,500,000		9,000,000
16-09	PCTI-STEM Academy		30,000,000			30,000,000	21,000,000		1,045,000
16-10	9-1-1 Emergency System		1,045,000			1,045,000	21,000,000		
		\$ 151,588,274	49,612,900		42,805,070	158,396,104	108,915,741	4,975,675	44,504,688

Improvement Authorizations \$ 49,612,900

County College Bonds
 General Serial Bonds
 Budget Appropriations
 Cancelled by Resolution
 Cash Proceeds

\$ 42,805,070

Excess Proceeds Ord. 06-06
 Note Proceeds

34,259
108,915,741

Bond Anticipation Notes \$ 108,950,000

COUNTY OF PASSAIC

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2016

Improvement Authorizations Unfunded		\$ 85,532,816
Less: Unexpended Proceeds of Bond Anticipation Notes Issued		
<u>Ordinance No.</u>		
07-12	\$	2,440
09-06		1,249,708
12-05		36,149
12-06		136,617
12-07		1,675,654
13-07		576,032
13-08		38,007
14-04		571,911
14-06		4,628,471
14-08		9,510,000
14-10		21,849
15-02		16,950
15-03		978,258
16-04		2,700,432
16-09		<u>18,885,650</u>
		<u>41,028,128</u>
		<u>\$ 44,504,688</u>

COUNTY OF PASSAIC
Schedule of Improvement Authorizations
General Capital Fund
Year Ended December 31, 2016

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2015		2016 Authorizations	Cancelled	Paid or Charged	Balance Dec. 31, 2016	
			Funded	Unfunded				Funded	Unfunded
		\$	305,316				34,097	271,219	
98-36	General Improvements:								
00-40	Kingsland Avenue Bridge PC #81	700,000	664,000	36,000				700,000	
	Supplemental - Repairs/Retab. to Kingsland Ave Bridge PC #81.		21,784				3,742	18,042	
01-37	Supplemental - Structure Deficient Bridges	1,400,000	16,510		13,670		2,840		144,311
03-27	Supplemental - Acquisition of Hospital Equipment	200,000		148,221			3,910		296,987
04-05	Acquisition of Property for a Salt Dome	600,000		302,649			5,662		
04-12	Imp & Renovations to 435 Hamburg Turnpike Intersection Improvements	350,000		140,651					
04-24	Miscellaneous Buildings & Grounds Improvements	2,000,000	76,700				12,062	64,638	
04-29	Acquisition of & Renovation to County Building	6,000,000	279,791				213,676	66,115	
05-07	Parks & Recreation General Improvements	2,903,400	71,230				1,505	69,725	
05-09	Acquisition of Equipment- Preakness Healthcare Center	1,000,000	6,837				2,498	4,339	
05-11	Various Repairs & Improvements	12,334,000	946		946				
06-05	Private Fiber Optic Network	5,500,000	2,727	827				3,554	
06-06	Bridge Replacements and/or Repairs	2,760,000		743,756					
06-07	Various Capital Improvements	5,375,000	105,503	359,500			50,882	14,958	
06-08	Parks & Recreation General Improvements	3,750,000	65,840				8,605	26,802	
06-16	Reconstruction and Rehabilitations of Various Bridges	6,652,000	35,407				59,276		616,106
07-06	Various Capital Improvements	2,500,000		675,382					
07-07	Stabilization Improvements to Groffle Brook	200,000	6,933						
07-08	2007 Road Improvement Projects	3,773,000	616,884					616,884	
07-11	Intersection Improvement Projects	1,350,000		269,198			3,366		66,634
07-12	Acquisition of Various Equipment	1,523,000		57,551			8,261		49,290
07-13	Various Capital Improvements	4,300,000					7,404	261,843	
08-03	Various Capital Improvements	10,800,000	269,247				11,960	244,189	
08-05	Lambert Castle Restoration	1,850,000	1,187,370		931,221				
09-05	Bridge, Road, & Traffic Safety	12,150,000	1,849,572		1,849,572				
09-06	Building & Grounds Improvements	7,400,000	1,196,950		787,107		1,574,543		1,249,708
09-07	Acquisition of Equipment	2,015,000	7,400,000		1,395,394		289,761		
09-09	Various Capital Improvements - PCTI	2,937,924	131,826				8,800	123,026	
09-10	Various Capital Improvements - PCCC	2,353,000	18,722				9,178		9,544
10-03	Dey Mansion Renovations	1,858,950	678,621				678,621		
10-04	County Park Improvements	3,000,000	257,941				70,180	187,761	
10-06	Various Capital Improvements	4,730,000	428,588				191,483		98,488
10-08	Various Capital Improvement Funds	16,304,250	697,050	104,500			237,105		
11-03	Various Capital Improvements	27,920,000	5,614,263		6,012		2,525,289		2,626,426
11-04	Various Capital Improvements	11,470,000		4,131,507			34,677	1,161,024	150,283
12-03	Improvements to Passaic Community College Facilities	8,500,000	17,503	170,609			37,829		
12-05	Improvement of the Passaic County Technical Institute	1,958,616	2,034,475				1,600		794,765
12-06	Various Capital Improvements	12,428,000		796,365			107,677		288,083
12-07	Various Capital Improvements	28,853,000		375,760			2,109,025		5,306,979
				7,928,769		512,765			

COUNTY OF PASSAIC

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2016

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2015		2016 Authorizations	Cancelled	Paid or Charged	Balance Dec. 31, 2016	
			Funded	Unfunded				Funded	Unfunded
13-05	Various Bridge/Drain/Road Imprvts	6,700,000		5,059,506			117,043		4,942,463
13-06	Improvement of Passaic County Community College	4,368,110		13,305			13,305		576,032
13-07	Various Capital Improvements	3,100,000		1,206,857			630,825		174,315
13-08	Improvement of the Passaic County Voc School District	951,308		176,115			1,800		
13-09	Improvement of Passaic County Community College	1,500,000	1,420,126				1,138,100	282,026	
13-10	Various Capital Improvements	8,500,000		1,030,820			49,687		981,133
14-02	Improvement of Passaic County Community College	980,840		382,725			382,725		
14-03	Improvement of Passaic County Community College	4,250,000	4,210,507					4,210,507	
14-04	Improvement of the Passaic County Technical Institute	1,958,616		1,781,700			1,209,789		571,911
14-06	Insurance Refunding	26,730,000		10,713,421			6,082,808		4,630,613
14-07	Improvement of the Passaic County Technical Institute	8,155,622		2,293,000			2,037,995		5,622
14-08	Various Capital Improvements	29,461,708	7,443,507	9,550,000			1,756,702	5,686,805	9,550,000
14-10	Police Radio Communication System	1,270,000		26,899			4,550		22,349
15-02	Acquisition of Golf & Utility Carts	625,000		24,050			7,100		16,950
15-03	PCTI Improvements	979,308		978,758			500		978,258
15-04	PCCC Improvements	1,896,985		1,896,435			1,896,435		
15-05	PCCC Chapter 12	3,200,000	3,139,657				412,684		
15-06	Court House Complex	2,500,000	124,600						
15-0716-06	Various Capital Improvements	51,324,505	32,088,114	8,930,000			12,289,380	2,726,973	2,175,000
16-02	PCCC Improvements - Chp. 12	3,000,000		3,000,000	1,699,133	1,013,900	56,691		8,930,000
16-03	PCCC Improvements	2,476,632		2,476,632	3,000,000		4,801		324,600
16-04	Various Capital Improvements	32,295,800		32,295,800	32,295,800	18,185,000	5,832,523		2,471,831
16-05	PCTI Building & Grounds Improvements	979,308		979,308			359,500		8,278,277
16-08	Acquisition of Office Condominium	3,600,000		3,600,000			3,600,000		619,808
16-09	PCTI-STEM Academy	30,000,000		30,000,000			2,114,350		27,885,650
16-11	9-1-1 Emergency System	1,100,000		1,100,000				55,000	1,045,000
			\$ 64,934,499	66,929,947	75,150,873	27,178,396	50,147,799	44,156,308	85,532,816

Capital Improvement Fund	\$ 568,040
Capital Fund Balance	975,000
Grants Receivable	23,994,933
Def. Charges to Future Taxation	49,612,900
	\$ 75,150,873

Interfunds \$	4,496,338
Commitments Payable	45,631,462
	\$ 50,147,800

COUNTY OF PASSAIC
Schedule of Commitments Payable
General Capital Fund
Year Ended December 31, 2016

Balance - December 31, 2015		\$	36,796,788
Increased by:			
Charges to Improvement Authorizations			<u>45,651,462</u>
			82,448,250
Decreased by:			
Payments	\$	7,495,077	
Schedule of Interfunds		<u>29,301,711</u>	
			<u>36,796,788</u>
Balance - December 31, 2016		\$	<u><u>45,651,462</u></u>

COUNTY OF PASSAIC
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2016

Balance - December 31, 2015	\$	15,346
Increased by:		
2016 Budget Appropriations		<u>555,000</u>
		570,346
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>568,040</u>
Balance - December 31, 2016	\$	<u><u>2,306</u></u>

Schedule of Reserve for Final Payments and Litigation
General Capital Fund
Year Ended December 31, 2016

Balance - December 31, 2015	\$	<u>160,258</u>
Balance - December 31, 2016	\$	<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, 2016

	<u>Ordinance</u>	<u>Balance Dec. 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Adjustments</u>	<u>Balance Dec. 31, 2016</u>
Reserve for Payment of Bonds:						
Hamburg Turnpike	04-01	\$	2,242			2,242
Various Capital Improvements	06-07		1,003			1,003
Acquisition of Property - Ball Tract	05-15	1,102,410				1,102,410
Bridge, Road, & Traffic Safety	09-05	599,280	1,031	500,000		100,311
Total Reserve for Payment of Bonds		1,701,690	4,276	500,000		1,205,966
Reserve for Payment of Bond Anticipation Notes:						
Hamburg Turnpike	04-01	291,000			(291,000)	
Implementation of Traffic Safety Program	07-10	2,700			(2,700)	
Various Capital Improvements	08-03	3,680,622	1,555,907		(218,230)	5,018,299
Over Borrowed		48,150			(48,150)	
ARRA 2009 Road Resurfacing	09-01	4,613,251			(4,330,851)	282,400
2009 Road Resurfacing	09-01	26,440				26,440
Various Building & Grounds Imp	09-06	91,252				91,252
Acquisition of Equipment	09-07	1,334			(1,334)	
Various Capital Improvements	10-08	732,009			(732,009)	
Various Capital Improvements	12-06	52,664				52,664
Various Capital Improvements	13-10		1,075,125			1,075,125
Various Capital Improvement	12-07			5,906,674	5,906,674	
Various Capital Improvements-PH Tpk/Valley Rd	12-07		282,400		(282,400)	
Total Reserve for Payment of Bond Anticipation Notes		9,539,422	2,913,432	5,906,674		6,546,180
Total Reserve for Payment of Bonds and Notes		\$ 11,241,112	2,917,708	6,406,674		7,752,146
			Cash \$	282,400		
			Deferred Charges - Unfunded	4,276		
			Schedule of Interfunds		500,000	
			Transfer from Reserve for Grants Receivable	2,631,032	5,906,674	
			Interfunds \$	2,917,708	6,406,674	

COUNTY OF PASSAIC

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2016

	Balance, December 31, <u>2015</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2016</u>
Current Fund	\$ 63,509	40,178,828	40,242,337	
	<u>63,509</u>	<u>40,178,828</u>	<u>40,242,337</u>	
Due from	63,509	36,487,023	36,550,532	
Due (to)		<u>5,691,805</u>	<u>5,691,805</u>	
	<u>\$ 63,509</u>	<u>42,178,828</u>	<u>42,242,337</u>	
Receipts	\$		7,822,846	
Improvement Authorizations			4,496,338	
Commitments Payable			29,301,711	
Reimbursement for Expenditures		1,433,077		
Capital Improvement Fund		500,000		
Budget-Paydown of Debt		3,191,805		
Deferred Charges Unfunded-Budget		850,000		
Reserve for Payment of Debt			500,000	
Interest on Investments			121,442	
Disbursements		<u>34,203,946</u>		
		<u>\$ 40,178,828</u>	<u>42,242,337</u>	

COUNTY OF PASSAIC

Schedule of Reserve for Salt Shed - West Milford

General Capital Fund

Year Ended December 31, 2016

Balance - December 31, 2015	\$ <u>296,619</u>
Balance - December 31, 2016	\$ <u><u>296,619</u></u>

COUNTY OF PASSAIC

Schedule of Reserve for Interest - Fire Academy

General Capital Fund

Year Ended December 31, 2016

Balance - December 31, 2015	\$ <u>1,101,710</u>
Balance - December 31, 2016	\$ <u><u>1,101,710</u></u>

Exhibit C-15

COUNTY OF PASSAIC

**Schedule of Reserve for Administration
Building Settlement**

General Capital Fund

Year Ended December 31, 2016

Balance - December 31, 2015	\$ <u>9,786</u>
Balance - December 31, 2016	\$ <u><u>9,786</u></u>

Exhibit C-16

Schedule of Reserve for Interest - DOT Programs

General Capital Fund

Year Ended December 31, 2016

Balance - December 31, 2015	\$ <u>12,786</u>
Balance - December 31, 2016	\$ <u><u>12,786</u></u>

COUNTY OF PASSAIC
Schedule of Reserve for Grants Receivable
General Capital Fund
Year Ended December 31, 2016

Balance - December 31, 2015	\$ <u>24,722,037</u>
Increased by:	
Transfer from Reserve for Payment of Bonds and Notes	<u>3,275,642</u>
	27,997,679
Decreased by:	
Cancelled	<u>650,000</u>
Balance - December 31, 2016	\$ <u><u>27,347,679</u></u>
 <u>Analysis of Balance:</u>	
Ordinance 08-03	
Ordinance 12-06	\$ 6,757,000
Ordinance 12-07	17,040,678
Ordinance 13-05	2,900,000
Ordinance 13-07	<u>650,000</u>
	<u><u>27,347,678</u></u>

COUNTY OF PASSAIC

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2016

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
11-04	Various Capital Improvements	12/29/11	12/14/15	12/13/16	2.272324%	2,000,000		2,000,000	
04-01	Improvements to Paterson Hamburg	12/26/13	12/14/15	12/13/16	2.272324%	86,050		86,050	
06-07	Various Capital Improvements	12/26/13	12/14/15	12/13/16	2.272324%	359,500		359,500	
08-01	Various Building and Grounds Improvements	12/26/13	12/14/15	12/13/16	2.272324%	2,500,000		2,500,000	
08-03	Various Capital Improvements	12/26/13	12/14/15	12/13/16	2.272324%	750,000		750,000	
09-04	Various Park & Recreation Improvements	12/26/13	12/14/15	12/13/16	2.272324%	717,250		717,250	
09-05	Bridge, Road, & Traffic Safety	12/26/13	12/14/15	12/13/16	2.272324%	1,164,700		1,164,700	
09-06	Building & Grounds Improvements	12/26/13	12/14/15	12/13/16	2.272324%	300,000		300,000	
09-07	Acquisition of Equipment	12/26/13	12/14/15	12/13/16	2.272324%	1,914,000		1,914,000	
11-03	Various Capital Improvements	12/26/13	12/14/15	12/13/16	2.272324%	3,096,500		3,096,500	
12-06	Various Capital Improvements	12/26/13	12/14/15	12/13/16	2.272324%	7,000,000		7,000,000	
12-07	Various Capital Improvements	12/26/13	12/14/15	12/13/16	2.272324%	5,000,000		5,000,000	
13-06	Improvement of Passaic County Community College	12/26/13	12/14/15	12/13/16	2.272324%	2,500,000		2,500,000	
13-10	Various Capital Improvements	12/26/13	12/14/15	12/13/16	2.272324%	1,500,000		1,500,000	
08-02	Various Capital Improvements	12/4/14	12/12/16	12/11/17	2.00000%	4,000,000	4,000,000		4,000,000
09-06	Building & Grounds Improvements	12/4/14	12/12/16	12/11/17	2.00000%	4,200,000	3,106,640		3,106,640
09-09	Various Capital Improvements	12/4/14	12/12/16	12/11/17	2.00000%	600,000	600,000		600,000
13-08	Various Capital Improvements	12/4/14	12/12/16	12/11/17	2.00000%	415,000	415,000		415,000
14-01	Various Capital Improvements	12/4/14	12/12/16	12/11/17	2.00000%	285,000	285,000		285,000
14-06	Self Insurance Funding	12/4/14	12/14/15	12/13/16	2.272324%	6,500,000		6,500,000	
14-07	Various Capital Improvements	12/4/14	12/14/15	12/13/16	102.272324%	6,000,000		6,000,000	
14-06	Self Insurance Funding	12/4/15	12/14/15	12/13/16	2.272324%	8,000,000		8,000,000	
11-04	Various Capital Improvements	12/14/15	12/12/16	12/11/17	2.00000%	800,000	800,000		800,000
12-06	Various Capital Improvements	12/14/15	12/12/16	12/11/17	2.00000%	1,500,000	1,500,000		1,500,000
12-07	Various Capital Improvements	12/14/15	12/12/16	12/11/17	2.00000%	3,000,000	3,000,000		3,000,000

COUNTY OF PASSAIC

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2016

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Maturity	Interest Rate	Balance	
						Dec. 31, 2015	Dec. 31, 2016
13-06	Improvements to PCCC	12/14/15	12/12/16	12/11/17	2.0000%	1,865,000	1,865,000
13-10	Various Capital Improvements	12/14/15	12/12/16	12/11/17	2.0000%	2,600,000	2,600,000
13-08	Improvements to PCCC	12/14/15	12/12/16	12/11/17	2.0000%	400,000	400,000
07-12	Acquisition of Equipment	12/14/15	12/12/16	12/11/17	2.0000%	900,000	900,000
08-01	Various Building and Grounds Improvements	12/14/15	12/12/16	12/11/17	2.0000%	2,000,000	2,000,000
09-08	Improvements to PCCC	12/14/15	12/12/16	12/11/17	2.0000%	2,278,000	2,278,000
12-05	Various Capital Improvements PCTI	12/14/15	12/12/16	12/11/17	2.0000%	1,200,000	1,200,000
13-07	Various Capital Improvements	12/14/15	12/12/16	12/11/17	2.0000%	1,500,000	1,500,000
14-02	Improvements to PCCC	12/14/15	12/12/16	12/11/17	2.0000%	700,000	700,000
14-10	Police Radio Communication System	12/14/15	12/12/16	12/11/17	2.0000%	1,206,000	1,206,000
15-02	Acquisition of Golf Carts	12/14/15	12/12/16	12/11/17	2.0000%	593,000	593,000
13-05	Various Bridges/Drainage/Road Improvements	12/14/15	12/12/16	12/11/17	2.0000%	580,806	580,806
06-06	Bridge, Road, & Traffic Safety	12/12/16	12/12/16	12/11/17	2.0000%	1,500,000	1,500,000
08-02	Various Capital Improvements	12/12/16	12/12/16	12/11/17	2.0000%	692,182	692,182
12-04	Improvements to PCCC	12/12/16	12/12/16	12/11/17	2.0000%	1,696,000	1,696,000
12-07	Various Capital Improvements	12/12/16	12/12/16	12/11/17	2.0000%	2,338,508	2,338,508
13-07	Various Capital Improvements	12/12/16	12/12/16	12/11/17	2.0000%	5,000,000	5,000,000
14-02	Improvements to PCCC	12/12/16	12/12/16	12/11/17	2.0000%	1,172,000	1,172,000
14-04	Improvements to PCTI	12/12/16	12/12/16	12/11/17	2.0000%	280,840	280,840
14-08	Various Capital Improvements	12/12/16	12/12/16	12/11/17	2.0000%	1,958,616	1,958,616
15-03	Improvements to PCTI	12/12/16	12/12/16	12/11/17	2.0000%	9,510,000	9,510,000
15-04	Improvements to PCCC	12/12/16	12/12/16	12/11/17	2.0000%	979,308	979,308
16-04	Various Capital Improvements	12/12/16	12/12/16	12/11/17	2.0000%	1,896,985	1,896,985
16-08	Acquire Office Condominiums	12/12/16	12/12/16	12/11/17	2.0000%	4,034,115	4,034,115
16-09	PCTI-Stem	12/12/16	12/12/16	12/11/17	2.0000%	2,500,000	2,500,000
14-06	Self Insurance Funding	12/12/16	12/12/16	12/11/17	2.0000%	21,000,000	21,000,000
						25,455,000	25,455,000
						\$ 80,930,000	\$ 80,930,000

Cash	\$ 64,013,554
Serial Bonds	32,525,000
Budget Appropriations	800,000
Capital Reserves	2,668,554
Renewed	44,936,446
	\$ 108,950,000

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016
			Year	Amount					
General Obligation Refunding Bonds of 1998 (Term Bonds) - Series B	09/01/98	30,700,000	2017	1,900,000	6.770%	\$ 10,900,000		1,800,000	9,100,000
			2018	2,300,000	6.770%				
			2019	2,400,000	6.770%				
			2020	2,500,000	6.770%				
General Obligation Refunding Bonds of 1998 (Term Bonds) - Series A	09/01/98	665,000	2018	220,000	6.770%	665,000			665,000
			2019	220,000	6.770%				
			2020	225,000	6.770%				
Pension Refunding Bonds, Series 2003	02/15/03	6,560,000	2017	880,000	5.000%	1,825,000		780,000	1,045,000
			2018	25,000	5.750%				
			2019	35,000	5.750%				
			2020	45,000	5.750%				
			2021	60,000	5.750%				
General Obligation Refunding Bonds	09/01/03	21,855,000					1,915,000		1,915,000
General Obligation Bonds	03/15/04	19,495,000					3,745,000		3,745,000
General Obligation Refunding Bonds	05/01/04	12,220,000	2017	1,095,000	3.375%	2,265,000		1,170,000	1,095,000
County College Bonds (A)	10/15/04	4,788,000	2017	488,000	3.600%	953,000		465,000	488,000

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016
			Year	Amount					
General Obligation Bonds	06/01/06	20,000,000				1,100,000	1,100,000		
County College Bonds (A)	11/15/06	3,050,000	2017-18	300,000	4.000%	890,000	290,000	290,000	600,000
County College Bonds (B)	11/15/06	3,050,000	2017-18	300,000	4.000%	890,000	290,000	290,000	600,000
County College Bonds (A)	11/01/07	5,950,000	2017	595,000	3.750%	2,405,000	570,000	570,000	1,835,000
			2018	615,000	4.000%				
			2019	625,000	4.000%				
County College Bonds (B)	11/01/07	5,950,000	2017	595,000	3.750%	2,405,000	570,000	570,000	1,835,000
			2018	615,000	4.000%				
			2019	625,000	4.000%				
General Obligation Bonds	05/01/08	48,625,000	2017	2,900,000	5.000%	5,000,000	2,100,000	2,100,000	2,900,000
			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%				

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016
			Year	Amount					
Vocational School Bonds	05/01/08	2,938,000	2017	335,000	5.000%	645,000		310,000	335,000
			2018	385,000	5.000%				
			2019	438,000	5.000%				
County College Bonds	05/01/08	8,077,000	2017	710,000	5.000%	1,410,000		700,000	710,000
			2018	770,000	5.000%				
			2019	795,000	5.000%				
			2020	812,000	4.000%				
General Obligation Bonds	04/01/10	19,671,000	2017	1,250,000	3.000%	17,696,000		1,000,000	16,696,000
			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	2017	125,000	3.000%	475,000		120,000	355,000
			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, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016
			Year	Amount					
County College Bonds	04/01/10	2,130,000	2017	210,000	3.000%	1,280,000		200,000	1,080,000
			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			1,665,000		1,665,000		
Recovery Zone Economic Development Bonds	07/28/10	4,389,000	2017	223,000	4.450%	3,407,000		214,000	3,193,000
			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	2017	110,000	3.000%	727,000		105,000	622,000
			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, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities		Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016
			of Bonds Outstanding December 31, 2016						
			Year	Amount					
County College Bonds	08/01/10	1,176,000	2017	110,000	3.000%	726,000		105,000	621,000
			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	2017	475,000	4.250%	10,770,000		4,325,000	6,445,000
			2017	4,480,000	5.000%				
			2018	755,000	4.750%				
			2019	735,000	4.750%				
General Obligation Refunding Bonds	02/01/12	11,695,000	2017	1,975,000	4.000%	8,200,000		1,875,000	6,325,000
			2018	2,125,000	4.000%				
			2019	2,225,000	4.000%				
General Obligation Bonds	04/01/12	23,155,000	2017	1,400,000	3.000%	19,905,000			18,555,000
			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, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016
			Year	Amount					
General Obligation Bonds - Taxable Bonds	04/01/12	13,570,000	2017	1,350,000	3.000%	10,570,000			9,370,000
			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	2017	415,000	2.000%	3,120,000		400,000	2,720,000
			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	2017	415,000	2.000%	3,120,000		400,000	2,720,000
			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%				
General Obligation Refunding Bonds	08/15/12	10,200,000	2017	600,000	3.000%	5,785,000		2,895,000	2,890,000
			2018	585,000	4.000%				
			2019	580,000	4.000%				
			2020	575,000	4.000%				
			2021	550,000	4.000%				

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016
			Year	Amount					
College Refunding Bonds	08/15/12	530,000	2017	1,265,000	3.000%	120,000			
			2018	1,360,000	4.000%				
General Obligation Refunding Bonds	05/15/13	17,650,000	2019	1,455,000	4.000%	17,480,000			17,480,000
			2020	1,550,000	4.000%				
			2021	1,650,000	4.000%				
			2022	1,745,000	4.000%				
			2023	1,835,000	4.000%				
			2024	1,930,000	4.000%				
			2025	2,095,000	4.000%				
			2026	2,595,000	5.000%				
			2017	185,000	4.000%				
			2018	190,000	5.000%				
College Bond - Series 2014A	06/15/14	2,875,000	2019	195,000	5.000%	2,700,000			2,520,000
			2020	200,000	5.000%				
			2021	205,000	5.000%				
			2022	210,000	5.000%				
			2023	215,000	5.000%				
			2024	220,000	4.000%				
			2025	225,000	3.000%				
			2026	230,000	3.000%				
			2027	235,000	3.000%				
			2028	210,000	3.000%				
			2017	185,000	4.000%				

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016
			Year	Amount					
College Bond - Series 2012B	06/15/14	2,875,000	2017	185,000	4.000%	2,700,000		180,000	2,520,000
			2018	190,000	5.000%				
			2019	195,000	5.000%				
			2020	200,000	5.000%				
			2021	205,000	5.000%				
			2022	210,000	5.000%				
			2023	215,000	5.000%				
			2024	220,000	4.000%				
			2025	225,000	3.000%				
			2026	230,000	3.000%				
			2027	235,000	3.000%				
2028	210,000	3.000%							
General Improvement Bonds, Series 2014A	12/04/14	22,201,000	2017	965,000	3.000%	21,236,000		965,000	20,271,000
			2018	965,000	3.000%				
			2019	965,000	2.000%				
			2020	1,590,000	4.000%				
			2021	1,625,000	4.000%				
			2022	1,645,000	2.000%				
			2023	1,670,000	2.250%				
			2024	1,695,000	2.250%				
			2025	1,720,000	2.500%				
			2026	1,770,000	3.000%				
			2027	1,820,000	3.000%				
2028	1,920,000	3.000%							
2029	1,921,000	3.000%							

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016
			Year	Amount					
County Vocational School Bonds, Series 2014	12/04/14	979,000	2017	40,000	3.000%	939,000		40,000	899,000
			2018	40,000	3.000%				
			2019	40,000	2.000%				
			2020	65,000	4.000%				
			2021	75,000	4.000%				
			2022	80,000	2.000%				
			2023	80,000	2.250%				
			2024	80,000	2.250%				
			2025	80,000	2.250%				
			2026	80,000	2.500%				
			2027	80,000	3.000%				
2028	80,000	3.000%							
2029	79,000	3.000%							
County College Bonds, Series 2014A	12/04/14	2,500,000	2017	575,000	3.000%	2,175,000		350,000	1,825,000
			2018	600,000	3.000%				
			2019	650,000	2.000%				
General Obligation Bonds, Series 2014B	12/04/14	3,940,000	2017	325,000	2.500%	3,665,000		300,000	3,365,000
			2018	350,000	2.500%				
			2019	375,000	2.500%				
			2020	410,000	2.500%				
			2021	430,000	2.500%				
			2022	460,000	2.700%				
			2023	500,000	2.870%				
2024	515,000	3.000%							

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities		Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016
			of Bonds Outstanding December 31, 2016						
			Year	Amount					
General Obligation Refunding Bonds	02/01/15	36,570,000	2018	2,735,000	4.000%	36,570,000			36,570,000
			2019	2,810,000	5.000%				
			2020	2,910,000	5.000%				
			2021	3,025,000	5.000%				
			2022	3,140,000	5.000%				
			2023	3,250,000	5.000%				
			2024	3,465,000	5.000%				
			2025	3,585,000	5.000%				
			2026	3,705,000	5.000%				
			2027	3,895,000	5.000%				
2028	4,050,000	3.000%							
County Vocational School Refunding Bonds	02/01/15	815,000	2018	380,000	4.000%	815,000			815,000
			2019	435,000	5.000%				
County College Refunding Bonds	02/01/15	2,305,000	2018	745,000	4.000%	2,305,000			2,305,000
			2019	770,000	5.000%				
			2020	790,000	5.000%				
County College Bonds, Series 2015A	07/01/15	1,600,000	2017	115,000	2.000%	1,600,000		105,000	1,495,000
			2018	125,000	2.000%				
			2019	130,000	3.000%				
			2020	160,000	3.000%				
			2021	180,000	4.000%				
			2022	190,000	2.000%				
			2023	195,000	2.125%				
			2024	200,000	2.375%				
			2025	200,000	3.000%				

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016
			Year	Amount					
County College Bonds, Series 2015B	07/01/15	1,600,000	2017	115,000	2.000%	1,600,000			1,495,000
			2018	125,000	2.000%				
			2019	130,000	3.000%				
			2020	160,000	3.000%				
			2021	180,000	4.000%				
			2022	190,000	2.000%				
			2023	195,000	2.125%				
			2024	200,000	2.375%				
			2025	200,000	3.000%				
			General Improvement Bonds	12/14/15	11,600,000				
2018	755,000	4.000%							
2019	785,000	3.000%							
2020	710,000	3.000%							
2021	725,000	4.000%							
2022	750,000	4.000%							
2023	775,000	2.000%							
2024	900,000	2.000%							
2025	950,000	2.125%							
2026	1,060,000	2.250%							
2027	1,350,000	2.375%							
2028	1,400,000	2.500%							

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016
			Year	Amount					
County Vocational School Bonds	12/14/15	2,000,000	2017	100,000	2.000%	2,000,000		100,000	1,900,000
			2018	100,000	4.000%				
			2019	100,000	3.000%				
			2020	200,000	3.000%				
			2021	200,000	4.000%				
			2022	200,000	4.000%				
			2023	200,000	2.000%				
			2024	200,000	2.000%				
			2025	200,000	2.125%				
			2026	200,000	2.250%				
			2027	200,000	2.375%				
County College Bonds, Series 2015A	07/01/16	1,500,000	2017	105,000	1.000%		1,500,000		1,500,000
			2018	115,000	1.000%				
			2019	125,000	2.000%				
			2020	130,000	2.000%				
			2021	140,000	2.000%				
			2022	150,000	2.000%				
			2023	160,000	2.000%				
			2024	165,000	2.000%				
			2025	200,000	2.000%				
			2026	210,000	2.000%				

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016
			Year	Amount					
County College Bonds, Series 2015B	07/01/16	1,500,000	2017	105,000	1.000%		1,500,000		1,500,000
			2018	115,000	1.000%				
			2019	125,000	2.000%				
			2020	130,000	2.000%				
			2021	140,000	2.000%				
			2022	150,000	2.000%				
			2023	160,000	2.000%				
			2024	165,000	2.000%				
			2025	200,000	2.000%				
			2026	210,000	2.000%				
General Improvement Bonds	12/01/16	24,025,000	2017	1,140,000	2.000%		24,025,000		24,025,000
			2018	1,030,000	2.000%				
			2019	1,090,000	3.000%				
			2020	1,100,000	3.000%				
			2021	1,150,000	3.000%				
			2022	1,200,000	4.000%				
			2023	1,650,000	4.000%				
			2024	1,600,000	5.000%				
			2025	1,790,000	5.000%				
			2026	2,100,000	3.125%				
			2027	2,050,000	3.250%				
			2028	2,025,000	3.500%				
		2029	2,000,000	4.000%					
		2030	2,050,000	4.000%					
		2031	2,050,000	4.000%					

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016
			Year	Amount					
County Vocational School Bonds	12/01/16	8,150,000	2017	350,000	2.000%	8,150,000	8,150,000		8,150,000
			2018	400,000	2.000%				
			2019	425,000	3.000%				
			2020	450,000	3.000%				
			2021	475,000	3.000%				
			2022	500,000	4.000%				
			2023	525,000	4.000%				
			2024	550,000	5.000%				
			2025	575,000	5.000%				
			2026	600,000	3.125%				
			2027	625,000	3.250%				
			2028	625,000	3.500%				
			2029	650,000	4.000%				
2030	700,000	4.000%							
2031	700,000	4.000%							
County College Bonds	12/01/16	2,500,000	2017	210,000	2.000%	2,500,000	2,500,000		2,500,000
			2018	220,000	2.000%				
			2019	235,000	3.000%				
			2020	250,000	3.000%				
			2021	275,000	3.000%				
			2022	300,000	4.000%				
2023	325,000	4.000%							
2024	350,000	5.000%							
2025	335,000	5.000%							
						\$ 231,964,000	37,675,000	34,814,000	234,825,000
							32,525,000		
							5,150,000		
							\$ 37,675,000		

Bond Anticipation Notes
New Issues

COUNTY OF PASSAIC

Schedule of New Jersey Green Trust Loans Payable

General Capital Fund

Year Ended December 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding Dec. 31, 2016		Interest Rate	Balance December 31, 2015	Decreased	Balance December 31, 2016
			Date	Amount				
Lambert Castle Grounds Project	02/28/08	\$ 564,657	02/28/17	22,425	2.000%	278,798	44,186	234,612
			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	25,526	2.000%			
						\$ 278,798	44,186	234,612

COUNTY OF PASSAIC

Schedule of Capital Leases Payable

General Capital Fund

Year Ended December 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Capital Leases Outstanding		Interest Rate	Balance December 31, 2015	Decreased	Balance December 31, 2016
			Date	Amount				
Preakness Healthcare Center Expansion	05/01/06	\$ 22,960,000				575,000	575,000	
Refunding -Preakness Healthcare Center Expansion	05/01/12	\$ 57,425,000	05/01/17	2,000,000	5.000%	56,780,000	1,905,000	54,875,000
			05/01/18	200,000	4.000%			
			05/01/18	1,905,000	5.000%			
			05/01/19	1,890,000	3.000%			
			05/01/19	300,000	4.000%			
			05/01/20	2,250,000	2.125%			
			05/01/21	2,330,000	5.000%			
			05/01/22	1,530,000	2.500%			
			05/01/22	900,000	5.000%			
			05/01/23	2,010,000	2.625%			
			05/01/23	500,000	4.000%			
			05/01/24	2,610,000	5.000%			
			05/01/25	2,740,000	5.000%			
			05/01/26	2,885,000	5.000%			
			05/01/27	3,000,000	3.000%			
			05/01/28	3,090,000	3.000%			
			05/01/29	3,185,000	3.125%			
			05/01/30	3,290,000	3.125%			
			05/01/35	18,260,000	3.500%			

COUNTY OF PASSAIC

Schedule of Capital Leases Payable

General Capital Fund

Year Ended December 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Capital Leases Outstanding		Interest Rate	Balance December 31, 2015	Balance December 31, 2016
			Date	Amount			
Refunding-Preakness Healthcare Center Expansion	05/20/15	\$ 19,550,000	05/01/17	630,000	4.000%	19,550,000	19,550,000
			05/01/18	655,000	4.000%		
			05/01/19	685,000	5.000%		
			05/01/20	725,000	5.000%		
			05/01/21	760,000	5.000%		
			05/01/22	795,000	5.000%		
			05/01/23	840,000	5.000%		
			05/01/24	880,000	5.000%		
			05/01/25	925,000	5.000%		
			05/01/26	960,000	5.000%		
			05/01/27	990,000	3.000%		
			05/01/28	1,025,000	3.125%		
			05/01/29	1,060,000	3.250%		
			05/01/30	1,095,000	3.250%		
			05/01/31	1,140,000	3.750%		
			05/01/32	1,180,000	3.750%		
		05/01/33	1,230,000	3.750%			
		05/01/34	1,275,000	3.750%			
		05/01/35	1,325,000	3.750%			
		05/01/36	1,375,000	3.750%			

COUNTY OF PASSAIC

Schedule of Capital Leases Payable

General Capital Fund

Year Ended December 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Capital Leases Outstanding Dec. 31, 2016		Interest Rate	Balance December 31, 2015	Decreased	Balance December 31, 2016
			Date	Amount				
Refunding - Prosecutor Building	05/20/15	\$ 3,510,000	05/01/17	300,000	3.000%	3,510,000	295,000	3,215,000
			05/01/18	310,000	3.000%			
			05/01/19	320,000	5.000%			
			05/01/20	335,000	5.000%			
			05/01/21	355,000	5.000%			
			05/01/22	370,000	5.000%			
			05/01/23	390,000	5.000%			
		05/01/24	405,000	5.000%				
		05/01/25	430,000	3.000%				
						\$ 80,415,000	2,775,000	77,640,000

COUNTY OF PASSAIC

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2016

Ordinance Number		Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
	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	5,937		5,937	
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	1,067		1,067	
	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 Tpke				
00-41	intersection improvements	88,000		88,000	
01-29	Supplemental - Reconstruction of Greenwood Lake Turnpike	900		900	
02-41	Refunding ordinance - Payment of Pension Obligation	107		107	
03-06	Supplemental - Road Improvements	266		266	
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	480,000			480,000
04-23	Intersection Improvements	282,500		140,651	141,849
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	
06-11	Improvements to the Vocational School	549		549	
06-12	Improvements of Passaic County Community College	761		761	
07-06	Various Capital Improvments	95,000			95,000
07-11	Intersection Improvement Projects	332,500		199,198	133,302
07-12	Acquisition of Various Equipment	946,850			946,850
07-15	Various Improvements for the Vocational Technical School	308		134	174
08-01	Various Building and Grounds Improvements	410,000			410,000
08-02	Various Roadway Imp & Acq. of Equipment	1,696,252		1,696,000	252
08-03	Various Capital Improvements				
09-01	2009 Road Resurfacing	18,270			18,270
09-06	Building & Grounds Improvements	2,034		2,034	
09-08	Various Capital Improvements - PCCC	988			988
09-09	Various Capital Improvements - PCTI	337,924			337,924
10-06	Various Capital Improvements	104,500		6,012	98,488

COUNTY OF PASSAIC

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2016

Ordinance Number		Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
General Improvements:					
10-07	Refunding Bonds - GI 2003, 32mil	1,041,865			1,041,865
11-03	Various Capital Improvements	2,935,805		309,379	2,626,426
11-04	Various Capital Improvements	170,609			170,609
12-04	Improvement of Passaic County Community College	2,338,508		2,338,508	
12-05	Improvement of the Passaic County Technical Institute	758,616			758,616
12-06	Various Capital Improvements	131,466			131,466
12-07/14-09	Various Capital Improvements	9,144,089		5,512,764	3,631,325
13-05	Various Bridge/Drain/Road Impvts.	5,050,000			5,050,000
13-06	Improvement of Passaic County Community College	3,110			3,110
13-07	Various Capital Improvements	1,172,000		1,172,000	
13-08	Improvement of the Passaic County Vocational School District	136,308			136,308
13-10	Various Capital Improvements	994,325			994,325
14-02	Improvement of Passaic County Community College	280,840		280,840	
14-04	Improvement of the Passaic County Vocational School District	1,958,616		1,958,616	
14-06	Self Insurance Funding	10,957,142		10,955,000	2,142
14-07	Improvement of the Passaic County Vocational School District	2,155,622		2,150,000	5,622
14-08	Various Capital Improvements	9,550,000		9,510,000	40,000
14-10	Police Radio Communications System	500			500
15-03	PCTI Improvements	979,308		979,308	
15-04	PCCC Improvements	1,896,985		1,896,985	
15-06	Renovations to Courthouse Complex - Historic Preservation Trust	2,375,000		200,000	2,175,000
15-07	Various Capital Improvements	8,930,000			8,930,000
16-02	PCCC Improvements - Chp. 12		3,000,000	3,000,000	
16-03	PCCC Improvements		2,476,632		2,476,632
16-04	Various Capital Improvements		9,611,960	4,034,115	5,577,845
16-05	PCTI Improvements		979,308		979,308
16-08	Acquisition of Office Condominium		2,500,000	2,500,000	
16-09	PCTI-STEM Academy		30,000,000	21,000,000	9,000,000
16-10	9-1-1 Emergency System		1,045,000		1,045,000
		\$ 71,428,760	49,612,900	71,561,297	49,480,363
	Cancelled by Resolution			1,382,002	
	Bonds Issued			5,150,000	
	Bond Anticipation Notes			63,979,295	
	Budget Appropriation			850,000	
	Budget Appropriation-OSTF			200,000	
				\$ 71,561,297	

COUNTY OF PASSAIC

STATE OF NEW JERSEY

*** * * * ***

PART II

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

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2016

THIS PAGE INTENTIONALLY LEFT BLANK

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkocz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

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, 2016 and the related notes to the financial statements, and have issued our report thereon dated February 16, 2017, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements-regulatory basis, we considered the County of Passaic's 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 accompanying 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. Wielkotz
Registered Municipal Accountant
No. 413



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

February 16, 2017



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

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkocz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE AND N.J. OMB CIRCULAR 15-08

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 OMB Compliance Supplement and N.J. Office of Management and Budget (OMB) Circular 15-08 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, 2016. 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal 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, 2016.

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 the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 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 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

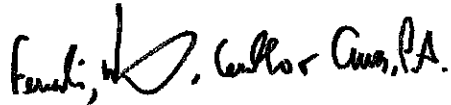


The Honorable Board of Chosen Freeholders
County of Passaic
Page 3.

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 the Uniform Guidance and N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



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



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

February 16, 2017



THIS PAGE INTENTIONALLY LEFT BLANK

COUNTY OF PASSAIC
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Name of Federal Agency or Department	C.F.D.A. Account No.	F.A.I.N. Number	Passed Through Grantor's Number	Grant Period	Total Grant Award	Revenue Realized	Grant Expenditures	Adjustments/Cancelled	MEMO	
									Cumulative Total Expenditures	Expenditures
U.S. Dept. of Agriculture: Farmer's Market Nutrition Program	10.576	DFHS16W/MN005	10-147-WIC-L-0	2016	1,000		1,000			
U.S. Dept. of Commerce: Passaic County Disaster Assessment	11.307			2012	280,000	69,969	1,000			279,875
U.S. Dept. of Housing & Urban Development: Community Development Block Grant	14.218	B09UC340112		2009	874,892	9,165	13,192			861,700
Community Development Block Grant	14.218	B10UC340112		2010	946,150		46,808			896,304
Community Development Block Grant	14.218	B11UC340112		2011	950,250					948,831
Community Development Block Grant	14.218	B12UC340112		2012	803,450	2,108	(2,892)			777,156
Community Development Block Grant	14.218	B13UC340112		2013	902,187	93,488	93,488			642,473
Community Development Block Grant	14.218	B14UC340112		2014	865,001	418,911	406,022			178,321
Community Development Block Grant	14.218	B15UC340112		2015	822,068	200,184	199,645			174
Community Development Block Grant	14.218	B16UC340112		2016	819,869	7,532	7,532			
Community Development Block Grant - Disaster Recovery	14.218	B13UC340112		2013	11,854,865	4,340,411	5,152,897			3,419,867
						5,071,799	5,916,692			1,724,846
Birch Street Apartments HUD - Eva's Project 36308	14.235		NI-39-C5-11-002	2008	454,080					454,080
HUD - Eva's Village Apartments	14.235		NI-39-C5-11-002	2010	471,360					176,304
				2011	470,902					436,707
Passaic County Housing First	14.238			2009	1,411,200					679,419
Passaic County Housing First Leasing	14.238			2012/14	19,776		(5,827)			5,827
Passaic County Housing First	14.238			2011/16	221,400	28,541	28,669			134,516
Passaic County Housing First - Collaborative II	14.238			2011/16	1,101,420	103,987	122,946			693,115
Passaic County Housing First - Collaborative III	14.238			2011/16	369,480	15,353	25,357			94,848
Passaic County Housing First - Collaborative II	14.238			2016/17	362,951		104,642			
Passaic County Housing First	14.238			2012/17	235,260	70,087	51,391			140,853
Passaic County Housing First	14.238			2013/18	1,107,720		3,749			506,512
Passaic County Housing First	14.238			2013/18	1,192,497	168,486	212,837			303,043
Passaic County Housing First - Bonus	14.238			2014	327,953		3,743			304,567
Passaic County Housing First - Bonus	14.238			2013	271,424	37,179	3,273			24,885
Passaic County Housing First - Bonus	14.238			2016	78,729		16,387			152,487
Passaic County Housing First PILOT 2007	14.238			2014/15	317,621		60,411			
Passaic County Housing First PILOT	14.238			2013/16	311,069	117,957	93,303			
Passaic County Housing First - 2008	14.238			2016/17	42,409		42,409			
Passaic County Housing First - 2008	14.238			2015	238,007		4,041			44,406
Passaic County Housing First - 2008	14.238			2015/16	252,703	102,841	131,599			
Passaic County Housing First - 2009	14.238			2016/17	267,391		12,214			
Passaic County Housing First - 2011	14.238			2016	81,280		52,155			
HUD - St. Paul's	14.238			2016	404,509		92,549			
HUD - St. Joseph	14.238			2011	186,600		1,317			76,518
HUD - Birch Street Apartments	14.238			2013	47,736			(2,102)		42,742
HUD - Paterson Park Apartments	14.238			2011	101,761					134,718
HUD - Eva's Village Apartments	14.238			2012	806,760	24,206	93,993			373,872
Eva's Village Homeless Housing Project	14.238			2013	121,824		4,260			113,444
Eva's Village Homeless Housing Project	14.238			2014	120,953		7,902			96,696
Eva's Village Homeless Housing Project	14.238			2015	116,895	28,803	12,285			37,794
Eva's Village Homeless Housing Project	14.238			2016	114,495	26,146	68,931			
Scattered Sites Homeless Housing Project	14.238			2014	47,110		4,182			40,205

COUNTY OF PASSAIC

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Name of Federal Agency or Department	C.F.D.A. Account No.	F.A.I.N. Number	Passed Through Grantor's Number	Grant Period	Total Grant Awarded	Revenue Realized	Grant Expenditures	Adjustments/ Cancellations	MEMO	
									Commitive Total Expenditures	Expenditures
St. Joe's CDC	14.238			2014	47,110					38,085
	14.238			2015	45,531		10,904			19,640
	14.238			2016	44,595	27,255				
	14.238			2017	47,187					
	14.238			2015	47,736		9,533			
	14.238			2016	45,531		(5,802)			
St. Paul's CDC	14.238			2015	45,531	15,621				9,016
	14.238			2016	44,595	15,023				15,058
	14.238			2017	47,187			(2,102)		
Continuum of Care Program										
	14.267	N10329L2F111202		2015	32,741	32,741	5,428			
	14.267	N10330L2F111202		2016	55,907	26,950	2,819			
	14.267	N10387L2F111201		2017	110,995					
Section 8 Housing Choice Voucher Program										
	14.871		N1090-2FFH-2016	2016	9,521,597	9,521,597	9,521,597			9,521,597
Federal Office of Justice Programs Passed Through N.J. State Law Enforcement Planning Agency - Juvenile Crime Reduction										
	16.523		066-1500-100-121	2013	26,639					28,921
Juvenile Justice - Partnership										
	16.540		066-1500-100-007	2014	487,746					163,141
	16.540		066-1500-100-007	2015	500,656	500,656	76,894			385,674
	16.540		066-1500-100-007	2016	500,656	65,544	385,524			
Victims of Crime Act Grant										
	16.575	V-02-15	100-966-1020-142	2015	234,626	27,377	148,679			83,947
	16.575	VS-23-14	066-1020-100-142	2015	73,028	1,322				60,989
	16.575	VS-46-14	066-1020-100-142	2016	109,729	76,566	59,421			
SART/SANE Program										
	16.582	13VAWA-77	066-1020-100-246	2016	43,900	43,900	208,100			146,936
	16.582		066-1020-100-246	2016	5,000	5,000				
	16.582		066-1020-100-246	2015	400,000					
	16.582		066-1020-100-246	2016	282,361					
STOP Violence Against Women Act Formula Grant										
	16.738		066-1020-100-364	2012	169,637					147,975
	16.738		066-1020-100-364	2013	172,000			(21,662)		154,214
	16.738		066-1020-100-364	2014	184,139			(17,786)		134,094
	16.738		066-1020-100-364	2015	174,698	136,254	174,698			
	16.738		066-1020-100-364	2016	174,378					
	16.738		066-1020-100-364	2015	27,348	27,348	27,348			
	16.738		066-1020-100-364	2016	26,759					
Justice Assistance Program										
	16.738		066-1020-100-364	2016	163,602	202,046	202,046	(39,448)		436,283
National Children's Alliance Support										
	16.758			2015	9,000	4,807		98		4,105
	16.758			2016	9,000	8,991				
U.S. Dept. of Labor Passed Through N.J. Dept. of Labor - Disability Employment Initiative										
	17.207		062-45-45-100-026	2011/13	240,750				(142,071)	58,679
									(142,071)	58,679

COUNTY OF PASSAIC

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2016

Name of Federal Agency or Department	C.F.D.A. Account No.	F.A.I.N. Number	Passed Through Grantor's Number	Grant Period	Total Grant Award	Revenue Realized	Grant Expenditures	Adjustments/Cancelled	MEMO	
									Expenditures	Total Expenditures
I.T.P.A. (Workforce Investment) Workforce Learning Link Program Workforce Learning Link Program Workforce Learning Link Program WIA - Adult WIA - Adult WIA - Adult WIA - Adult WIA - Adult WIA - Youth WIA - Youth WIA - Youth WIA - Youth WIA - Dislocated Worker WIA - Dislocated Worker WIA - Dislocated Worker WIA - Dislocated Worker WIA - Dislocated Worker WIA - Dislocated Worker Employer Focus	17.258		062-4545-100-095	2012/13	1,817,131					1,223,638
	17.258		062-4545-100-095	2013/14	157,000					142,199
	17.258		062-4545-100-095	2015/16	145,000	120,058	104,362	(52,027)	(7,846)	40,638
	17.258		062-4545-100-095	2016/17	188,000	39,302	48,676			
	17.258		062-4545-100-095	2012/13	1,799,182					1,012,364
	17.258		062-4545-100-095	2013/14	1,735,055					1,610,298
	17.258		062-4545-100-095	2014/15	1,831,954	991,616	888,224			963,730
	17.258		062-4545-100-095	2015/16	1,611,233	734,412	887,984			271
	17.258		062-4545-100-095	2016/17	1,671,380					
	17.259		062-4545-100-095	2013/14	1,798,551					1,690,243
	17.259		062-4545-100-095	2014/15	1,914,231	128,276	176,797			1,737,434
	17.259		062-4545-100-095	2015/16	1,758,920	1,540,832	1,421,087			200,275
	17.278		062-4545-100-105	2016/17	1,632,249	80,975	96,287			
	17.278		062-4545-100-105	2012/13	1,480,768					
17.278		062-4545-100-105	2013/14	1,727,953					950,424	
17.278		062-4545-100-105	2014/15	1,817,952	832,821	(26,761)	(491,124)	(90,264)	1,664,722	
17.278		062-4545-100-105	2015/16	1,576,896	638,872	763,285			1,110,824	
17.278		062-4545-100-105	2016/17	1,691,989		399			316	
17.260		062-4545-100-105	2015/16	287,359	5,107,364	5,045,394	(1,337,165)		12,347,376	
U.S. Dept. of Transportation Great Falls Circulation Study	20.205			2014	300,000	223,165	239,928			51,474
Subregional Transportation Planning	20.505	N/A	N/A	FY14	123,019		(45)	(45)		121,403
Subregional Transportation Planning	20.505	N/A	N/A	FY15	132,048	130,507	83,322			46,741
Subregional Transportation Planning	20.505	N/A	N/A	FY16	132,048	33,012	87,777			
FTA JARRC	20.516	N/A	N/A	2012	440,000					168,144
FTA JARRC	20.516	N/A	N/A	2014	210,000	286,016	158,966			440,000
FTA JARRC	20.516	N/A	N/A	2013	150,000					110,167
Drive Sober or Get Pulled Over	20.601			2014	5,000		4,800			
Click it or Ticket	20.602			2015	4,000	5,000	4,000			
Click it or Ticket	20.602			2016	5,000	5,000	4,000			
Hazardous Materials Preparation & Planning	20.703		100-066-1200-703	2014	5,140		5,140			
Green Infrastructure Plan	20.505	N/A	N/A	2017/18	300,000	60,000				
U.S. Dept. of Energy Passed Through N.J. Dept. of Community Affairs: Weatherization Assistance Program Weatherization Assistance Program	81.042 81.042		022-8050-100-160 022-8050-100-160	2013 2017	667,475 357,316	315,435	191,304 80,803			476,171
Juvenile Detention Alternative Innovations	84.411		100-066-1500-237	2015	120,000	119,388	49,542			70,046
Juvenile Detention Alternative Innovations	84.411		100-066-1500-237	2016	123,633	32,059	89,144			
						151,647	138,686			70,046

COUNTY OF PASSAIC

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Name of Federal Agency or Department U.S. Dept. of Health and Human Services Passed Through N.J. Dept. of Services: Preadolescence Gerontopsych Program Preadolescence Gerontopsych Program Preadolescence Gerontopsych Program MRC Capacity Building Award MRC Capacity Building Award MRC Capacity Building Award MRC Challenge Aging Area Plan Grant Aging Area Plan Grant Aging Area Nutrition Grant Aging Area Nutrition Grant Community Services Block Grant (PHLP) Community Services Block Grant (PHLP) Community Services Block Grant (PHLP) Human Services Human Services Human Services PASP Human Services PASP Human Services PASP Human Services PASP Transportation & TIP Transportation & TIP Weatherization LIHEAP Assistance Weatherization LIHEAP Assistance Weatherization LIHEAP Assistance Weatherization LIHEAP Assistance Heating Improvement (HIP) Heating Improvement (HIP) Weatherization LIHEAP Flood Relief Community Services Block Grant Community Services Block Grant Community Services Block Grant Social Service Block Grant - Post Storm Recovery State Health Insurance Program (SHIP) State Health Insurance Program (SHIP)	C.F.D.A. Account No.	F.A.I.N. Number	Passed Through Grantor's Number	Grant Period	Total Grant Award	Revenue Realized	Grant Expenditures	Adjustments/Cancelled	MEMO Cumulative Total Expenditures
	93.005		054-7700-100-029	2014	338,210	84,553	338,210	(14,669) *	323,539
	93.005		054-7700-100-029	2015	338,210	253,657	338,210	*	338,210
	93.005		054-7700-100-029	2016	338,210	338,210	338,210	(14,669) *	661,749
	93.008			2013	4,000		684	*	1,470
	93.008			2013	7,000		159	*	2,598
	93.008			2015	3,500			*	
	93.008			2016	15,000	15,000	6,291	*	
						15,000	7,134	*	4,068
	93.044		046-4275-100-061	2015	1,593,556		891,213	399,999 *	39,365
	93.044		046-4275-100-061	2016		3,466,215	1,777,525	*	
	93.045		046-4275-100-228	2015	2,247,298		760,014	(546,169) *	941,115
	93.045		046-4275-100-228	2016		2,196,085	1,217,297	*	
						5,862,300	4,646,049	(146,170) *	980,480
	93.069		046-4230-100-361	2014	514,592		2,589	*	482,814
	93.069		046-4230-100-361	2015	516,567	361,992	248,848	*	213,869
	93.069		046-4230-100-361	2016	511,386	361,992	203,356	*	
						361,992	454,793	*	696,683
	93.558		046-4275-100-371	2013	350,746		1,000	*	314,127
	93.558		046-4275-100-371	2014	350,746	144,426	154,899	*	125,409
	93.558		054-7545-100-003	2014	42,000			*	42,000
	93.558		054-7545-100-003	2015	48,997	16,332	714	*	47,881
	93.558		054-7545-100-003	2016	48,997	48,997	47,899	*	
	93.558		100-054-7550-308	2014	404,914			*	184,930
	93.558		100-054-7550-308	2015	404,914	282,594	257,960	*	120,961
	93.558		100-054-7550-308	2016	404,914	101,229	37,291	*	
						593,578	499,763	*	833,328
	93.568		100-022-8050-182	2015-16	633,191	324,697	585,062	*	49,858
	93.568		100-022-8050-182	2016	651,793		107,226	*	
	93.568		100-022-8050-182	2016	566,001	566,001	493,874	*	
	93.568		100-022-8050-182	2017	662,752			*	
	93.568		100-022-8050-182	2015	342,488	264,533	142,325	*	200,163
	93.568		100-022-8050-182	2016	423,833	66,322	327,427	*	
	93.568		022-8050-100-182	2014	1,125,436	305,999	111,358	*	1,014,078
						1,527,552	1,767,272	*	1,264,099
	93.569		022-8050-100-184	2015	301,386	136,168	77,478	*	221,490
	93.569		022-8050-100-184	2016	319,796	97,277	153,226	*	
	93.569		022-8050-100-184	2017	111,929			*	
						233,445	230,704	*	221,490
	93.667			2014	33,000			*	33,666
								*	33,666
	93.779	DOASISHF015	100-054-7530-055	2015	28,000	14,001	7,203	*	20,797
	93.779	DOASISHF004	100-054-7530-055	2016	26,000	12,996	12,996	*	
						26,997	20,199	*	20,797

COUNTY OF FASSAIC

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2016

Name of Federal Agency or Department	C.F.D.A. Account No.	F.A.I.N. Number	Passed Through Grantor's Number	Grant Period	Total Grant Award	Revenue Realized	Grant Expenditures	Adjustments/Cancelled	MEMO	
									Cumulative Total Expenditures	Total Expenditures
U.S. Dept. of Homeland Security Urban Area Security Initiative (UASI) Projects - Local Urban Area Security Initiative (UASI) Projects - Local Urban Area Security Initiative (UASI) Projects - Local	97.008			2014	886,396	381,629	266,795	*	400,279	
	97.008			2015	698,396		124,816	*		
	97.008			2016	657,300		391,611	*	400,279	
<hr/>										
Hazard Mitigation Grant Hazard Mitigation Grant - EOC Generator Project	97.039			2014	187,500	146,541		*	146,541	
	97.039			2015	100,223	146,541		*	146,541	
<hr/>										
Emergency Management Performance Grant Emergency Management Performance Grant	97.042			2014	11,565		11,565	*		
	97.042			2015	100,000		100,000	*		
<hr/>										
Homeland Security Grant Program Homeland Security Grant Program	97.077			2014	379,461	337,798	125,677	*	253,732	
	97.077			2015	365,351	104,079	184,592	*	253,732	
<hr/>										
Other Agencies: Replacement of Hillary Street Bridge West Reflective Tape Main Street Drainage Future Bridge Needs Future Bridge Needs				07-04	9,515,000	317,878		*	9,515,000	
				08-03	302,613			*	302,613	
				13-05	200,000			*		
				14-08	1,000,000		922,410	*	1,000,000	
				14-08	1,000,000		99,158	*	99,158	
<hr/>										
					317,878	1,021,568			10,916,771	
						32,461,529	33,516,552	(1,991,372)	54,192,695	

THIS PAGE INTENTIONALLY LEFT BLANK

COUNTY OF PASSAIC

Schedule of Expenditures of State Awards
For the Year Ended December 31, 2016

Program Description	State Program / Account No.	Grant Period	Total Grant Award	Revenue Realized	Grant Expenditures	Adjustments/Committed	MEMO Cumulative Total Expenditures
State Programs							
Senior Citizen and Disabled Resident Transportation							
Assistance Program (Casino Revenue Fund)	491-078-6050-001	2013	1,075,061			202	1,075,061
Assistance Program (Casino Revenue Fund)	491-078-6050-001	2014	1,950,424	454,658	(65,683)		1,669,610
Assistance Program (Casino Revenue Fund)	491-078-6050-001	2015	785,538				631,267
Assistance Program (Casino Revenue Fund)	491-078-6050-001	2016	1,885,387	1,180,720	1,776,343		3,575,998
				1,635,378	1,710,660	202	
State Department of Transportation:							
Two Bridges Road	6320-480-078-6320-496	99-20	650,000				650,000
8th Street & 5th Avenue Bridges	6320-480-078-6320-496	01-19	688,908			(72,753)	688,908
Hurricane Floyd - Cedar Grove Road Wall	6320-480-078-6320-496	01-32	444,000			444,000	444,000
Geoffe Brook Stabilization	6320-480-078-6320-496	02-13	392,500			221,729	392,500
Clove Road/Long Hill Road & Hazel Street	6320-480-078-6320-496	05-11	579,000			220,266	579,000
Bridge Replacement and/or Repair	6320-480-078-6320-496	06-06	582,364			531,792	582,364
2006 Various Road Improvements	6320-480-078-6320-496	06-07	3,791,000	56,694		29,710	3,791,000
Paterson/Hamburg/Turnpike/Jackson Avenue Imp	6320-480-078-6320-496	07-08	1,600,000				878,443
Black Oak Ridge/Pompton Road Improvements	6320-480-078-6320-496	07-11	1,000,000				140,959
Hurricane Floyd	6320-480-078-6320-496	01-04	927,334			(72,646)	927,334
Renovation to Market Street	6320-480-078-6320-496	00-06	500,000			441,134	500,000
Reliab of Paterson-Hamburg Tpk Bridge	6320-480-078-6320-496	00-15	300,000			260,705	300,000
Study and Improvement to Hazel Street	6320-480-078-6320-496	00-44	230,000			172,949	230,000
2006 Various Road Improvements	6320-480-078-6320-496	06-07	224,500			224,500	224,500
Union Valley Road, PC #434	6320-480-078-6320-496	08-03	880,895			(1,288,157)	880,895
President Street, PC #33	6320-480-078-6320-496	08-03	12,950				12,950
Two Bridges Road Bridge	6320-480-078-6320-496	08-02	249,965			106,883	249,965
Bridge Replacement and/or Repairs	6320-480-078-6320-496	09-05	5,900,000				4,277,711
2006 Various Road Improvements	6320-480-078-6320-496	09-05	5,024,000	518,252	130,002		5,024,000
Rehabilitation and Reconstruction of Day Mansion	6320-480-078-6320-496	10-03	1,239,475				150,002
Pennington Ave Culvert	6320-480-078-6320-496	10-08	130,000				209,335
Local Bridges - Warburton Ave/Cuffie Brook, PC 81	6320-480-078-6320-496	10-08	1,000,000				95
Moorestown Road	6320-480-078-6320-496	10-08	200,000				1,230,000
Spruethwood Road	6320-480-078-6320-496	10-08	200,000				301,304
Black Oak Ridge Road/Jackson Avenue Signal Replacement	6320-480-078-6320-496	10-08	1,230,000				401,686
MetBride/Hilley Street Improvements	6320-480-078-6320-496	10-08	320,000				3,096,000
Resurfacing of Various Roads	6320-480-078-6320-496	10-08	530,000				302,171
Fairfax Avenue Bridge	6320-480-078-6320-496	10-08	3,036,000				107,862
Two Bridges Road/West Belt	6320-480-078-6320-496	10-08	1,686,900				20,400,000
West Brook Road/Wanauke Reservoir, PC 491	6320-480-078-6320-496	10-08	300,000				698,986
Eighth Street Bridge Rehabilitation	6320-480-078-6320-496	10-08	2,019,230				124,000
Bridge Replacement, Rehab, Repairs	6320-480-078-6320-496	11-03	20,400,000				3,751,505
Bridge Replacement, Rehab, Repairs	6320-480-078-6320-496	11-03	1,000,000				8,491,512
Bridge Replacement, Rehab, Repairs	6320-480-078-6320-496	11-03	124,000				974,000
Resurfacing of Various Roads	6320-480-078-6320-496	11-04	4,200,000				240,786
Resurfacing Various Roads	6320-480-078-6320-496	12-03	10,000,000				3,476,615
West Brook Road/Wanauke Reservoir, PC 491	6320-480-078-6320-496	12-07	9,700,000				100,000
Two Bridges Road/West Belt	6320-480-078-6320-496	12-07	3,800,000				350,000
Clinton Road Bridge	6320-480-078-6320-496	12-07	1,000,000				250,000
8th Street Rehabilitation PC4	6320-480-078-6320-496	12-07	30,000				522,346
Pompton Hamburg Turnpike/Valley Road	6320-480-078-6320-496	12-07	1,000,000				3,320,957
McBride/Slippery Rock Improvements	6320-480-078-6320-496	13-03	1,000,000				
County Golf Course Bridges	6320-480-078-6320-496	13-05	400,000				
Haledon Avenue(Green Street) Improvements	6320-480-078-6320-496	13-05	1,000,000				
Clove Road in Little Falls	6320-480-078-6320-496	13-05	1,600,000				
Parks & Recreation Improvements	6320-480-078-6320-496	13-07	250,000				
Parks & Recreation Improvements	6320-480-078-6320-496	13-07	1,650,000				
Various Road Improvements	6320-480-078-6320-496	13-10	4,300,800				
Various Road Improvements	6320-480-078-6320-496	13-10	7,100,000				
2013 Future Bridge Needs	6320-480-078-6320-496	14-08	1,000,000				
Vancios Road Improvements	6320-480-078-6320-496	15-07	34,184,000				
1772 Foundation Grant	6320-480-078-6320-496	15-07	13,000				
Haledon Avenue(Green Street) Improvements	6320-480-078-6320-496	15-07	330,572				14,161

COUNTY OF PASSAIC

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2016

Program Description	State Program / Account No.	Grant Period	Total Grant Awarded	Revenue Realized	Grant Expenditures	Adjustments/Cancelled	MEMO Cumulative Total Expenditures
Resurfacing Various Roads	6320-480-078-6320-496	15-07	4,110,800	318,232	347,655	1,220,410	3,504,831
EFA Construction & Financing Grant		05-12	7,505,998				7,505,998
Vocational School Long Range Facilities Plan Projects		2015	250,000				81,530,571
Peterson Transit Facility Pedestrian Safety Grant	15-480-078-6300-6353-7310	2015	250,000				
Department of Health and Senior Services:							
Homeless Grant	100-054-7530-072	2014	555,993	375			535,992
Social Services for the Homeless	100-054-7530-072	2015	1,045,019	783,764			1,032,222
Social Services for the Homeless	100-054-7530-072	2016	1,045,019	1,268,678	1,457,092		21,949
Social Services for the Homeless	100-054-7530-072	2017	1,477,780	608,948	487,107		
				2,661,765	1,944,199		1,590,163
Department of Health and Senior Services cont....:							
Family Court Services	100-066-1500-021	2014	278,149				
Family Court Services	100-066-1500-021	2015	278,149	272,966	78,678		218,991
Family Court Services	100-066-1500-021	2016	278,149	6,561	193,555		179,673
				279,527	277,233		398,264
NI Department of Community Affairs:							
Universal Service Fund	100-022-8030-B15	2016	409,863	409,862	276,931		132,931
Universal Service Fund	100-022-8030-B15	2017	444,168		107,501		132,931
				409,862	384,432		
NI Department of Environmental Protection:							
Recycling Enhancement Act Bonus Grant	758-042-4960-2001	2010	221,400		23,220		198,080
Recycling Enhancement Act	758-042-4960-2001	2012	365,000		288,232		92,151
Recycling Enhancement Act	758-042-4960-2001	2013	423,500		105,889		
Recycling Enhancement Act	758-042-4960-2001	2014	336,600		5,944		379,296
Recycling Enhancement Act	758-042-4960-2001	2015	381,900				
Recycling Enhancement Act	758-042-4960-2001	2014	381,900		423,383		619,227
Radon Awareness Program	100-042-4820-4C8C	2016	1,000				
Radon Awareness Program	100-042-4820-4C8C	2017	1,000		998		
					998		
C.E.H.A. - 2015 Calendar	100-042-4835-001	2015	39,444			48	25,852
C.E.H.A. - 2015 Fiscal Year	100-042-4835-001	2016	177,580	177,580	177,580		25,852
				177,580	177,580	48	
Mosquito ID & Control Effects		2016	27,325		12,630		
					12,630		

COUNTY OF PASSAIC

Schedule of Expenditures of State Awards
For the Year Ended December 31, 2016

Program Description	State Program / Account No.	Grant Period	Total Grant Award	Revenue Realized	Grant Expenditures	Adjustments/Cancelled	MEMO Cumulative Total Expenditures
NJ Department of Environmental Protection cont....							
Clean Communities	765-042-4900-005	2014	68,263		2,828		65,435
Clean Communities	765-042-4900-005	2015	82,859		39,501		42,104
Clean Communities	765-042-4900-005	2016	94,415	94,415	47,241		
				94,415	89,570		107,559
New Jersey Highlands Council							
Transfer of Development Rights Feasibility Grant	100-082-2078-003	2015	50,000				
Other State Agencies:							
Municipal Alliance	100-082-C01-044	2013	806,748				729,967
Municipal Alliance	100-082-C01-044	2014	512,024	345,429	45,141		410,998
Municipal Alliance	100-082-C01-044	2015	512,024	117,360	448,617		29,682
Municipal Alliance	100-082-C01-044	2016	512,024	462,789	60,050		
				462,789	553,808		1,170,647
Body Armor Replacement Fund P.C.F.O.	718-066-1020-001	2014	7,332		1,000		6,332
Body Armor Replacement Fund P.C.F.O.	718-066-1020-001	2015	7,151		6,237		
Body Armor Replacement Fund P.C.F.O.	718-066-1020-001	2016	6,995	6,595			
Body Armor Replacement Fund P.C.S.D.	718-066-1020-001	2013	61,921				61,631
Body Armor Replacement Fund P.C.S.D.	718-066-1020-001	2014	45,038		6,344		38,474
Body Armor Replacement Fund P.C.S.D.	718-066-1020-001	2015	44,555		44,629		
Body Armor Replacement Fund P.C.S.D.	718-066-1020-001	2016	43,807	43,807			
				50,402	58,210		106,437
Comprehensive Alcoholism & Drug Abuse Grant	100-046-4219-024	2014	711,999	125,970			708,540
Comprehensive Alcoholism & Drug Abuse Grant	100-046-4219-024	2015	726,452	555,481	143,705		576,965
Comprehensive Alcoholism & Drug Abuse Grant	100-046-4219-024	2016	757,782	172,412	526,848		
				854,863	672,555		1,285,505
Work First NJ	7550-150-158010-63	1997					
Work First NJ	7550-150-158010-63	FY10/11	7,682,259			(55,487)	7,485,991
Work First NJ	7550-150-158010-63	FY11/12	6,610,560			1,372,950	5,124,488
Work First NJ	7550-150-158010-63	FY12/13	5,634,345			(667,990)	4,054,333
Work First NJ - TANF	7550-150-158010-64	FY13/14	5,862,604		(3,145)	(437,090)	4,379,380
Work First NJ - TANF	7550-150-158010-64	FY14/15	3,903,050	28,975	6,859		3,604,216
Work First NJ - TANF	7550-150-158010-64	FY15/16	3,626,064	2,459,199	2,168,000		1,303,723
Work First NJ - G/ASNAP	7550-150-158010-65	FY16/17	3,853,467	894,384	1,160,393		
Work First NJ - G/ASNAP	7550-150-158010-65	FY14/15	1,997,254	4,766	7,385		1,653,897
Work First NJ - G/ASNAP	7550-150-158010-65	FY15/16	1,783,210	1,147,640	1,044,450		411,280
Work First NJ - Smart Steps	7550-150-158010-66	FY16/17	1,832,660	481,533	615,590		
Work First NJ - Smart Steps	7550-150-158010-66	FY15/16	16,930	16,050	16,050		
Work First NJ - Smart Steps	7550-150-158010-66	FY16/17	24,075			212,383	238,018,708
Parole Employment Placement Program/PEPP	PEPP-2015-05	FY15/16	245,000	105,444	116,800		1,142
				105,444	116,800		
Child Behavioral Health Services	100-016-1620-014	2015	158,456	158,456	143,726		133,579
Child Behavioral Health Services	100-016-1620-014	2016	158,456	158,456	143,726		133,579
Insurance Fraud Reimbursement Program	100-1020-066-102	2014	250,000	72,796			250,000
Insurance Fraud Reimbursement Program	100-1020-066-102	2015	261,250	195,249	250,000		250,000
				268,045	250,000		

COUNTY OF PASSAIC

Schedule of Expenditures of State Awards
For the Year Ended December 31, 2016

Program Description	State Program / Account No.	Grant Period	Total Grant Award	Revenue Realized	Grant Expenditures	Adjustments/Cancelled	MEMO Cumulative Total Expenditures
L.E.O.T.E.F.	1020-100-066-1020-314-TCIS-6120	2007	61,915		250		61,665
L.E.O.T.E.F.	1020-100-066-1020-314-TCIS-6120	2008	48,990		42,867		737
L.E.O.T.E.F.	1020-100-066-1020-314-TCIS-6120	2009	9,943				
L.E.O.T.E.F.	1020-100-066-1020-314-TCIS-6120	2010	57,487				
L.E.O.T.E.F.	1020-100-066-1020-314-TCIS-6120	2012	58,170				
L.E.O.T.E.F.	1020-100-066-1020-314-TCIS-6120	2013	14,133				
L.E.O.T.E.F.	1020-100-066-1020-314-TCIS-6120	2014	43,793				
L.E.O.T.E.F.	1020-100-066-1020-314-TCIS-6120	2015	24,386		43,117		62,402
County Right to Know Program	100-046-4771-105	2015	13,213	11,410			15,213
County Right to Know Program	100-046-4771-105	2016	13,213	3,803	15,213		15,213
Total State Programs			12,724,938	12,232,421	1,433,043		119,074,368
Local Programs:							
Passaic County Open Space Trust	N/A	03-25	630,000				18,420
Goffle/Wassal Brook Park	N/A	03-29	200,000				
Goffle Brook Stabilization Project	N/A	07-07	197,917		4,921	(2,083)	197,917
Stabilization Improvements of Goffles Brook Park	N/A	07-09	250,000				
Barbour Pond Improvements & Lambert Castle Canal	N/A	07-09	250,000				
Carroll Min Trail Imp, Lambert Castle Roof	N/A	07-09	250,000				
Lambert Tower Reconstruction & Rehabilitation	N/A	08-05	428				428
Golf Course Improvements	N/A	12-06	165,000		73,124	(1,849,372)	73,124
Various Park Improvements - Amending Ord 2009-05	N/A	14-08	3,425,142		849,864		849,864
Various Park Improvements - Amending Ord 2009-05	N/A	14-08	332,566				
Various Park Improvements - Amending Ord 2009-05	N/A	14-08	468,000				
Hamilton Street Courthouse Plaza	N/A	15-07	130,000				
Day Mansion Rehabilitation and Rea House	N/A	15-07	87,000				
Wassal Brook Park Improvements	N/A	15-07	350,000				
Borough of Wamsique-Amending Ordinance 2009-05	N/A	13-04	3,322,738				
County Aid - Road Resurfacing	N/A	14-08	3,686,000				
County Aid - Road Resurfacing	N/A	16-04	4,110,800				
County Aid							
Passaic County Film Festival - 2016	N/A	2016	2,250	2,250			
Passaic County Film Festival - 2017	N/A	2017	2,250		2,250		
Passaic County Summer Concert Series 2016	N/A	2016	1,750	1,750			
Passaic County Youth Golf Program	N/A	2014-15	100,000		14,982		18,663
Local Safety Program - Center Rumble Strip	N/A	2016	858,717				
Local Safety Program - High Friction Surface Treatment	N/A	2016	5,434,702				
Meals on Wheels Per Food Program	N/A	2016	2,500				
Total Local Programs			4,000	946,891	(1,851,635)		1,155,416
Total State and Local Programs			12,728,938	13,179,312	(418,612)		120,179,784

**COUNTY OF PASSAIC
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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	\$22,973,387	\$11,884,766	\$18,982	\$34,877,135
Community Development Trust Fund	9,521,597			9,521,597
General Capital Fund	<u>1,021,568</u>	<u>347,655</u>	<u>927,909</u>	<u>2,297,132</u>
	<u>\$33,516,552</u>	<u>\$12,232,421</u>	<u>\$946,891</u>	<u>\$46,695,864</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, 2016, 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>
Green Trust Loan Program	4800-533-851000-60	<u>\$234,612</u>

THIS PAGE INTENTIONALLY LEFT BLANK

**COUNTY OF PASSAIC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Adverse GAAP/unmodified regulatory

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 X no

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

Federal Awards Section

Dollar threshold used to determine type A programs: \$ 750,000

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 2 CFR 200.516(a) of the Uniform Guidance yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871 (A)	Section 8 Housing Choice Vouchers
17.258, 17.259, 17.260 (A)	WIA Cluster
14.238 (A)	Shelter Plus Care
14.218 (A)	Community Development Block 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, 2016
(continued)**

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

State Awards Section

Dollar threshold used to determine type A programs: \$ 750,000

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 15-08, 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
491-078-6050-001 (A)	Assistance Grant (Casino Revenue Fund)
100-054-7550-(049)/(072) (A)	Social Services for the Homeless

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, 2016
(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.

None

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 2 CFR 200.516(a) the Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

None

COUNTY OF PASSAIC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(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 CFR 200.516(a) the Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

STATUS OF PRIOR YEAR FINDINGS

FEDERAL AWARDS

Finding 2015-001

Information on the federal program:

Shelter Plus Care, CFDA # 14.238

Condition:

The County's process in place to perform on-site fiscal and programmatic monitoring of their sub-recipients is not operating as designed.

Recommendation:

A process be developed and implemented to ensure proper documentation is collected and on-site fiscal and programmatic monitoring procedures are performed.

Current Status:

Corrective action has been taken.

COUNTY OF PASSAIC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(continued)

FEDERAL AWARDS

Finding 2015-002

Information on the federal program:

Shelter Plus Care, CFDA # 14.238

Condition:

Administrative expenditures charged against the grant cluster did not solely serve to the benefit of the specific federal program and its objectives.

Recommendation:

Proper maintenance and allocation of administrative costs amongst all grants for which they benefit.

Current Status:

Corrective action has been taken.

COUNTY OF PASSAIC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(continued)

FEDERAL AWARDS

Finding 2015-003

Information on the federal program:

Shelter Plus Care, CFDA # 14.238

Condition:

Administrative expenditures charged against the grant cluster exceeded the allowable 8% of total grant expenditures.

Recommendation:

Proper tracking of allowable administrative expenditure thresholds should take place on at least an annual basis.

Current Status:

Corrective action has been taken.

**COUNTY OF PASSAIC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(continued)**

STATE AWARDS

None

THIS PAGE INTENTIONALLY LEFT BLANK

**COUNTY OF PASSAIC
GENERAL COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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, 2016
(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:

- Preakness Valley Golf Course Greens Drainage 2016
- 2016 Upper County Road Resurfacing Project including Ringwood, Wayne and West Milford
- 2016 Lower County Road Resurfacing Project including Clifton, Hawthorne, Little Falls, North Haledon, Paterson and Totowa
- Passaic County Vanderhoof Roof Replacement Project at Weasel Brook Park
- Passaic County Office of Emergency Management Storage Shed Structure
- Replacement of Culvert No. 1600-184 Colfax Avenue over Acid Brook
- Passaic County Police Academy Building Envelope Repairs
- Replacement of Union Street Culvert over Depe Voll Bridge, Structure No. 1600-436
- Repairs to Fairfield Road Bridge over Singac Brook, Structure No. 1600-514
- Energy Savings Improvement Program for Various County-owned Buildings
- Garret Mountain Reservation Barbour's Pond Dredging and Aeration
- Centerline Rumble Strips
- High Friction Surface Treatment
- Passaic County Camp Hope New Concrete Pads, Utilities and Pavilion
- Preakness Valley Golf Course Red Hole No. 7 Drainage Modifications
- Morris Canal Greenway Phase II Browertown Road Project in Little Falls & Woodland Park
- New Synthetic Golf Course Range Tee for Preakness Valley Golf Course
- Goffle Brook Park Synthetic Turf Field in the Borough of Hawthorne

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.

**COUNTY OF PASSAIC
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2016**

COMMENTS

Finance/Treasurer

1. The amount of the Surety Bond for the Chief Financial Officer was not sufficient.
2. The Petty Cash Custodian listed for the Finance Department does not agree with the State approved application.

RECOMMENDATIONS

Finance/Treasurer

1. That the calculation for the amount of the coverage is performed annually and the amount be adjusted to provide adequate coverage.
2. That the Petty Cash Custodian for the Finance Department be updated to include the correct name on the State Approved Application in accordance with N.J.S.A. 40A:5-21.

**COUNTY OF PASSAIC
GENERAL COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016
(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 (*).

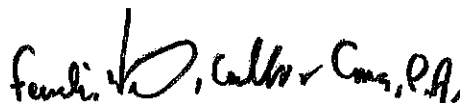
The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

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. Wielkottz, C.P.A.
Registered Municipal Accountant
No. CR00413



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

February 16, 2017