

REPORT OF AUDIT
COUNTY OF PASSAIC
STATE OF NEW JERSEY
DECEMBER 31, 2017

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COUNTY OF PASSAIC, N.J.

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COUNTY OF PASSAIC
STATE OF NEW JERSEY

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PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the County of Passaic in the State of New Jersey, as of December 31, 2017 and 2016, 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, 2017, 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 opinions 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, 2017 and 2016 which represents 8.7 percent and 13.1 percent, respectively, of the assets of the Trust Fund for the years then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Community Development Grant Fund, is based solely upon the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community



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, 2017 and 2016, 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, 2017 and 2016, 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, 2017 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

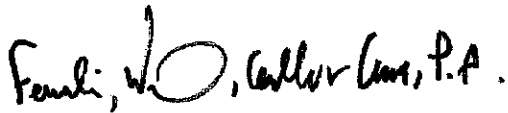
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Passaic's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. 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 June 4, 2018 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

June 4, 2018

COUNTY OF PASSAIC

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 83,248,588	80,514,757
Investments	A-4	4,000,000	
Change Fund	A-5	675	675
Cash - Fiscal Agent for Health Benefits		<u>3,531,708</u>	<u>3,245,302</u>
		<u>90,780,971</u>	<u>83,760,734</u>
Receivables and Other Assets with Full Reserves:			
Revenue Accounts Receivable	A-8	740,414	740,414
Interfunds Accounts Receivable	A-9	<u>1,665,856</u>	
		<u>2,406,270</u>	<u>740,414</u>
		<u>93,187,241</u>	<u>84,501,148</u>
Federal and State Grant Fund:			
Grants Receivable	A-7	66,609,433	59,619,754
Due from Current Fund	A-18		<u>1,640,993</u>
		<u>66,609,433</u>	<u>61,260,747</u>
Total Assets		<u>\$ 159,796,674</u>	<u>145,761,895</u>

COUNTY OF PASSAIC

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-10	\$ 25,666,054	23,854,963
Accounts Payable	A-11	2,736,008	2,482,010
Encumbrances Payable	A-12	10,649,076	7,236,001
Prepaid Revenues	A-15	51,376	33,056
Interfunds Accounts Payable	A-9		4,009,172
Miscellaneous Reserves	A-16	1,622,211	1,129,280
		<u>40,724,725</u>	<u>38,744,482</u>
Reserve for Receivables	Contra	2,406,270	740,414
Fund Balance	A-1	50,056,246	45,016,252
		<u>93,187,241</u>	<u>84,501,148</u>
Federal and State Grant Fund:			
Amount Due to Current Fund	A-18	1,665,856	
h Commitments Payable	A-13	9,559,289	14,963,815
Reserve for State and Federal Grants - Appropriated	A-14	55,384,288	46,241,932
Reserve for State and Federal Grants - Unappropriated	A-17		55,000
		<u>66,609,433</u>	<u>61,260,747</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 159,796,674</u>	<u>145,761,895</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues and Other Income:		
Fund Balance Utilized	\$ 18,000,000	18,000,000
Miscellaneous Revenue Anticipated	113,358,777	154,293,557
Receipts from Current Taxes	341,186,221	341,186,223
Non-Budget Revenue	4,460,983	4,361,145
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	9,260,151	8,832,278
Prior Year Interfunds Returned		833
Cancellation of Accounts Payable	122,959	
Prior Year Adjustments	148,011	
Cancellation of Appropriated Grants	1,046,175	10,990,653
Additional Working Capital - Horizon Blue Cross Blue Shield	286,406	2,675,302
	<u>487,869,683</u>	<u>540,339,991</u>
Total Revenues and Other Income		
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	138,806,963	137,464,822
Other Expenses	224,739,279	261,094,017
Capital Improvement Fund	699,210	755,000
Debt Service	51,162,800	55,416,549
Deferred Charges and Statutory Expenditures	46,687,973	47,364,577
Interfunds and Receivables Originating in Current Fund	1,665,856	61,752
Grant Receivables Canceled	889,646	9,301,613
Refunds	177,962	229,599
	<u>464,829,689</u>	<u>511,687,929</u>
Total Expenditures		
Statutory Excess to Surplus	23,039,994	28,652,062
Fund Balance, January 1,	<u>45,016,252</u>	<u>34,364,190</u>
	68,056,246	63,016,252
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>18,000,000</u>	<u>18,000,000</u>
Fund Balance, December 31,	<u>\$ 50,056,246</u>	<u>45,016,252</u>

See accompanying notes to the financial statements.

COUNTY OF PASSAIC

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<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	1,251,899	459,334
Register	2,632,093	3,886,399	1,254,306
Surrogate	390,000	394,429	4,429
Sheriff	997,494	3,546,701	2,549,207
Interest on Investments and Deposits	100,000	1,330,071	1,230,071
Road Opening Permits	275,000	818,733	543,733
Rental Income	268,000	333,116	65,116
State Aid - County College Bonds (N.J.S.A. 18A:64-22.6)	1,960,000	2,175,446	215,446
Division of Youth and Family Services	3,685,316	3,685,316	
Supplemental Social Security Income	1,115,782	1,021,780	(94,002)
County Patients - State Hospital		555	555
Casino Revenue	752,225	752,225	
Area Plan Grant - Aging Area Nutrition	1,274,024	1,274,024	
Area Plan Grant	1,363,065	1,363,065	
Family Court Services	278,149	278,149	
State Community Partnership	500,656	500,656	
PC Summer Concert Series	1,800	1,800	
Emergency Management	55,000	55,000	
Homeland Security (SHSP-Local Share)	353,237	353,237	
Insurance Fraud	250,000	250,000	
STOP Violence Against Women Act	32,572	32,572	
Child Advocacy Center Competitive	83,390	83,390	
LIHEAP Weatherization 2017	342,913	342,913	
Heating Improvement 2017	279,111	279,111	
2015 Spruce St Bridge	173,130	173,130	
Alcohol/Drug Abuse Grant	1,000,000	1,000,000	
17BERN	746,406	746,406	
Division of Child Behavioral Health Services	350,746	350,746	
Juvenile Detention Alternatives Innocations Funding	158,456	158,456	
Social Services for the Homeless	124,000	124,000	
PC Housing First 2008	125,000	125,000	
PC Housing First 2008	267,391	267,391	
PC Housing First 2008	81,260	81,260	
PC Housing First 2008	94,592	94,592	
PC Housing First 2008	404,509	404,509	
PC Housing First 2008	78,729	78,729	
Passaic CoC Planning Grant	119,137	119,137	
Eva's Village Apartments	118,815	118,815	
PC Housing First Collaborative II 2009	362,951	362,951	
PC Housing First Collaborative III 2010	75,679	75,679	
Paterson Park Apartments	147,917	147,917	
Housing First Pilot	329,213	329,213	
St. Joes CDC	47,187	47,187	
St. Paul's CDC	47,187	47,187	

COUNTY OF PASSAIC

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
U Drive U Text U Pay	40,000	40,000	
LEOTEF	45,033	45,033	
MRC Challenge Award Grant	13,000	13,000	
Radon Awareness Program (RAP)	2,000	2,000	
Preakness Gero-Psych Program	338,210	338,210	
2016-2017 Local Safety Program - High Friction Surface Treatment	27,011	27,011	
2016-2017 Local Safety Program - Center Rumble Strips	30,455	30,455	
Heating Improvement 2017	208,682	208,682	
Social Services For the Homeless	150,000	150,000	
County Aid - Resurfacing 2017	3,649,000	3,649,000	
Child Advocacy Center Upgrades	132,591	132,591	
Municipal Alliance Program	512,024	512,024	
Sexual Assault Nurse Examiner (SART/FNE)	95,250	95,250	
2017 State Health Insurance Program (SHIP) Grant	32,000	32,000	
JOB ACCESS & REVERSE COMMUTE (JARC)	200,000	200,000	
Social Services For the Homeless	552,510	552,510	
TRANSPORTATION & TIP	202,457	202,457	
Recycling Enhancement Act Entitlement	508,786	508,786	
CSBG NON-DISCRETIONARY	62,528	62,528	
LIHEAP Weatherization 2017	250,000	250,000	
PHLP LINC'S 2018 (old BT grant)	526,569	526,569	
Subregional Transportation Program (STP) Grant	132,048	132,048	
Aging Area Nutrition	698,856	698,856	
Aging Area Plan Grant	476,155	476,155	
Loves Pets Grant	1,500	1,500	
Fema Grant Operator	438,908	438,908	
Temporary Assistance for Needy Families	4,078,976	4,078,976	
General Assistance/Supplemental Nutrition Assistance Program	1,645,011	1,645,011	
Drive Sober Or Get Pulled Over	5,500	5,500	
Workforce Innovation Opportunity Act Adult	1,654,646	1,654,646	
Workforce Innovation Opportunity Act Dislocated Worker	1,532,764	1,532,764	
Workforce Innovation Opportunity Act Youth	1,878,579	1,878,579	
Temporary Assistance for Needy Families	15,000	15,000	
General Assistance/Supplemental Nutrition Assistance Program	2,000	2,000	
Workforce Learning Link Program	333,000	333,000	
WIC/Senior Farmers Market Nutrition Program Mini 2017	1,000	1,000	
Heating Improvement 2017	162,695	162,695	
LIHEAP Weatherization 2017	171,289	171,289	
DOE Weatherization 2018	214,390	214,390	
Right to Know 2017 (2018-RTK-LOA)	15,213	15,213	
Click It or Ticket MOB-CIOT-2017-Passaic County-00078	5,500	5,500	
LIHEAP Assistance 2018	721,935	721,935	
Universal Service Fund 2018	461,565	461,565	
Community Development Block Grant (CDBG)	788,241	788,241	
Morris Canal Greenway Browertown Road Project	291,000	291,000	
Pedestrian Safety Grant	15,000	15,000	
Justice Assistance Program	26,534	26,534	

COUNTY OF PASSAIC
Statement of Revenues-Regulatory Basis
Current Fund
Year Ended December 31, 2017

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Cnty Gang, Gun, & Narcotic Task Force Grant	167,818	167,818	
CSBG Non-Discretionary	26,765	26,765	
SmartSTEPS	8,025	8,025	
Heating Improvement 2017	400,000	400,000	
DOE Weatherization 2018	163,389	163,389	
Aging Area Nutrition	727	727	
Aging Area Plan Grant	407	407	
Body Armor PCPO	6,606	6,606	
Passaic County Film Festival	2,200	2,200	
Peckman River Crossing Project	700,000	700,000	
UASI Local Share	300,000	300,000	
Homeland Security (SHSP-Local Share)	345,473	345,473	
Victim Witness Advocacy	407,809	407,809	
Garret Mountain Improvements	1,375,000	1,375,000	
Weasel Brook Park Improvements	600,000	600,000	
Body Armor PCSD	44,690	44,690	
Green Acres 2006	750,000	750,000	
Green Acres 2011	1,125,000	1,125,000	
Green Acres 2012	750,000	750,000	
Clean Communities Entitlement	80,299	80,299	
CSBG Non-Discretionary	29,659	29,659	
Added and Omitted Taxes	900,000	887,682	(12,318)
Board Inmates at County-State	87,000	92,219	5,219
Title IV D Parent Locator Program	1,100,000	1,268,507	168,507
Fringe Benefits	12,000,000	12,713,528	713,528
Indirect Costs - Grants	1,500,000	2,028,667	528,667
Preakness Hospital - Medicaid Reimbursements	29,000,000	30,890,087	1,890,087
Maintenance in Lieu of Rent - Martin Luther King - Soc. Serv.	130,000	150,723	20,723
State School Building Aid (Chapter 12)	50,000	250,621	200,621
Park Fees	1,700,000	2,406,796	706,796
Telephone Commissions		25,045	25,045
Site Plan Fees	54,000	78,668	24,668
Radio Tower Rental	32,000	36,216	4,216
Rental Revenue - Quarry	750,000	750,000	
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>102,854,823</u>	<u>113,358,777</u>	<u>10,503,954</u>
Total Miscellaneous Revenues			
Amount to be Raised by Taxation - County Purpose Tax	<u>341,186,222</u>	<u>341,186,221</u>	<u>(1)</u>
Total Budget Revenues	<u>\$ 462,041,045</u>	<u>472,544,998</u>	<u>10,503,953</u>
Nonbudget Revenue		<u>4,460,983</u>	
		<u>\$ 477,005,981</u>	

COUNTY OF PASSAIC
Statement of Revenues-Regulatory Basis
Current Fund
Year Ended December 31, 2017

Miscellaneous Revenue Not Anticipated:	
Election Expense Reimbursements	\$ 194,951
State of New Jersey	403,885
Sale of Equipment	50,991
Bid Spec Fees	9,415
Duplication of Records	2,614
Vending Machine Commissions	22,063
Prior Year Fringe Benefits	1,292,112
SLAP Fees	78,436
PILOT County Share	266,483
ID Bureau	18,132
P/R Deduction Fees	6,137
Construction Board of Appeals	11,669
Bail Processing Fees	1,400
Bail Bond Forfeitures	104,971
Consumer Affairs	2,662
Fiber Optics Fees	15,000
Health Services	33,000
Refunds	158,246
DEA Newark Reimbursements	4,211
Gasoline Reimbursement	92,279
Inspector Salary Reimbursements	14,921
Access Secure Commissions	22,854
Insurance Recoveries	398,683
Discovery Fees Patrol	158,619
Keefe Commissions	66,760
ATM Fees	5,281
Off Duty Administrative Fees	247,712
OT Reimbursements	35,450
Police Academy Registration & Fees	147,676
PCIA Fees	2,128
PCPO Restitution	9,261
Sheriff Resource Officer	92,704
Pension Refund Bonds - PCTI	119,673
Prosecutors Salary	73,810
Towing and Impound Fees	12,943
Petroleum Gross Receipts Tax	60,906
Subrogation Loss Recoveries	71,084
TD Wealth IRS Subsidy	78,615
Other Miscellaneous	73,246
	<u>\$ 4,460,983</u>

See accompanying notes to the financial statements.

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
OPERATIONS:					
Administration Executive					
Board of Freeholders	360,000	360,000	333,299	26,701	
Salaries and Wages	75,000	75,000	54,645	20,355	
Other Expenses	70,000	70,000	70,000		
Contribution to Public Access Libraries					
County Administrator	581,611	562,611	517,108	45,503	
Salaries and Wages	327,053	327,053	325,181	1,872	
Other Expenses					
Finance Section					
Finance Department	1,187,000	1,187,000	1,155,321	31,679	
Salaries and Wages	395,160	395,160	364,629	30,531	
Other Expenses	200,000	200,000	198,283	1,717	
Postage	105,500	105,500	105,000	500	
Audit	250,000	250,000	216,906	33,094	
Payroll Processing-Other Expenses					
Legal Department					
County Counsel	1,212,481	1,183,481	1,118,263	65,218	
Salaries and Wages	76,100	76,100	58,378	17,722	
Other Expenses	10,000	10,000		10,000	
Other Expenses Ethics					
County Adjuster	272,000	218,000	126,445	91,555	
Salaries and Wages	83,100	83,100	81,713	1,387	
Other Expenses					
Clerk of the Board	401,100	401,100	367,623	33,477	
Salaries and Wages					

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Budget</u>	Budget after Modification and Transfer	Paid or Charged	<u>Reserved</u>	Unexpended Balance <u>Cancelled</u>
Other Expenses	31,075	31,075	18,027	13,048	
Personnel					
Salaries and Wages	461,800	436,800	418,883	17,917	
Other Expenses	77,670	77,670	71,921	5,749	
State and National Association of County Officials	11,150	11,150	11,148	2	
County Clerk					
Salaries and Wages	944,611	914,611	634,450	280,161	
Other Expenses	22,232	52,232	16,046	36,186	
Other Expenses - Elections	300,000	300,000	287,456	12,544	
County Register					
Salaries and Wages	1,268,490	1,268,490	1,167,421	101,069	
Other Expense	154,935	154,935	126,345	28,590	
Prosecutor's Office					
Salaries and Wages	18,782,050	18,782,050	17,689,626	1,092,424	
Salaries and Wages-Spec.					
Other Expenses	667,933	667,933	634,222	33,711	
Countywide Police Radio	85,000	85,000	80,763	4,237	
Purchasing Department					
Salaries and Wages	826,600	801,600	727,458	74,142	
Other Expenses	34,725	34,725	26,492	8,233	
Other Expenses-Bulk Purchasing	86,550	86,550	(989)	87,539	
MIS Department (Finance Department)					
Other Expenses	976,563	994,563	984,671	9,892	
Building and Grounds					
Salaries and Wages	6,620,000	6,420,000	6,008,254	411,746	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<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	3,864,189	4,064,189	3,872,860	191,329	
Other Expenses-Parking	375,000	375,000	372,420	2,580	
Other Expenses-Preakness Health Center	127,000	127,000	83,602	43,398	
Other Expenses-Welfare Board	52,250	52,250	44,672	7,578	
Photostat					
Other Expenses	35,493	35,493	29,921	5,572	
Surrogate					
Salaries and Wages	1,170,197	1,170,197	1,031,426	138,771	
Other Expenses	60,177	60,177	57,186	2,991	
Insurances: Group Hospitalization, Medical					
Surgical, Major Med. for Employees	58,000,000	58,000,000	51,265,073	6,734,927	
Group Life Insurance for Employee	40,000	40,000	12,000	28,000	
Surety Bond Premium	6,000	6,000	4,743	1,257	
Worker's Compensation	2,000,000	2,000,000	2,000,000		
Disability Insurance	2,000,000	2,000,000	2,000,000		
Other Insurance	500,000	500,000	412,689	87,311	
Drug Plan	22,000,000	22,000,000	16,865,293	5,134,707	
Dental Plan	875,000	875,000	85,792	789,208	
REGULATION					
Sheriff's Office					
Salaries and Wages	11,136,761	11,136,761	10,015,225	1,121,536	
Other Expenses	299,235	299,235	262,634	36,601	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Weights and Measures					
Salaries and Wages	446,100	446,100	391,017	55,083	
Other Expenses	9,000	9,000	4,056	4,944	
Board of Taxation					
Salaries and Wages	386,000	386,000	373,223	12,777	
Office Expenses	14,400	14,400	14,255	145	
Medical Examiner					
Other Expenses-Contractual State of NJ	1,530,000	1,530,000	1,245,951	284,049	
Indigent Burials	50,000	50,000	19,915	30,085	
Board of Elections					
Salaries and Wages	737,951	842,951	840,599	2,352	
Other Expenses	151,700	46,700	(32,190)	78,890	
Superintendent of Elections					
Salaries and Wages	1,516,561	1,588,561	1,583,868	4,693	
Other Expenses	502,500	430,500	345,981	84,519	
Elections-County Clerk					
County Emergency Management					
Salaries and Wages	196,010	196,010	148,890	47,120	
Other Expenses	18,000	18,000	9,561	8,439	
Planning Board (NJS 40:273)					
Salaries and Wages	306,767	306,767	294,637	12,130	
Other Expenses	36,550	36,550	29,622	6,928	
Economic Development					
Salaries and Wages	163,856	163,856	163,769	87	
Other Expenses	15,950	15,950	15,916	34	
Construction Board of Appeals	3,600	3,600		3,600	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Budget</u>	Budget after Modification and <u>Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Cancelled</u>
ROADS & BRIDGES DEPT.					
Roads and Bridges Dept.	775,000	775,000	703,802	71,198	
Salaries and Wages-Roads	706,352	676,352	656,063	20,289	
Salaries and Wages-Mosquito	1,858,400	1,858,400	1,794,056	64,344	
Other Expenses-Roads	60,500	60,500	47,799	12,701	
Other Expenses-Mosquito					
Engineering	908,000	912,000	909,550	2,450	
Salaries and Wages	17,100	17,100	9,570	7,530	
Other Expenses					
CORRECTIONAL AND PENAL					
Jail and Workhouse	37,804,536	37,804,536	37,784,740	19,796	
Salaries and Wages - Jail	13,943,941	13,943,941	10,252,256	3,691,685	
Salaries and Wages - Patrol	3,977,661	3,977,661	3,598,037	379,624	
Other Expenses	5,103,103	5,103,103	4,816,408	286,695	
Other Expenses-Medical Expenses	200,000	200,000	172,032	27,968	
Other Expenses-Re-Entry Program					
HEALTH AND WELFARE					
Crippled Children	36,000	36,000	36,000		
Mental Health Board (30:9A-3)	227,990	227,990	223,680	4,310	
Salaries and Wages					
Mental Health Program (40:5-29)	744,300	744,300	744,300		
Contractual					

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Budget</u>	Budget after Modification and <u>Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Cancelled</u>
Aid to Bergen-Passaic Unit for the Mentally Retarded (NJS 40:23-8.11)	54,000	54,000	54,000		
Alcohol and Drugs					
Addition Program Contractual-Salaries and Wages	28,445	28,445	28,445		
Addition Program Contractual-Other Expenses	163,555	163,555	152,824	10,731	
Maintenance of Patients in State Institutions:					
Mentally Diseased and Mentally Retarded	4,064,004	4,143,004	4,121,426	21,578	
Welfare Board-Administration	12,417,927	12,117,927	12,117,927		
Administration-Fringe Benefits	5,700,000	5,700,000	5,700,000		
Supplement Security Income	1,115,782	1,415,782	1,415,782		
Aid to Dependent Children (NJS 44:10-1 ST Seq	1,017,506	1,017,506	1,017,506		
New Jersey Bureau of Children's Services	3,800,000	3,800,000	3,685,316	114,684	
Department of Youth Services					
Salaries and Wages	220,000	220,000	208,703	11,297	
Other Expenses-Shared Services Essex County	2,200,000	2,200,000	2,163,628	36,372	
Other Expenses-Education	524,084	524,084	402,625	121,459	
Other Expenses-Shelter Beds	265,000	265,000	265,000		
Other Expenses-Medical	563,030	563,030	562,429	601	
Other Expenses	21,000	21,000	17,358	3,642	
Preakness Hospital					
Salaries and Wages	30,488,785	28,952,785	28,139,532	813,253	
Other Expenses	6,805,280	7,905,280	7,807,717	97,563	
Camp Hope (40:23-6. 1 to 16)					
Salaries and Wages	426,055	426,055	414,627	11,428	
Other Expenses	58,709	58,709	55,766	2,943	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<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	202,687	202,687	154,843	47,844	
Other Expenses	23,113	23,113	21,373	1,740	
County Health Dept. Chapter 329 PL 1975					
Salaries and Wages	499,600	529,600	521,982	7,618	
Other Expenses	23,700	23,700	18,797	4,903	
EDUCATIONAL					
Office of County Superintendent of Schools					
Salaries and Wages	494,100	494,100	486,640	7,460	
Other Expenses	24,962	24,962	15,830	9,132	
Passaic County Vocational School					
County Extension Services	7,044,585	7,044,585	7,044,585		
Salaries and Wages	61,300	61,300	61,129	171	
Other Expenses	145,953	145,953	105,408	40,545	
Passaic County Community College					
Reimbursement for Residents Attending Out of County Two Year College (NJS18-A:64A-23)	13,848,750	13,848,750	13,848,750		
	175,000	175,000	147,441	27,559	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
RECREATIONAL					
Park and Recreational Department	2,480,560	2,094,560	1,752,086	342,474	
Salaries and Wages-Parks	1,171,000	1,396,000	1,264,063	131,937	
Salaries and Wages-Golf Course	281,147	331,147	312,005	19,142	
Other Expenses-Parks	492,192	528,192	509,870	18,322	
Other Expenses-Golf Course	25,000	25,000			
Passaic County Historical Society (NJS 40:32-6)					
Cultural and Historical Affairs	144,885	147,885	145,890	1,995	
Salaries and Wages	41,900	41,900	40,732	1,168	
Other Expenses					
UNCLASSIFIED					
Passaic County Volunteer Fire Academy	75,000	75,000	75,000		
Equipment, Office, Car, Other	300,000	330,000	305,438	24,562	
Sick Leave Payment	250,000	250,000	33,012	216,988	
Matching Funds for Grants					
Aid to Children Care Coordination Committee	22,500	22,500	22,500		
(4C'S) (NJS 40:23)	15,750	15,750	15,750		
Aid to Women's Haven NJS 30:14-11	54,000	54,000	54,000		
Aid to D.I.A.L (40:23-811)					
Para-Transit	81,600	81,600	67,141	14,459	
Salaries and Wages	50,000	50,000	18,549	31,451	
Other Expenses - Vehicle Maint					

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Police Academy	647,000	647,000	586,015	60,985	
Salaries and Wages	96,958	96,958	83,250	13,708	
Other Expenses	485,000	485,000	485,000		
Aid to Health & Welfare Councils (NJS 40-23-8.28)	82,181	82,181		82,181	
Salaries and Wage Adjustment					
Utilities (40A:4-45 4H)	1,000,000	1,000,000	814,251	185,749	
Gasoline	800,000	800,000	691,182	108,818	
Telephone and Telegraph	5,000,000	5,000,000	4,983,494	16,506	
Natural Gas & Electric	450,000	450,000	425,773	24,227	
Street Lighting	90,000	40,000		40,000	
Heating Oil	825,000	1,000,000	963,752	36,248	
Water	350,000	350,000	248,146	101,854	
Garbage	50,000	50,000	29,501	20,499	
Debt Service Fees	90,000	90,000	2,868	87,132	
Aid to Housing First					
PUBLIC AND PRIVATE PROGRAMS OFFSET					
BY REVENUES					
County Match	1,900,000	1,900,000	1,900,000		
Aging Area Plan	1,077,313	1,077,313	1,077,313		
Casino Revenue Grant					
SANE/SART Program					
Homeland Security (SHSP-Local Share)	353,237	353,237	353,237		

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Budget</u>	Budget after Modification and Transfer	<u>Paid or Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Cancelled</u>
Insurance Fraud	250,000	250,000	250,000		
STOP Violence Against Women Act	32,572	32,572	32,572		
Child Advocacy Center Competitive	83,390	83,390	83,390		
LIHEAP Weatherization 2017	342,913	342,913	342,913		
Heating Improvement 2017	279,111	279,111	279,111		
2015 Spruce St Bridge	173,130	173,130	173,130		
Alcohol/Drug Abuse Grant	1,000,000	1,000,000	1,000,000		
17BERN	746,406	746,406	746,406		
Division of Child Behavioral Health Services	350,746	350,746	350,746		
Juvenile Detention Alternatives Innovations Funding	158,456	158,456	158,456		
Social Services for the Homeless	124,000	124,000	124,000		
PC Housing First 2008	125,000	125,000	125,000		
PC Housing First 2008	267,391	267,391	267,391		
PC Housing First 2008	81,260	81,260	81,260		
PC Housing First 2008	94,592	94,592	94,592		
PC Housing First 2008	404,509	404,509	404,509		
PC Housing First 2008	78,729	78,729	78,729		
Passaic CoC Planning Grant	119,137	119,137	119,137		
Eva's Village Apartments	118,815	118,815	118,815		
PC Housing First Collaborative II 2009	362,951	362,951	362,951		
PC Housing First Collaborative III 2010	75,679	75,679	75,679		
Paterson Park Apartments	147,917	147,917	147,917		
Housing First Pilot	329,213	329,213	329,213		
St. Joes CDC	47,187	47,187	47,187		

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Budget</u>	Budget after Modification and Transfer	<u>Paid or Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Cancelled</u>
St. Paul's CDC	47,187	47,187	47,187		
U Drive U Text U Pay	40,000	40,000	40,000		
LEOTEF	45,033	45,033	45,033		
MRC Challenge Award Grant	13,000	13,000	13,000		
Radon Awareness Program (RAP)	2,000	2,000	2,000		
Preakness Gerо-Psych Program	338,210	338,210	338,210		
2016-2017 Local Safety Program - High Friction Surface Treatment	27,011	27,011	27,011		
2016-2017 Local Safety Program - Center Rumble Strips	30,455	30,455	30,455		
Heating Improvement 2017	208,682	208,682	208,682		
Social Services For the Homeless	150,000	150,000	150,000		
County Aid - Resurfacing 2017	3,649,000	3,649,000	3,649,000		
Child Advocacy Center Upgrades	132,591	132,591	132,591		
Municipal Alliance Program	512,024	512,024	512,024		
Sexual Assault Nurse Examiner (SART/FNE)	95,250	95,250	95,250		
2017 State Health Insurance Program (SHIP) Grant	32,000	32,000	32,000		
JOB ACCESS & REVERSE COMMUTE (JARC)	200,000	200,000	200,000		
Social Services For the Homeless	552,510	552,510	552,510		
TRANSPORTATION & TIP	202,457	202,457	202,457		
Recycling Enhancement Act Entitlement	508,786	508,786	508,786		
CSBG NON-DISCRETIONARY	62,528	62,528	62,528		
LIHEAP Weatherization 2017	250,000	250,000	250,000		
PHILP LINC8 2018 (old BT grant)	526,569	526,569	526,569		
Subregional Transportation Program (STP) Grant	132,048	132,048	132,048		

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Budget</u>	Budget after Modification and <u>Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Cancelled</u>
Aging Area Nutrition	698,856	698,856	698,856		
Aging Area Plan Grant	476,155	476,155	476,155		
Loves Pets Grant	1,500	1,500	1,500		
Fema Grant Operator	438,908	438,908	438,908		
Temporary Assistance for Needy Families	4,078,976	4,078,976	4,078,976		
General Assistance/Supplemental Nutrition Assistance Program	1,645,011	1,645,011	1,645,011		
Drive Sober Or Get Pulled Over	5,500	5,500	5,500		
Workforce Innovation Opportunity Act Adult	1,654,646	1,654,646	1,654,646		
Workforce Innovation Opportunity Act Dislocated Worker	1,532,764	1,532,764	1,532,764		
Workforce Innovation Opportunity Act Youth	1,878,579	1,878,579	1,878,579		
Temporary Assistance for Needy Families	15,000	15,000	15,000		
General Assistance/Supplemental Nutrition Assistance Program	2,000	2,000	2,000		
Workforce Learning Link Program	333,000	333,000	333,000		
WIC/Senior Farmers Market Nutrition Program Mini 2017	1,000	1,000	1,000		
Heating Improvement 2017	162,695	162,695	162,695		
LIHEAP Weatherization 2017	171,289	171,289	171,289		
DOE Weatherization 2018	214,390	214,390	214,390		
Right to Know 2017 (2018-RTK-LOA)	15,213	15,213	15,213		
Click It or Ticket MOB-CIOT-2017-Passaic County-00078	5,500	5,500	5,500		
LIHEAP Assistance 2018	721,935	721,935	721,935		
Universal Service Fund 2018	461,565	461,565	461,565		
Community Development Block Grant (CDBG)	788,241	788,241	788,241		
Morris Canal Greenway Browertown Road Project	291,000	291,000	291,000		
Pedestrian Safety Grant	15,000	15,000	15,000		

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Justice Assistance Program	26,534	26,534	26,534		
Cnty Gang, Gun, & Narcotic Task Force Grant	167,818	167,818	167,818		
CSBG Non-Discretionary	26,765	26,765	26,765		
SmartSTEPS	8,025	8,025	8,025		
Heating Improvement 2017	400,000	400,000	400,000		
DOE Weatherization 2018	163,389	163,389	163,389		
Aging Area Nutrition	727	727	727		
Aging Area Plan Grant	407	407	407		
Body Armor PCPO	6,606	6,606	6,606		
Passaic County Film Festival	2,200	2,200	2,200		
Peckman River Crossing Project	700,000	700,000	700,000		
UASI Local Share	300,000	300,000	300,000		
Homeland Security (SHSP-Local Share)	345,473	345,473	345,473		
Victim Witness Advocacy	407,809	407,809	407,809		
Garret Mountain Improvements	1,375,000	1,375,000	1,375,000		
Weasel Brook Park Improvements	600,000	600,000	600,000		
Body Armor PCSD	44,690	44,690	44,690		
Green Acres 2006	750,000	750,000	750,000		
Green Acres 2011	1,125,000	1,125,000	1,125,000		
Green Acres 2012	750,000	750,000	750,000		
Clean Communities Entitlement	80,299	80,299	80,299		
CSBG Non-Discretionary	29,659	29,659	29,659		
Casino Revenue	752,225	752,225	752,225		

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Cancelled
Area Plan Grant-Aging Area Nutrition	1,274,024	1,274,024	1,274,024		
Area Plan Grant	1,363,065	1,363,065	1,363,065		
Family Court Services	278,149	278,149	278,149		
Emergency Management Grant	55,000	55,000	55,000		
State Community Partnership	500,656	500,656	500,656		
PC Summer Concert Series	1,800	1,800	1,800		
Total Operation (item 8(A))	363,900,242	363,496,242	338,344,582	25,151,660	
Contingent	50,000	50,000		50,000	
Total Operation Including Contingent	363,950,242	363,546,242	338,344,582	25,201,660	
Detail:					
Salaries and Wages	140,671,963	138,806,963	129,773,430	9,033,533	
Other Expenses (Including Contingent)	223,278,279	224,739,279	208,571,152	16,168,127	
Capital Improvement					
Capital Improvement Fund	500,000	500,000	500,000		
Acquisition of Various Equipment	200,000	200,000	199,211		789
Total Capital Improvements	700,000	700,000	699,211		789

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Budget</u>	Budget after Modification and <u>Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Cancelled</u>
County Debt Service					
Payment of Bond Principal					
County College Bonds	3,700,000	4,018,000	4,018,000		
State Aid- County College Bonds (N.J.S. 18A:64A-22.6)	1,900,000	1,825,000	1,825,000		
Vocational School Bonds	800,000	950,000	950,000		
Other Bonds	23,000,000	22,957,036	22,957,036		
800,000	800,000	741,000	740,741		259
Payment of Bond Anticipation Notes Interest on Bonds	500,000	629,281	629,281		
County College Bonds					
State Aid- County College Bonds (N.J.S. 18A:64A-22.6)	450,000	350,446	350,446		1,514
Vocational School Bonds	150,000	430,196	428,682		
Other Bonds	7,445,450	7,098,584	7,098,584		
Interest on Notes	2,000,000	2,109,847	2,109,486		361
Passaic County Utilities Authority	4,150,000	4,148,218	4,130,850		17,368
Prosecutors Building	455,000	442,850	442,850		
Preakness Healthcare Center	5,600,000	5,450,000	5,432,302		17,698
Green Trust Loan	49,550	49,542	49,542		
Total County Debt Service	<u>51,000,000</u>	<u>51,200,000</u>	<u>51,162,800</u>		<u>37,200</u>

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<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					
Emergency Authorizations					
Special Emergency Authorization 5 Years - (40A:4-55)					
Overexpenditure of Appropriations					
Prior Year Bills-Summary					
Aljohunleigh Inc.	8,095	8,095	8,095		
Camp Auto and Truck	550	550	550		
Fred Norman LLC	132	132	132		
Gaeta Recycling	1,350	1,350	1,350		
Gonzales, Zhereny	1,459	1,459	1,459		
Hogan Security Inc.	1,789	1,789	1,789		
Moore Medical LLC	73	73	73		
MMS Inc.	13,878	13,878	13,878		
NECI	269	269	269		
Parrales, Christina	30	30	30		
City of Passaic	120,000	120,000	120,000		
Pharmalink Inc.	99	99	99		
Pulse Medical Transport	56	56	56		
RMD Properties Inc.	14,077	14,077	14,077		
Smiths Detection Inc.	477	477	477		
Stone Industries	8,933	8,933	8,933		
State of New Jersey	265	265	265		

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<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 to Future Taxation - Capital	1,644,804	1,644,804	1,644,804		
Due From OSTF - Court House Renovation	200,000	200,000	200,000		
Statutory Charges:					
Contribution to PERS	15,014,142	15,014,142	15,014,142		
Social Security System (O.A.S.I.)	13,000,000	13,204,000	12,784,939	419,061	
Unemployment Compensation Insurance	600,000	600,000	600,000		
(N.J.S.A. 43:21-3 et seq.)	13,760,327	13,760,327	13,760,327		
Police and Fire Retirement System	1,900,000	1,900,000	1,900,000		
County Pension Fund	100,000	100,000	54,667	45,333	
Defined Benefit Pension					
Total Deferred Charges & Statutory Expenditures	<u>46,390,805</u>	<u>46,594,805</u>	<u>46,130,411</u>	<u>464,394</u>	
Total General Appropriations	<u>\$ 462,041,047</u>	<u>462,041,047</u>	<u>436,337,004</u>	<u>25,666,054</u>	<u>37,989</u>

Adopted Budget 425,218,241
 Added by N.J.S.A. 40A:4-87 36,822,806

\$ 462,041,047

Cash \$ 384,640,203
 Reserve for Encumbrances 10,649,076
 Grants Appropriated 41,047,725

\$ 436,337,004

See accompanying notes to financial statements.

COUNTY OF PASSAIC

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Other Trust Fund:			
Various Trust Deposits	B-2	\$ 1,065,284	1,079,663
Reserve for Dedicated Revenues	B-3	24,360,177	21,451,121
Reserve for Open Space Expenditures	B-6	14,216,974	7,167,448
Open Space Grant Commitments Payable	B-7		8,486,169
		<u>39,642,435</u>	<u>38,184,401</u>
Confiscated Trust Fund:			
Reserve for Confiscated Trust Fund	B-8	<u>2,581,223</u>	<u>2,560,675</u>
		<u>2,581,223</u>	<u>2,560,675</u>
Self Insurance Fund:			
Reserve for Workmen's Compensation	B-9	5,456,202	2,521,937
Reserve for Health Benefits	B-10	13,912,500	3,007,185
Reserve for Liability Insurance	B-11	<u>5,436,558</u>	<u>927,780</u>
		<u>24,805,260</u>	<u>6,456,902</u>
Community Development Grant Fund:			
Reserve for:			
Housing Voucher Program	B-12	<u>6,401,962</u>	<u>7,136,372</u>
		<u>6,401,962</u>	<u>7,136,372</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 73,430,880</u>	<u>54,338,350</u>

See accompanying notes to financial statements.

COUNTY OF PASSAIC

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

December 31, 2017 and 2016

<u>Assets</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash	C-2/C-3	\$ 56,813,732	76,971,629
Grants Receivable	C-4	75,153,660	91,646,516
Deferred Charges to Future Taxation:			
Funded	C-5	327,378,538	312,699,612
Unfunded	C-6	<u>128,113,294</u>	<u>158,396,104</u>
Total Assets		<u>\$ 587,459,224</u>	<u>639,713,861</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-19	\$ 252,479,000	234,825,000
Green Trust Loans Payable	C-20	189,538	234,612
Bond Anticipation Notes	C-18	78,775,000	108,950,000
Capital Leases Payable	C-21	74,710,000	77,640,000
Improvement Authorizations:			
Funded	C-7	54,980,718	44,156,308
Unfunded	C-7	46,604,654	85,532,816
Commitments Payable	C-8	40,541,351	45,651,462
Capital Improvement Fund	C-9	58,666	2,306
Reserve for Final Payments and Litigation	C-10		160,258
Reserve for Payment of Bonds and Notes	C-11	10,121,959	7,752,146
Reserve for Salt Shed - West Milford	C-13	296,619	296,619
Reserve for Interest for Fire Academy	C-14		1,101,710
Reserve for Administration Building Settlement	C-15		9,786
Reserve for Interest for DOT Projects	C-16		12,786
Reserve for Grants Receivable	C-17	22,677,866	27,347,679
Fund Balance	C-1	<u>6,023,853</u>	<u>6,040,373</u>
Total Liabilities		<u>\$ 587,459,224</u>	<u>639,713,861</u>

Footnote: There were Bonds and Notes Authorized But Not Issued on December 31, 2017 and 2016 of \$49,533,294 and \$49,480,363, 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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Balance - January 1,	\$ 6,040,373	4,582,923
Increased by:		
Premium on Bond/Note Sales	1,379,175	1,410,958
Reserve for Final Payment and Litigation Cancelled	160,258	
Improvement Authorizations Cancelled	<u>4,047,165</u>	<u>3,063,593</u>
	<u>5,586,598</u>	<u>4,474,551</u>
	11,626,971	9,057,474
Decreased by:		
Premium on Bond/Note Sales	78,649	14,086
Schedule of Receivables-Cancel Grant Balances	449,469	2,028,015
Improvement Authorizations - Ordinance 2017-07	<u>5,075,000</u>	<u>975,000</u>
	<u>5,603,118</u>	<u>3,017,101</u>
Balance - December 31,	<u>\$ 6,023,853</u>	<u>6,040,373</u>

See accompanying notes to the financial statements.

COUNTY OF PASSAIC

Comparative Statement of General Fixed Assets-Regulatory Basis

December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>General Fixed Assets:</u>		
Land	\$ 326,979,707	326,979,707
Buildings	284,270,305	284,335,199
Equipment	66,181,106	64,541,624
Construction in Progress	<u>10,416,448</u>	<u>8,121,582</u>
	<u>\$ 687,847,566</u>	<u>683,978,112</u>
 Investment in Fixed Assets	 <u>\$ 687,847,566</u>	 <u>683,978,112</u>

See accompanying notes to financial statements.

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COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

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, 2017 AND 2016
(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, 2017 AND 2016
(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, 2017 AND 2016
(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, 2017 and 2016, the Governing Body approved additional revenues and appropriations of \$36,822,806 and \$52,331,026, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body in 2017 and 2016.

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, 2017 AND 2016
(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, 2017 AND 2016
(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, 2017 AND 2016
(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, 2017.

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 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 does not believe this Statement will have any effect on future financial statements.

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 does not believe this Statement will have any effect 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

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

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

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

Recent Accounting Pronouncements, (continued)

45. The Statement is effective for periods beginning after June 15, 2017. The County does not believe this Statement will have any effect 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 does not believe this Statement will have any effect 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 does not believe this Statement will have any effect on future financial statements.

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 does not believe this Statement will have any effect on future financial statements.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(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. 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 does not believe this Statement will have any effect 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 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.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(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 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.

In January 2017, the Government Accounting Standards Board issued GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities. The County is currently evaluating the effects, if any, this Statement may have on future financial statements.

In March 2017, the Government Accounting Standards Board issued GASB Statement No. 85, *Omnibus 2017*, which addresses practice issues that have been identified during the implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues relating to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The County is currently reviewing what effect, if any, this Statement might have on future financial statements.

In May 2017, the Governmental Accounting Standards Board issued GASB Statement No. 86, *Certain Debt Extinguishment Issues*, which improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. 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, 2017 AND 2016
(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 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, Leases, which is intended to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, as a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the government's leasing activities. The County is currently reviewing what effect, if any, this Statement might have 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, 2017 and 2016, \$-0- of the County's bank balance of \$227,489,785 and \$222,021,754, respectively, were exposed to custodial credit risk.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(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, 2017 and 2016 consisted of the following:

<u>2017</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable - General					
Obligation Debt	\$234,825,000	\$47,400,000	\$29,746,000	\$252,479,000	\$26,428,000
Capital Leases	77,640,000		2,930,000	74,710,000	310,000
Other Liabilities:					
Compensated Absences	38,518,484	533,276	20,883,033	18,168,727	
New Jersey:					
Green Trust Loans	234,612		45,074	189,538	45,980
Deferred Pension	8,020,188		625,642	7,394,546	
	<u>\$359,238,284</u>	<u>\$47,933,276</u>	<u>\$54,229,749</u>	<u>\$352,941,811</u>	<u>\$26,783,980</u>

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 3. COUNTY DEBT, (continued)

<u>2016</u>	Balance <u>Dec. 31, 2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>Dec. 31, 2016</u>	Amounts Due Within <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	<u>8,594,182</u>		<u>573,994</u>	<u>8,020,188</u>	<u>625,642</u>
	<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>

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>2017</u>	<u>2016</u>
Issued		
General		
Bonds, Notes and Loans	\$331,443,538	\$344,009,612
Bonds Authorized by Another Public Body Guaranteed by the County	<u>119,531,515</u>	<u>107,249,778</u>
Total Issued	<u>450,975,053</u>	<u>451,259,390</u>
Authorized But Not Issued		
General		
Bonds, Notes and Loans	<u>49,533,294</u>	<u>49,480,363</u>
Total Issued and Authorized But Not Issued	<u>500,508,347</u>	<u>500,739,753</u>
Less: Funds Temporarily Held to Pay Bonds and Notes	10,316,959	7,752,146
Receivables from Other Public Authorities	5,975,000	
Additional Borrowing for County College Refunding Bonds	8,030,000	11,291,000
Bonds Authorized by Another Public Body Guaranteed by the County	<u>119,531,515</u>	<u>107,249,778</u>
Total Deductions	<u>143,853,474</u>	<u>137,102,924</u>
Net Debt	<u>\$356,654,873</u>	<u>\$363,636,829</u>

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(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 .76% and .78% at December 31, 2017 and 2016, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2017</u>			
General debt	<u>\$500,508,347</u>	<u>\$143,853,473</u>	<u>\$356,654,874</u>
<u>2016</u>			
General debt	<u>\$500,739,753</u>	<u>\$137,102,924</u>	<u>\$363,636,829</u>

The County's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31 2017 and 2016, was as follows:

	<u>2017</u>	<u>2016</u>
2% of equalized valuation basis (county)	\$939,963,277	\$927,638,095
Net debt	<u>356,654,874</u>	<u>363,636,829</u>
Remaining Borrowing Power	<u>\$583,308,403</u>	<u>\$564,001,266</u>

The County's long-term debt consisted of the following at December 31, 2017 and 2016:

Paid by Current Fund:

General Obligation Bonds

	<u>2017</u>	<u>2016</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%	\$7,200,000	\$9,100,000
\$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%	165,000	1,045,000
\$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

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

	<u>2017</u>	<u>2016</u>
NOTE 3. <u>COUNTY DEBT, (continued)</u>		
\$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
\$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%	300,000	600,000
\$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%	300,000	600,000
\$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%	1,240,000	1,835,000
\$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%	1,240,000	1,835,000
\$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
\$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
\$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
\$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%	15,446,000	16,696,000
\$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%	230,000	355,000

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

	<u>2017</u>	<u>2016</u>
NOTE 3. <u>COUNTY DEBT, (continued)</u>		
\$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%	\$870,000	\$1,080,000
\$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%	2,970,000	3,193,000
\$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%	512,000	622,000
\$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%	511,000	621,000
\$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%	1,490,000	6,445,000
\$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%	4,350,000	6,325,000
\$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%	17,155,000	18,555,000
\$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%	8,020,000	9,370,000
\$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%	2,305,000	2,720,000
\$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%	2,305,000	2,720,000

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

	<u>2017</u>	<u>2016</u>
NOTE 3. <u>COUNTY DEBT</u>, (continued)		
\$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%	\$2,290,000	\$2,890,000
\$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%	16,215,000	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%	2,335,000	2,520,000
\$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%	2,335,000	2,520,000
\$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%	19,306,000	\$20,271,000
\$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%	859,000	899,000
\$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%	1,250,000	1,825,000
\$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%	3,040,000	3,365,000

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

	<u>2017</u>	<u>2016</u>
NOTE 3. <u>COUNTY DEBT</u>, (continued)		
\$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%	1,380,000	1,495,000
\$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%	1,380,000	\$1,495,000
\$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%	10,160,000	10,890,000
\$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%	1,800,000	1,900,000
\$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%	1,395,000	1,500,000

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

	<u>2017</u>	<u>2016</u>
NOTE 3. <u>COUNTY DEBT</u>, (continued)		
\$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%	\$1,395,000	\$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%	22,885,000	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%	7,800,000	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%	2,290,000	2,500,000
\$1,500,000, 2017 County College Bonds, Series 2017A, due in annual installments of \$105,000 to \$210,000 through July 1, 2027, interest at various rates from 2.00% to 3.00%	1,500,000	
\$1,500,000, 2017 County College Bonds, Series 2017B, due in annual installments of \$105,000 to \$210,000 through July 1, 2027, interest at various rates from 2.00% to 3.00%	1,500,000	
\$7,385,000, 2017 General Obligation Refunding Bonds, due in annual installments of \$405,000 to \$660,000 through December 1, 2031, interest at various rates from 2.00% to 4.00%	7,385,000	

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

	<u>2017</u>	<u>2016</u>
NOTE 3. <u>COUNTY DEBT</u>, (continued)		
\$36,000,000, 2017 County Vocational School Bonds, due in annual installments of \$1,245,000 to \$2,385,000 through December 1, 2037, interest at various rates from 2.00% to 4.00%	\$36,000,000	\$
\$1,015,000, 2017 County Vocational School Bonds, due in annual installments of \$65,000 to \$120,000 through December 1, 2037, interest at various rates from 2.00% to 4.00%	<u>1,015,000</u>	<u> </u>
	<u>\$252,479,000</u>	<u>\$234,825,000</u>

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>2017</u>	<u>2016</u>
\$564,657 Loan, due in semi-annual installments of \$19,124 to \$24,526 through August 28, 2021, interest at 2.0%	<u>\$189,538</u>	<u>\$234,612</u>

The County's principal and interest for long-term debt issued and outstanding at December 31, 2017 is as follows:

Calendar Year	Bonds		Loans		Total
	Principal	Interest	Principal	Interest	
2018	\$26,428,000	\$8,898,518	\$45,980	\$3,562	\$35,376,060
2019	27,104,000	7,925,241	46,904	2,638	35,078,783
2020	23,632,000	6,935,361	47,846	1,695	30,616,902
2021	21,178,000	6,005,128	48,808	733	27,232,669
2022	20,795,000	5,234,851			26,029,851
2023-2027	88,862,000	15,685,811			104,547,811
2028-2032	33,050,000	4,163,150			37,213,150
2033-2037	<u>11,430,000</u>	<u>1,051,350</u>			<u>12,481,350</u>
	<u>\$252,479,000</u>	<u>\$55,899,410</u>	<u>\$189,538</u>	<u>\$8,628</u>	<u>\$308,576,576</u>

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 4. BOND ANTICIPATION NOTES

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

On December 31, 2017 and 2016, 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, 2017 and 2016:

<u>2017</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Oppenheimer & Co.	\$25,455,000	\$54,045,000	\$25,455,000	\$54,045,000
J.P. Morgan Securities LLC	83,495,000		83,495,000	0
Jefferies LLC		24,730,000		24,730,000
	<u>\$108,950,000</u>	<u>\$78,775,000</u>	<u>\$108,950,000</u>	<u>\$78,775,000</u>
<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>

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, 2017 AND 2016
(continued)

NOTE 5. CAPITAL LEASES PAYABLE, (continued)

The County's principal and interest for long-term debt issued and outstanding at December 31, 2017 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$3,070,000	\$2,751,844	\$5,821,844
2019	3,195,000	2,626,344	5,821,344
2020	3,310,000	2,516,838	5,826,838
2021	3,445,000	2,380,807	5,825,807
2022	3,595,000	2,224,307	5,819,307
2023-2027	19,565,000	8,651,632	28,216,632
2028-2032	21,985,000	4,903,754	26,888,754
2033-2036	<u>16,545,000</u>	<u>1,004,095</u>	<u>17,549,095</u>
	<u>\$74,710,000</u>	<u>\$27,059,621</u>	<u>\$101,769,621</u>

NOTE 6. FIXED ASSETS

The following is a summary of the General Fixed Assets Account Group as of December 31, 2017 and 2016.

<u>2017</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Land	\$326,979,707	\$	\$	\$326,979,707
Buildings and Building Improvements	284,355,199	94,828	179,722	284,270,305
Machinery and Equipment	64,541,624	1,826,990	187,508	66,181,106
Construction in Progress	<u>8,121,582</u>	<u>2,294,866</u>		<u>10,416,448</u>
	<u>\$683,998,112</u>	<u>\$4,216,684</u>	<u>\$367,230</u>	<u>\$687,847,566</u>

<u>2016</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>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>

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 7. INTERFUND BALANCES AND ACTIVITIES

All interfunds were liquidated during the fiscal year.

NOTE 8. 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>2018</u>	<u>2017</u>
Current Fund	<u>\$19,000,000</u>	<u>\$18,000,000</u>

NOTE 9. 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 \$18,168,727 and \$38,518,484 at December 31, 2017 and 2016, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

NOTE 10. 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).

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 10. EMPLOYEE RETIREMENT SYSTEM, (continued)

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.

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 1/60th 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.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 10. EMPLOYEE RETIREMENT SYSTEM, (continued)

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.

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.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 10. EMPLOYEE RETIREMENT SYSTEM, (continued)

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.

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>
2017	\$15,014,142	\$13,760,327	\$54,667
2016	14,201,186	14,558,198	60,113
2015	14,236,973	18,653,632	53,946

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 10. EMPLOYEE RETIREMENT SYSTEM, (continued)

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. The following pension information is as of June 30, 2016 which is the latest information available. This information is eighteen months prior to December 31, 2017. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end.

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, 2017, the County had a liability of \$246,614,789 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017, the County's proportion was 1.0594146189 percent, which was an increase/(decrease) of 0.0082691737 percent from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the County recognized pension expense of \$17,384,990. At December 31, 2017, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$5,806,927	\$
Changes of assumptions	49,684,381	49,502,229
Net difference between projected and actual earnings on pension plan investments	1,679,280	
Changes in proportion and differences between the County's contributions and proportionate share of contributions	<u>4,414,021</u>	<u>4,261,410</u>
Total	<u>\$61,584,609</u>	<u>\$53,763,639</u>

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 10. 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, 2017) 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:	
2018	\$5,805,551
2019	8,760,717
2020	5,308,547
2021	(7,060,381)
2022	(5,146,075)

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 5.48, 5.57, 5.72 and 6.44 years for 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2017 and June 30, 2016 are as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Collective deferred outflows of resources	\$6,424,455,842	\$8,685,338,380
Collective deferred inflows of resources	5,700,625,981	870,133,595
Collective net pension liability	23,278,401,588	29,617,131,759
County's Proportion	1.0594146189%	1.0511454452%

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 10. 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, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	2.25 Percent
Salary Increases:	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2016 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, 2017 AND 2016
(continued)

NOTE 10. 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 (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 10. 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 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 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, 2017, 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, 2017		
	1% Decrease <u>4.00%</u>	At Current Discount Rate <u>5.00%</u>	1% Increase <u>6.00%</u>
County's proportionate share of the pension liability	\$295,878,213	\$246,614,789	\$205,625,420

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 10. 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, 2017, the County had a liability of \$228,546,897 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017, the County's proportion was 1.4804308183 percent, which was an increase/(decrease) of (0.054578613) percent from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the County recognized pension expense of \$13,760,327. At December 31, 2017, 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	\$1,482,698	\$1,341,398
Changes of assumptions	28,182,749	37,429,791
Net difference between projected and actual earnings on pension plan investments	4,361,268	
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>1,923,616</u>	<u>18,235,714</u>
Total	<u>\$35,950,331</u>	<u>\$57,006,903</u>

COUNTY OF PASSAIC, N.J.
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2017 AND 2016
 (continued)

NOTE 10. 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, 2017) 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:	
2018	\$2,781,053
2019	7,531,948
2020	1,536
2021	(10,438,361)
2022	(4,620,650)

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 5.59, 5.58, 5.53 and 6.17 years for 2017, 2016, 2015 and 2014 amounts respectively.

Additional Information

Local Group Collective balances at June 30, 2017 and June 30, 2016 are as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Collective deferred outflows of resources	\$2,941,952,753	\$4,547,316,543
Collective deferred inflows of resources	3,262,432,093	688,197,590
Collective net pension liability	17,167,260,198	20,706,699,056
County's Proportion	1.4804308183%	1.5350094313%

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 10. 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 collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation	2.25 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	7.00 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.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 10. 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)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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 PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
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(continued)

NOTE 10. 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 6.14% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 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 40% 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, 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, 2017, 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, 2017		
	1% Decrease <u>5.14%</u>	At Current Discount Rate <u>6.14%</u>	1% Increase <u>7.14%</u>
County's proportionate share of the pension liability	\$301,129,358	\$228,546,897	\$169,058,594

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
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NOTE 10. 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's Employee's Retirement System (Est. 1949)

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, 2017 AND 2016
(continued)

NOTE 10. 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, 2017 AND 2016
(continued)

NOTE 10. 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, 2015 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, 2016. 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, 2017 AND 2016
(continued)

NOTE 10. 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, 2017 AND 2016
(continued)

NOTE 11. 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, 2017 and 2016. In addition, the County has not created a reserve for any potential unreported losses which have taken place but in which the County has not received notices or report of losses. The effect on the financial statements from these omissions could not be determined, but is probably material. A contingent liability exists with respect to reinsurance which would become an actual liability in the event the reinsuring company might be unable to meet their obligations to the County under existing reinsurance agreements. Exhibit B-9 summarizes the 2017 transactions of the plan.

NOTE 12. 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, 2017 and 2016. 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 2017 transactions of the plan.

NOTE 13. 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, 2017 and 2016. 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, 2017 AND 2016
(continued)

NOTE 13. 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 14. 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, 2017 and 2016, 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 15. 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, 2017 AND 2016
(continued)

NOTE 15. 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 16. 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 17. 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, 2017 AND 2016
(continued)

NOTE 17. 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.
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(continued)

NOTE 17. 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, 2017 AND 2016
(continued)

NOTE 17. 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.
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(continued)

NOTE 17. 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.
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(continued)

NOTE 17. 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.
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(continued)

NOTE 17. 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. Plaintiffs 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.

Late last year, two of the claims were settled.

Thereafter, the matter was proceeding, and the Federal District Court (Judge Salas) granted the County of Passaic to file a Notice of Motion for Summary Judgment. As such, the County of Passaic filed its Notice of Motion for Summary Judgment against the plaintiffs' Claudio Tundo and Rubin Gilgorri.

Those motions were granted by Judge Salas on or about February 20, 2018. However, the plaintiffs have filed a Notice of Motion for Appeal, which will be proceeding to the Third Circuit District Court of Appeals.

3. Plaintiff v. Passaic County Sheriff's Department

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

COUNTY OF PASSAIC, N.J.
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YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 17. LITIGATION, (continued)

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. The plaintiff has instituted litigation, and has made a monetary demand for settlement.

4. Plaintiff v. County of Passaic

This matter is pre-suit and involves the plaintiff suspended by the Passaic County Sheriff's Department for criminal charges that were pending against him and filed by the Passaic County Prosecutor's Office.

By virtue of the dismissal of the said criminal charges, the plaintiff is now seeking reinstatement to the Passaic County Sheriff's Department, back-pay, back-wages and the costs of all medical care and treatment that he underwent while out of service. He also seeks legal fees.

5. Plaintiffs v. Passaic County Superintendent of Elections and the County of Passaic U.S. District Court, District of New Jersey

The Plaintiffs 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. On December 26, 2012, Plaintiffs' federal court action was dismissed 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. 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.

The County and the Superintendent Defendants filed 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

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 17. LITIGATION, (continued)

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.

The County filed a motion to intervene in the Superintendent's appeal of the State's administrative agency decision and a motion to consolidate that appeal with the Plaintiffs' appeal of the trial court's dismissal of their action. 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.

Following a motion to reopen and extend discovery, the trial court entered an order, which set a March 16, 2018 discovery end date and a March 19, 2018 trial date. Summary judgment motions were filed by the Superintendent Defendants and the County on January 19, 2018 and are currently pending. Four other motions are also pending before the court: Plaintiff's motion to dismiss the summary judgment motions, Third Party Defendant the State of New Jersey's motion to dismiss the Third Party Complaint and the County's cross-claims and two motions to dismiss Plaintiff's complaint, which were filed by the Superintendent Defendants and the County, based on Plaintiff's failure to appear for his deposition, in violation of an order entered by the Court on January 10, 2018.

6. Plaintiff v. Preakness Healthcare Center, et al.
United States District Court, District of New Jersey

On July 13, 2015, 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, 2017 AND 2016
(continued)

NOTE 17. 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.

A settlement conference was held on August 30, 2017 at which time the case was settled by the parties. A settlement agreement was executed on October 30, 2017 and settlement funds were forwarded to Plaintiff's counsel on December 20, 2017. The Court entered an Order of Dismissal with Prejudice and without costs or fees on January 8, 2018.

**7. Plaintiff v. County of Passaic and Dewberry Engineers
Superior Court of New Jersey, Passaic County**

Plaintiff 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

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 17. LITIGATION, (continued)

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 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, Court 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, 2017 AND 2016
(continued)

NOTE 17. LITIGATION, (continued)

At the most recent Case Management Conference on February 6, 2018, the parties were ordered to commence depositions on April 1, 2018 and conclude depositions by June 30, 2018. Presently, there are about 30 individuals on the proposed deposition list; however, the County of Passaic also intends to serve R. 4:14-2 notices for the depositions of NRC corporate designees, which may serve to consolidate deponents. Once the depositions of NRC's corporate designees are taken, along with certain other depositions, the County of Passaic intends to file a Motion for Summary Judgment on the issues of Mass Concrete and Differing Site Conditions, Type I and II. Additionally, there will be multiple experts in the case which will require expert reports and depositions. Once depositions are taken, the County of Passaic will be in a better position to estimate what exposure, if any, the County may have to NRC.

8. Plaintiff v. Passaic County, et al.
United States District Court, District of New Jersey

On February 24, 2017, Plaintiff, an inmate at the Passaic County Jail, filed a complaint against Passaic County, Anthony J. DeNova III, Richard H. Berdnick, Passaic County Sheriff, Michael Tolerico, Passaic County Board of Chosen Freeholders and the Passaic County Sheriff's Office (collectively the "County Defendants"), and Corizon Health of New Jersey, in the Superior Court of New Jersey, Passaic County. The complaint alleges claims of negligence and reckless conduct under the New Jersey Tort Claims Act, as well as claims of deliberate indifference to medical care in alleged violation of the Eighth Amendment of the U.S. Constitution and Article 12 of the New Jersey Constitution. The County Defendants moved to dismiss the Plaintiff's Complaint under R. 4:6-2(e), for failure to state a claim upon which relief could be granted. The County Defendants were successful in their motion, and the Plaintiff's Complaint was dismissed without prejudice on or about October 12, 2017, by the Hon. Liliana DeAvila-Silebi, J.S.C., with leave for Plaintiff to file an amended complaint against all County Defendants except for the Passaic County Board of Chosen Freeholders and the Passaic County Sheriff's Office. Plaintiff's claims as to these town defendants were dismissed without prejudice.

Plaintiff filed an amended complaint which named as additional County Defendants, Sheriff's Officers, Richard Ashley, Joshua Rojas, Joseph Greco and Gregory DeFranco. Plaintiff also named additional Corizon defendants, Jocelyn Crus and Joseph Girone in his amended complaint. On or about November 15, 2017, the County Defendants removed the matter to federal court based on the constitutional claims asserted against them. Plaintiff then filed a second amended complaint which sought to remove constitutional claims references to the County Defendants, which the Corizon defendants removed to federal court

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 17. LITIGATION, (continued)

on November 30, 2017. Plaintiff proceeded to file a Third Amended Complaint in an attempt to cure the fact that he continued to make constitutional claims against the County Defendants, and moved for remand of the matter to state court. The Corizon Defendants filed a Rule 12(b)(6) motion to dismiss, and Plaintiff opposed their motion by moving for leave to file a fourth amended complaint. The County Defendants and the Corizon Defendants served Rule 26 Disclosures while awaiting guidance from the Court on the procedural status of the case.

Plaintiff's counsel has confirmed that based on the outcome of the state court's written decision on the County's motion to dismiss (the same arguments which would form the basis of a 12(b)(6) motion to dismiss in federal court), he has no intention of proceeding with any constitutional claims against the County Defendants. This would eliminate 2 out of 4 counts of the original complaint, leaving only the 2 tort claims of negligence and reckless conduct against the County Defendants. Plaintiff does intend to maintain his constitutional claims against co-defendant Corizon Health of NJ, so if Judge Waldor ends up denying his motion for remand, the case will remain in federal court, and discovery will proceed.

9. Plaintiffs vs. County of Passaic

As noted previously, plaintiffs dismissed with prejudice all federal claims arising out of their strip searches at the Passaic County Jail, dismissed with prejudice their federal court action, and instituted a state court action in November 2016 limited to state causes of action against the County of Passaic only.

In March 2017, Passaic County answered plaintiffs' state court complaint. Cornell Johnson and Dondray Goodwin were the only plaintiffs named individually in this purported class action.

Thereafter, the parties exchanged substantial written discovery in the form of interrogatories and requests for the production of documents. No depositions were taken.

Pursuant to Court order in the state court action, the parties participated in a Mediation before retired federal court judge Dennis Cavanaugh on September 27, 2017. Ten days earlier, we, and our adversary, had submitted detailed *ex parte* mediation statements and relevant documents for the Mediator's consideration and discussion at the September 27, 2017 meeting. The matter settled on September 27, 2017, subject, among other things, to approval by the Passaic County Board of Chosen Freeholders. That approval was subsequently obtained.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 17. LITIGATION, (continued)

10. Plaintiff v. County of Passaic, City of Newark

This action arises out of a Complaint filed on January 19, 2018 for personal injuries in Passaic County against the County of Passaic, City of Newark and various fictitious names and corporations.

This is a Complaint for personal injuries. Plaintiff alleges that on or about December 3, 2016 he was on his way home from work traveling northbound on Union Valley Road in West Milford Township at approximately 8:08 pm when a tree branch fell on his car passing through the windshield striking him in the forehead. Photos provided depict significant contusions to his face. He told his plastic surgeon he was driving in a "wind storm". The land adjacent to Union Valley Road from where the tree fell was owned by the City of Newark. Union Valley Road is owned/maintained by Passaic County.

Plaintiff is alleging \$1,000,000.00 in damages as per the Tort Claims Notice.

Co-Defendant City of Newark is self-insured. As you are aware, Passaic County is self-insured through the Joint Insurance Fund.

We are unaware of any performance of certain actions limitations at this time. We will learn of same once we receive Plaintiff's written discovery and take his deposition.

We filed our Answer on March 21, 2018. Co-Defendant City of Newark file their Answer on April 10, 2018. We are in the process of exchanging written discovery.

We are vigorously defending this matter as the information received to date indicates we definitely do not own the property, nor are in control of any maintenance and/or tree trimming responsibilities on the land owned by City of Newark. If the plaintiff's attorney will not provide a Stipulation of Dismissal when discovery is complete, I will file the requisite Summary Judgment motion based on lack of ownership/control and the notice requirements under Title 59. If said motion is denied, this is a case for trial.

As noted above, we are confident in a favorable outcome.

Workers' Compensation Cases

At this time, the County is defending 145 workers' compensation matters that are open and active for the County of Passaic.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 18. 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.

NOTE 19. 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 2017 calendar year, the County did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

NOTE 20. 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.

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 20. POST RETIREMENT BENEFITS, (continued)

The number of retirees receiving premium-free benefits as of December 31, 2017, 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.

Funding Policy

Summary of Principal Results for GASB 45 Accounting Purposes

1. Annual Required Contribution	\$117,846,252
2. Interest on Net OPEB Obligation	4,425,796
3. Adjustment to Annual Required Contribution	<u>(6,037,920)</u>
4. Annual OPEB Cost (Expense)	116,234,128
5. Contributions Made or Accrued	<u>(38,407,250)</u>
6. Increase in Net Obligation	<u>\$77,826,878</u>
7. Net OPEB Obligation (BOY)	98,351,014
8. Net OPEB Obligation (EOY)	176,177,892

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 20. POST RETIREMENT BENEFITS, (continued)

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation	Discount Rate
12/31/2017	\$116,234,128	33.0%	\$176,177,892	4.50%

Method and Assumptions

Cost Method: Projected Unit Credit

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

COUNTY OF PASSAIC, N.J.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(continued)

NOTE 20. POST RETIREMENT BENEFITS, (continued)

Assumptions, (continued)

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)

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 21. SUBSEQUENT EVENTS

The County has evaluated subsequent events through June 4, 2018, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA

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COUNTY OF PASSAIC

Supplementary Data

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

	<u>Year 2017</u>		<u>Year 2016</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 18,000,000	3.69 %	\$ 18,000,000	3.33 %
Miscellaneous - From Other Than				
Tax Levies	128,683,462	26.38	181,153,768	33.53
Collection of Current Tax Levy	<u>341,186,221</u>	<u>69.93</u>	<u>341,186,223</u>	<u>63.14</u>
Total Income	<u>487,869,683</u>	<u>100.00 %</u>	<u>540,339,991</u>	<u>100.00 %</u>
<u>EXPENDITURES</u>				
Budget	462,003,056	99.39	502,094,965	98.13
Other	<u>2,826,633</u>	<u>0.61</u>	<u>9,592,964</u>	<u>1.87</u>
Total Expenditures	<u>464,829,689</u>	<u>100.00 %</u>	<u>511,687,929</u>	<u>100.00 %</u>
Fund Balance, January 1	<u>45,016,252</u>		<u>34,364,190</u>	
	68,056,246		63,016,252	
Utilized as Budget Revenue	<u>18,000,000</u>		<u>18,000,000</u>	
Fund Balance, December 31	<u>\$ 50,056,246</u>		<u>\$ 45,016,252</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>
2017	\$	34,522,068,108	43,627,615	34,565,695,723	47,208,882,135	0.7322
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

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>
2017	\$	341,186,222	341,186,221	100.00%
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%

Comparative Schedule of Fund Balance

	<u>Year</u>		<u>Dec. 31</u>	<u>Utilized in budget of succeeding year</u>
Current Fund	2017	\$	50,056,246	19,000,000
	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

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>
Sandra Lazzaro	Freeholder - Director	(A)
Bruce James	Freeholder Deputy Director	(A)
Pasquale Lepore	Freeholder	(A)
Terry Duffy	Freeholder	(A)
John W. Bartlett	Freeholder	(A)
Theodore Best	Freeholder	(A)
Assad Akhter	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	
Walter Davidson	Acting County Clerk	(B)

(A) Passaic County Self-Insurance Fund.

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

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COUNTY OF PASSAIC

Schedule of Cash and Investments

Current Fund

Year Ended December 31, 2017

	<u>Checking</u>	<u>Investments</u>
Balance, December 31, 2016	\$ 80,514,757	
Increased by Receipts:		
2017 Tax Levy	341,186,221	
Federal and State Grants Receivable	36,123,725	
Revenue Accounts Receivable	72,311,052	
Non-Budget Revenues	4,460,983	
Petty Cash	15,650	
Schedule of Interfunds	21,294,310	
Prepaid Revenues	51,376	
Miscellaneous Reserves	44,716	
Transfer Investments		4,000,000
	<u>475,488,033</u>	<u>4,000,000</u>
	556,002,790	4,000,000
Decreased by Disbursements:		
2017 Budget Appropriation	384,640,203	
2016 Appropriation Reserves	21,197,405	
Schedule of Interfunds	22,524,482	
Accounts Payable	907,068	
Federal & State Grant Commitments Payable	14,963,815	
Reserve for Federal & State Grants Appropriated	24,309,817	
Petty Cash	15,650	
Miscellaneous Reserves	17,800	
Refunds	177,962	
Transfer Investments	4,000,000	
	<u>472,754,202</u>	
Balance, December 31, 2017	<u>\$ 83,248,588</u>	<u>4,000,000</u>

COUNTY OF PASSAIC
Schedule of Cash - Change Fund
Current Fund
Year Ended December 31, 2017

<u>Office</u>	Balance December 31, <u>2016</u>	Balance December 31, <u>2017</u>
County Courts	\$ <u>675</u>	<u>675</u>

Schedule of Cash - Petty Cash
Current Fund
Year Ended December 31, 2017

<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, 2017

<u>Grant</u>	Balance, December 31, 2016	2017 Budget Revenue Realized	Revenue Realized by 40A:4-87	Received	Canceled/ Adjusted	Balance, December 31, 2017
USF 2017	\$ 441,168			441,168		
USF 2018			461,565			461,565
Weatherization LIHEAP 2015	310,494			310,494		
Weatherization LIHEAP 2016	651,795			651,795		
Weatherization LIHEAP 2017			764,202	532,883		231,319
LIHEAP Assistance 2016	662,752				1,002	661,750
LIHEAP Assistance 2017			721,935			721,935
Heating Improvement (HIP) 2016	357,513			357,513		
Heating Improvement (HIP) 2017			1,050,488	278,729		771,759
Weatherization DOE 2017	357,316			357,316		
Weatherization DOE 2018			377,779	63,681		314,098
Preakness Gero-Psych Program	84,553			84,553		
Preakness Gero-Psych Program			338,210	169,105		169,105
WIOA Adult 15/16	876,554			1,026,554	(150,000)	
WIOA Adult 16/17	1,671,380			662,923		1,008,457
WIOA Adult 17/18			1,654,646			1,654,646
WIOA Youth 15/16	178,577			178,577		
WIOA Youth 16/17	1,751,274			1,277,013		474,261
WIOA Youth 17/18			1,878,579	88,912		1,789,667
WIOA Dislocated Worker 15/16	937,714			787,714	150,000	
WIOA Dislocated Worker 16/17	1,691,989			585,302		1,106,687
WIOA Dislocated Worker 17/18			1,532,764			1,532,764
Workforce Learning Link Program 16/17	148,498			148,498		
Workforce Learning Link Program 17/18			333,000	54,443		278,557
WFNJ TANF 15/16	114,103			17,519	96,584	
WFNJ TANF 16/17	2,959,083			2,463,180		495,903
WFNJ TANF 17/18			4,093,976	761,048		3,332,928
WFNJ GA/SNAP 15/16	313,937			151,281	162,656	
WFNJ GA/SNAP 16/17	1,350,727			1,263,667		87,060
WFNJ GA/SNAP 17/18			818,371	217,412		600,959
Dislocated Worker Employer Focus SNAP 2017	287,359			216,598	287,359	612,042
Workfirst-ABAED 1997	89,402					89,402
Smart Steps						
Smart Steps 16/17	24,075			4,012	20,063	
Smart Steps 17/18			8,025			8,025
Parolee Job Placement Initiative Program	127,057				127,057	
Alcohol/Drug Abuse Grant FY14						
Alcohol/Drug Abuse Grant FY15	3,812				3,812	
Alcohol/Drug Abuse Grant FY16	562,370			374,792		187,578
Alcohol/Drug Abuse Grant FY17			746,406			746,406
Municipal Alliance 2015	394,664			360,939	33,725	
Municipal Alliance 2016	512,024			133,884		378,140
Municipal Alliance 2017			512,024			512,024
L.E.O.T.E.F. 2016			45,033	45,033		
Community Svc. Block Grant PHLP LINC'S 2015	28,997				28,997	
Community Svc. Block Grant PHLP LINC'S 2016	53,384				53,384	
Community Svc. Block Grant PHLP LINC'S 2017	511,586			511,571		15
Community Svc. Block Grant PHLP LINC'S 2018			526,569	126,573		399,996
CEHA 2017			173,130	173,130		
Right to Know Program 2016	11,410			11,410		
Right to Know Program 2017			15,213	3,803		11,410
Sandy Grant (L.I.N.C.S. Agencies) 2015	1,134			1,134		
MRC Challenge Award 2017			13,000	13,000		
Clean Communities Grant 2017			80,299	80,299		
Recycling Enhancement Act REA 2015			508,786	508,786		
Radon Awareness Program (RAP) 2015						

COUNTY OF PASSAIC
Schedule of Federal and State Grants Receivable
Federal and State Grant Fund
Year Ended December 31, 2017

<u>Grant</u>	Balance, December 31, <u>2016</u>	2017 Budget Revenue <u>Realized</u>	Revenue Realized by <u>40A:4-87</u>	<u>Received</u>	Canceled/ <u>Adjusted</u>	Balance, December 31, <u>2017</u>
Radon Awareness Program (RAP) 2016	1,000			998	2	
Radon Awareness Program (RAP) 2017			2,000			2,000
Mosquito ID & Control Effects 2016	27,325			26,920		405
Passaic County Film Festival 2017	2,300			2,300		
Passaic County Film Festival 2018			2,200			2,200
2012 Disaster Relief	125			125		
CDBG - DR Program	3,319,920			1,892,995		1,426,925
Passaic County Summer Concert Series		1,800		900		900
Green Acres 2006			750,000	187,500		562,500
Green Acres 2011			1,125,000			1,125,000
Green Acres 2012			750,000	90,000		660,000
Aging Area Nutrition FY16	44,445			44,445		
Aging Area Nutrition FY17		2,774,024	699,583	3,342,796		130,811
Aging Administration FY17		1,763,065	476,562	2,137,203		102,424
Casino Revenue 2016	704,667			704,667		
Casino Revenue 2017		1,829,538		1,510,999		318,539
Farmers Market Nutrition Program 2016	1,000			1,000		
Farmers Market Nutrition Program 2017			1,000			1,000
Meals on Wheels Pet Food	2,500			2,500		
Meals on Wheels Pet Food			1,500	1,500		
State Health Insurance Program 2016	13,004			13,004		
State Health Insurance Program 2017			32,000	16,000		16,000
2013 FTA Section 5310	101,025					101,025
JJC Partnership 2014	86,936			86,936		
JJC Partnership 2016	435,112			434,594		518
JJC Partnership 2017		500,656		111,495		389,161
Social Services for the Homeless	4,224			4,599	(375)	
Social Services for the Homeless	13,042					13,042
Social Services for the Homeless	868,832		827,510	193,942		1,502,400
Human Services 13BERN	2,949					2,949
Human Services 17BERN			350,746			350,746
Div of Child Behavioral Health Services 2017			158,456	158,456		
Special Initiative and Transportation 2014	265,538					265,538
Special Initiative and Transportation 2015	21,091					21,091
Special Initiative and Transportation 2016	303,685		202,457	101,229		404,913
Passaic County Housing First	92,851					92,851
Passaic County Housing First NJ-513	816,669					816,669
Passaic County Housing First	731,784					731,784
HUD Eva's Projext NJ36308	308,345					308,345
Passaic County Housing First Collaborative II	380,413					380,413
Passaic County Housing First Collaborative III	252,725			4,437		248,288
New Passaic County Housing First	128,752			90,024		38,728
HUD St. Paul's	117,949					117,949
HUD	186,660					186,660
HUD Paterson Park Apartments	420,361					420,361
C.S.B.G. 2016 Non-Discretionary	222,519			222,519		
C.S.B.G. 2017 Non-Discretionary	111,929		118,952	62,557		168,324
J.A.I.B.G. 2013	641					641
Juvenile Detention Aleternative Innovation	412				412	
Juvenile Detention Aleternative Innovation	91,574			91,574		
Juvenile Detention Aleternative Innovation			124,000			124,000
Birch Street Apartments	238,479					238,479
Family Court Services 2014	49,824				49,824	
Family Court Services 2015	5,183					5,183
Family Court Services 2016	271,588			271,588		
Family Court Services 2017		278,149		33,799		244,350
JARC 2012	109,585					109,585
JARC 2014/15	75,564			40,000		35,564

COUNTY OF PASSAIC

Schedule of Federal and State Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2017

Grant	Balance, December 31, 2016	2017 Budget Revenue Realized	Revenue Realized by 40A:4-87	Received	Canceled/ Adjusted	Balance, December 31, 2017
JARC 2017	150,000		200,000	86,877		263,123
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
Great Falls Circulation Study	7,048					7,048
PC Green Infrastructure 2017	240,000			30,150		209,850
Subregional Transportation Planning	457					457
Subregional Transportation Planning	1,541					1,541
Subregional Transportation Planning	132,048			130,446		1,602
Subregional Transportation Planning			165,060	33,012		132,048
Community Development Block Grant 2009	14,305					14,305
Community Development Block Grant 2010	49,846			3,038		46,808
Community Development Block Grant 2011	734					734
Community Development Block Grant 2012	35,169			2,403		32,766
Community Development Block Grant 2013	131,242			82,801		48,441
Community Development Block Grant 2014	286,334			245,269		41,065
Community Development Block Grant 2015	621,422			287,295		334,127
Community Development Block Grant 2016	803,337			210,995		592,342
Community Development Block Grant 2017			788,241	30		788,211
Emergency Management Agency Assistance		55,000		55,000		
Hazard Mitigation	40,959					40,959
UASI - Local Projects	133,535					133,535
UASI - Local Projects	698,396			344,130	25,000	329,266
UASI - Local Projects	657,500			72,142		585,358
UASI - Local Projects			300,000			300,000
County EOC Generator Project	100,223					100,223
Victim Witness Advocacy Supplement	400,000			130,000		270,000
SANE/SART Program 2016	33,163			9,613		23,550
SANE/SART Program 2017			95,250			95,250
Justice Assistance Program	26,759			26,759		
Justice Assistance Program			26,534			26,534
Victim Witness Advocacy	282,361			271,823		10,538
Insurance Fraud Reimbursement Program	66,001			66,001		
Insurance Fraud Reimbursement Program			250,000	118,770		131,230
Body Armor P.C.P.O.			6,606	6,606		
Child Advocacy Center Competitive Grant			83,390	83,390		
National Childrens Alliance Program 2016	9,000			8,860	140	
Stop Violence Against Women Act			32,572	31,890		682
County Gang, Gun & Narcotics Task Force	174,378			89,420		84,958
County Gang, Gun & Narcotics Task Force			167,818			167,818
Victim Witness Advocacy			407,809			407,809
Homeland Security Grant FY15	261,272			142,025		119,247
Homeland Security Grant FY16			353,237	62,571		290,666
Homeland Security (SHSP-Local Share)			345,473			345,473
Child Advocacy Center Upgrades			132,591	132,591		
Body Armour Replacement PCSD			44,690	44,690		
Click it or Ticket			5,500	5,225		275
Pedestrian Safety Grant			15,000			15,000
Drive Sober or Get Pulled Over	900					900
Drive Sober or Get Pulled Over			5,500	5,060		440
U Drive U Text U Pay			40,000	39,930		70
FEMA Generator Grant			438,908			438,908
Apartments	59,081					59,081
Eva's Village Homeless Housing	51,913					51,913
Eva's Village Homeless Housing	36,981					36,981
Eva's Village Homeless Housing	88,349			58,481		29,868
Eva's Village Homeless Housing	118,815		147,917	22,060		244,672
Eva's Village Homeless Housing			118,815			118,815
HUD - Scattered Sites Homeless Program	4,667					4,667

COUNTY OF PASSAIC
Schedule of Federal and State Grants Receivable
Federal and State Grant Fund
Year Ended December 31, 2017

Grant	Balance, December 31, 2016	2017 Budget Revenue Realized	Revenue Realized by 40A:4-87	Received	Canceled/ Adjusted	Balance, December 31, 2017
HUD - St. Joe's CDC	10,600					10,600
HUD - St. Joe's CDC	9,151					9,151
HUD - St. Joe's CDC	17,340			13,906		3,434
HUD - St. Joe's CDC	47,187			34,000		13,187
HUD - St. Paul's CDC	47,736					47,736
HUD - St. Paul's CDC	4,667					4,667
HUD - St. Paul's CDC	29,572			17,064		12,508
HUD - St. Paul's CDC	47,187			25,887		21,300
NJ-511-PC Housing First	286,578			68,935		217,643
PC Housing First 2011	404,509			277,338		127,171
Housing First PILOT Project	329,213		766,274	239,065		856,422
PC Housing First Bonus	119,283					119,283
PC Housing First Bonus	78,729					78,729
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	193,112			126,884		66,228
Housing First PILOT Project			329,213	103,316		225,897
Housing First PILOT Project 2008	110,400					110,400
Housing First 2008	149,862			64,854		85,008
Housing First 2008	267,391			132,892		134,499
CoC Planning Gant			119,137			119,137
CoC Planning Gant	8,977					8,977
CoC Planning Gant	110,995					110,995
PC Housing First 2009	81,260			72,445		8,815
PC Housing First 2009			614,482	19,077		595,405
PC Housing First Collaborative II 2009	362,951			239,027		123,924
County Aid - Road Resurfacing 2017			3,649,000	3,649,000		
2016 Warwick Turnpike	640,000			480,000		160,000
2016 Fairfield Road Bridge	284,490					284,490
16-17 Local Safety Prog - Center Rumble	858,717		30,455			889,172
16-17 Local Safety Prog - High Friction Surface Treat	5,434,702		27,011	295,837		5,165,876
Fairlawn Avenue Bridge	13,300,000					13,300,000
2015 Spruce Street Bridge	1,500,000		1,000,000			2,500,000
Morris Canal Greenway Browertown Road	450,000		291,000			741,000
Garret Mountain Improvements			1,375,000			1,375,000
Peckman River Crossing Project			700,000			700,000
Weasel Brook Park Improvements, Phase II			600,000			600,000
	<u>\$ 59,619,754</u>	<u>7,202,232</u>	<u>36,855,818</u>	<u>36,178,725</u>	<u>889,646</u>	<u>66,609,433</u>
Grant		\$ 4,224,919	36,822,806			
Match		2,977,313	33,012			
		<u>\$ 7,202,232</u>	<u>36,855,818</u>			
			Unappropriated Reserves \$ 55,000			
			Cash 36,123,725			
			<u>\$ 36,178,725</u>			

COUNTY OF PASSAIC

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2017

	Balance, December 31, <u>2016</u>	Accrued <u>2017</u>	<u>Collected</u>	Balance, December 31, <u>2017</u>
Miscellaneous Revenues:				
County Clerk	\$	1,251,899	1,251,899	
Clerk - Registry Division		3,886,400	3,886,400	
Surrogate		394,429	394,429	
Sheriff		3,546,701	3,546,701	
Interest on Investments and Deposits		1,330,071	1,330,071	
Road Opening Permits		818,733	818,733	
Rental Income		333,116	333,116	
State Aid - College County Bonds		2,175,446	2,175,446	
Division of Youth and Family Services		3,685,316	3,685,316	
Welfare - Supplemental Security Income		1,021,780	1,021,780	
County Patients - State Hospital		555	555	
Added and Omitted Taxes	740,414	887,682	887,682	740,414
Board of Inmates at County - State		92,219	92,219	
Title IV D Parent Locator Program		1,268,507	1,268,507	
Fringe Benefits		12,713,528	12,713,528	
Indirect Costs - Grants		2,028,667	2,028,667	
Preakness Hospital-Medicaid Reimbursements		30,890,087	30,890,087	
Maintenance in Lieu of Rent-Martin Luther King-Soc Serv.		150,723	150,723	
State School Building Aid (Chapter 12)		250,621	250,621	
Park Fees		2,406,795	2,406,795	
Telephone Commissions		25,045	25,045	
Site Plan Fees		78,668	78,668	
Radio Tower Rental		36,216	36,216	
Rental Revenue - Quarry		750,000	750,000	
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	
	\$ 740,414	72,311,052	72,311,052	740,414

COUNTY OF PASSAIC

Schedule of Interfunds

Current Fund

Year Ended December 31, 2017

	Balance, December 31, 2016	Increased	Decreased	Balance, December 31, 2017
Federal and State Grant Fund	\$ (1,640,993)	3,723,097	416,248	1,665,856
Other Trust Fund:				
Homelessness Trust		172,834	172,834	
Off-Duty Emp.		2,289,702	2,289,702	
Open Space Trust		5,298,396	5,298,396	
Register of Deeds		71,239	71,239	
Other Trust		1,829,359	1,829,359	
Motor Vehicle Fines Trust	(448)	39,747	39,299	
PCSD Local		60,701	60,701	
PCSD Treasury		57,462	57,462	
PCSD Justice		345,033	345,033	
PCSD Municipal		630,756	630,756	
PCPO Local		507,264	507,264	
PCPO Treasury		39,127	39,127	
PCPO Justice		432,255	432,255	
Para Transit		36,569	36,569	
Total Other Trust Fund	\$ (448)	11,810,444	11,809,996	
Health Insurance Trust Fund				
Confiscated Trust Fund		3,619,647	3,619,647	
Worker's Comp Trust Fund	(2,367,731)	7,027,788	4,660,057	
Liability Trust Fund		6,326,144	6,326,144	
HUD Trust Fund		677,714	677,714	
General Capital Fund		53,680,029	53,680,029	
Payroll Agency Account		171,165	171,165	
	<u>(4,009,172)</u>	<u>87,036,028</u>	<u>81,361,000</u>	<u>1,665,856</u>
Due from		19,349,074	17,683,218	1,665,856
Due (to)	<u>(4,009,172)</u>	<u>67,686,954</u>	<u>63,677,782</u>	
	\$ <u>(4,009,172)</u>	<u>87,036,028</u>	<u>81,361,000</u>	<u>1,665,856</u>
Cash Receipts			21,294,310	
Cash Disbursements		22,524,482		
Reimbursement for Expenses Paid		60,769,016	50,004,974	
Budgeted Revenue		19,433		
Federal and State Grants		3,723,097	416,248	
Budget Operations			195,412	
Appropriation Reserves			5,709,902	
Budget Appropriations			3,740,154	
		<u>\$ 87,036,028</u>	<u>81,361,000</u>	

COUNTY OF PASSAIC
 Schedule of Appropriation Reserves
 Current Fund
 Year Ended December 31, 2017

	Balance, Dec. 31, <u>2016</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages:				
Board of Freeholders	\$ 6,522	6,522		6,522
County Administrator	67,854	67,854		67,854
Finance Department	42,402	38,902		38,902
County Counsel	52,823	52,823		52,823
County Adjuster	67,260	7,260		7,260
Clerk of the Board	13,786	13,786		13,786
Personnel	43,555	43,555	1,948	41,607
County Clerk	258,670	43,670	7,500	36,170
County Register	53,313	53,313		53,313
Prosecutor's Office	1,466,597	266,597	157,240	109,357
Purchasing Department	57,786	57,786	4,000	53,786
Buildings and Grounds	245,856	145,856	85,793	60,063
Surrogate	84,913	81,913		81,913
Sheriff's Office	3,346,519	346,519	337,419	9,100
Weights and Measures	11,030	11,030		11,030
Board of Taxation	906	906		906
Board of Elections	1,571	1,571		1,571
Superintendent of Elections	186	186	186	
County Emergency Management	57,013	57,013		57,013
Planning Board (NJS 40:273)	7,771	7,771		7,771
Economic Development	8,682	8,682		8,682
Roads	27,652	27,652	27,652	
Mosquito	76,804	6,804		6,804
Engineering	16,087	16,087		16,087
Jail and Workhouse - Jail	148,546	148,546		148,546
Jail and Workhouse - Patrol	898,751	298,751	2,400	296,351
Mental Health Board (30:9A-3)	4,309	4,309	4,309	
Addiction Program Contractual	15,252	15,252		15,252
Department of Youth Services	24,673	24,673	1,500	23,173
Preakness Hospital	1,602,197	402,197	402,197	
Camp Hope (40:23-6 1 to 16)	21,697	21,697	5,645	16,052
Div. of Senior Services, Disabilities, & Vets Affaris, Etc.	36,080	36,080	28,281	7,799
County Health Dept. Chapter 329 PL 1975	87,775	87,775	502	87,273
Office of County Superintendent of Schools	12,300	12,300		12,300
County Extensive Services	1,070	1,070		1,070
Parks	60,839	10,839		10,839
Golf Course	18,385	18,385	18,385	
Sick Leave Payout	15,187	195,187	195,187	
Para-Transit	7	7	7	
Police Academy	18,347	18,347	11,465	6,882
Salary and Wage Adjustment	503,133	503,133	503,133	
Other Expenses:				
Board of Freeholders	13,563	14,238	2,310	11,928
County Administrator	68,265	94,482	89,504	4,978
Finance Department	77,472	146,443	81,784	64,659
Audit		103,500	103,500	
MIS Department (Finance Department)	7,698	72,358	70,341	2,017
Payroll Processing	36,947	42,442	39,940	2,502
Insurance Division	761	761	31	730
County Counsel	15,508	21,666	6,369	15,297
County Counsel Ethics	10,000	10,000		10,000
County Adjuster	4,637	23,833	16,306	7,527
Clerk of the Board	199	5,364	4,935	429
Personnel	9,594	20,050	3,711	16,339
State and National Association of County Officials	1	1		1
County Clerk	3,725	6,333	2,290	4,043

COUNTY OF PASSAIC
Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2017

	Balance, Dec. 31, <u>2016</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
County Clerk - Other Expenses	5,669	20,669	16,400	4,269
County Register	42,066	60,237	15,792	44,445
Photostat	9,072	17,127	7,181	9,946
Prosecutors Office	44,045	124,770	57,459	67,311
Countywide Radio	1,821	26,101	21,936	4,165
Purchasing Dept.	13,666	17,514	3,532	13,982
Bulk Purchasing	158,768	209,762	49,912	159,850
Building and Grounds	122,857	353,968	291,688	62,280
Building and Grounds - Parking	2,580	2,580		2,580
Building and Grounds - Preakness Health Center	39,968	74,527	50,492	24,035
Building and Grounds - Welfare Board	4,949	10,586	8,777	1,809
Building and Grounds - Postage	37,534	37,534	20,000	17,534
Surrogate	8,139	36,529	33,888	2,641
Surgical, Major Medical for Employees	5,018,827	5,651,002	5,644,179	6,823
Group Life Insurance for Employees	1,333	10,667		10,667
Surety Bond Premium	2,222	2,222		2,222
Worker's Compensation	451,260	1,851,260	1,851,260	
Other Insurance	21,436	25,344	(3,750)	29,094
Liability Insurance	51,000	3,051,000	3,051,000	
Drug Plan	2,333,094	2,333,094	2,333,094	
Dental Plan	29,505	29,505	29,505	
Sheriff's Office	45,310	112,572	66,498	46,074
Weights and Measures	205	270	34	236
Board of Taxation	3,716	5,132	1,364	3,768
Medical Examiner		662,435	662,435	
Indigent Burials	42,773	42,773	1,430	41,343
Board of Elections	22,544	58,936	37,412	21,524
Superintendent of Elections	63,004	110,643	24,877	85,766
County Emergency Management	3,990	13,099	9,229	3,870
Planning Board (NJS 40:273)	8,349	9,151	3,135	6,016
Economic Development	50	355	306	49
Construction Board of Appeals	3,600	3,600	1,500	2,100
Roads	69,251	886,494	881,426	5,068
Mosquito	1,935	3,094	1,104	1,990
Engineering	4,374	10,061	4,913	5,148
Jail and Workhouse	698,823	1,603,299	942,838	660,461
Jail and Workhouse - Medical	1,076,545	1,319,513	338,692	980,821
Mental Health Programs		199,825	199,825	
Addiction Program Contractual		21,669	21,669	
Mentally Diseased and Mentally Retarded	7,590	1,632,590	1,335,853	296,737
Welfare Board - Administration		1,237,623	(1,043,095)	2,280,718
Supplement Security Income	68,704	68,704		68,704
Aid to Dependent Children	382,685	382,685		382,685
Department of Youth Services	7,346	87,776	84,759	3,017
Department of Youth Services - Education	14,343	30,698		30,698
Department of Youth Services - Shelter Beds	13,783	38,678	20,553	18,125
Department of Youth Services - Medical	4,929	6,379	1,648	4,731
Preakness Hospital	132,598	1,055,848	860,401	195,447
Camp Hope (40:23-6. 1 to 16)	219	11,307	10,981	326
Div. of Senior Services, Disabilities, & Vets Affaris, Etc.	781	2,617	2,154	463
County Health Dept. Ch 329 PL 1975	12,406	13,067	661	12,406
Office of County Superintendent of Schools	863	3,349	1,561	1,788
County Extensive Services	46,296	48,497	34,308	14,189
Reimbursement for Residents Attending Out of				
County Two Year College (NJS18:A:64A-23)	69,598	89,598	87,270	2,328
Parks	6,871	23,035	10,651	12,384
Golf Course	5,204	14,782	10,110	4,672

COUNTY OF PASSAIC
 Schedule of Appropriation Reserves
 Current Fund
 Year Ended December 31, 2017

	Balance, Dec. 31, <u>2016</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Equipment, Office, Car, Other	18,500	46,475	27,974	18,501
Matching Funds for Grants	124,067	124,067		124,067
(4C's) (NJSA 40:23)		11,250	11,250	
Aid to Women's Haven NJSA 30:14-11		11,812	11,812	
Aid to D.I.A.L. (40:23-811)		22,250	22,250	
Para-Transit	1,035	7,585	2,250	5,335
Police Academy	23,893	28,609	13,375	15,234
Aid to Health & Welfare Councils (NJS 40-23-8.28)		127,212	118,879	8,333
Utilities:				
Gasoline	295,642	425,443	107,255	318,188
Telephone and Telegraph	4,483	37,926	31,356	6,570
Natural Gas & Electric	1,193,334	1,528,703	507,811	1,020,892
Street Lighting	8,772	80,278	63,131	17,147
Heating Oil	68,797	80,682	4,271	76,411
Water	77,596	146,398	105,603	40,795
Garbage	121,361	169,876	23,137	146,739
Debt Service Fees	27,786	27,786	750	27,036
Aid to Housing First	25,000	90,000	65,000	25,000
Contingent	50,000	50,000	9,766	40,234
Acquisition of Various Equipment		30,658	30,658	
Social Security System (O.A.S.I.)	740,450	240,450	49,078	191,372
Unemployment Compensation	38,820	213,820	213,820	
County Pension Fund	44,568	94,568	94,568	
Defined Benefit Program	39,887	14,887	2,202	12,685
Aid to Housing First	25,000			
Contingent	50,000			
	<u>\$ 23,929,963</u>	<u>31,090,964</u>	<u>21,830,813</u>	<u>9,260,151</u>

Appropriation Reserves \$ 23,854,963
 Reserve for Encumbrances 7,236,001
 \$ 31,090,964

Transfer to Accounts Payable \$ 1,284,025
 Reserve for Salary and Wage Adjustment 503,133
 Budget Reimbursements (1,153,750)
 Cash Disbursements 21,197,405
 \$ 21,830,813

COUNTY OF PASSAIC
Schedule of Accounts Payable
Current Fund
Year Ended December 31, 2017

Balance, December 31, 2016		\$	2,482,010
Increased by:			
Transfers from Appropriation Reserves			<u>1,284,025</u>
			3,766,035
Decreased by:			
Payments	\$	907,068	
Cancelled		<u>122,959</u>	
			<u>1,030,027</u>
Balance, December 31, 2017		\$	<u><u>2,736,008</u></u>

COUNTY OF PASSAIC

Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2017

	<u>Total</u>	<u>Budget Appropriations</u>	<u>Reserve for Federal and State Grant Funds</u>
Balance, December 31, 2016	\$ 7,236,001	7,236,001	_____
Increased by:			
Charges to 2017 Budget Appropriations	10,649,076	10,649,076	
Charges to Reserve for Federal and State Grants Appropriated	<u>9,559,289</u>	_____	<u>9,559,289</u>
	<u>20,208,365</u>	<u>10,649,076</u>	<u>9,559,289</u>
	27,444,366	17,885,077	9,559,289
Decreased by:			
Encumbrances Transferred to Appropriation Reserves	7,236,001	7,236,001	
Encumbrances Transferred to Federal and State Grant Fund	<u>9,559,289</u>	_____	<u>9,559,289</u>
	<u>16,795,290</u>	<u>7,236,001</u>	<u>9,559,289</u>
Balance, December 31, 2017	\$ <u>10,649,076</u>	<u>10,649,076</u>	_____

COUNTY OF PASSAIC
Schedule of Commitments Payable
Federal and State Grant Fund
Year Ended December 31, 2017

Balance, December 31, 2016	\$ 14,963,815
Increased by:	
Transfer from Current Fund - Encumbrances Payable	<u>9,559,289</u>
	24,523,104
Decreased by:	
Payments	<u>14,963,815</u>
Balance, December 31, 2017	<u><u>\$ 9,559,289</u></u>

COUNTY OF PASSAIC

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2017

Grant	Balance, Dec. 31, 2016	Transferred From 2017 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled	Balance, Dec. 31, 2017
		Budget	Appropriation By 40A:4-87				
USF 2017	\$ 333,402				333,046		356
USF 2018			461,565		166,707		294,858
Weatherization LIHEAP 2015					(42)		42
Weatherization LIHEAP 2016	542,487				542,487		
Weatherization LIHEAP 2017			764,202		636,366		127,836
LIHEAP Assistance 2017	662,752				661,750	(1,002)	
LIHEAP Assistance 2018			721,935				721,935
Heating Improvement (HIP) 2016	50,472				50,472		
Heating Improvement (HIP) 2017			1,050,488		430,682		619,806
Weatherization DOE 2016	269,633				269,633		
Weatherization DOE 2018			377,779		68,441		309,338
Preakness Gero-Psych Program			338,210		338,210		
WIOA Adult 15/16	722,977				872,977	150,000	
WIOA Adult 16/17	1,671,380				904,804		766,576
WIOA Adult 17/18			1,654,646		(29)		1,654,675
WIOA Youth 15/16	137,558				137,558		
WIOA Youth 16/17	1,735,962				1,332,549		403,413
WIOA Youth 17/18			1,878,579		99,470		1,779,109
WIOA Dislocated Worker 15/16	813,295				663,295	(150,000)	
WIOA Dislocated Worker 16/17	1,691,390				746,463		944,927
WIOA Dislocated Worker 17/18			1,532,764		(19)		1,532,783
Workforce Learning Link Program 16/17	139,324				139,324		
Workforce Learning Link Program 17/18			333,000		70,123		262,877
WFNJ TANF 15/16	154,241				57,658	(96,583)	
WFNJ TANF 16/17	2,693,074				2,174,485		518,589
WFNJ TANF 17/18			4,093,976		1,194,524		2,899,452
WFNJ GA/SNAP 15/16	326,500				163,844	(162,656)	
WFNJ GA/SNAP 16/17	1,217,070				1,203,609		13,461
WFNJ GA/SNAP 17/18			818,371		407,491		410,880
Dislocated Worker Employer Focus SNAP 2017	287,359		828,640		272,163	(287,359)	556,477
SmartSteps 16/17	24,075				4,013	(20,062)	
SmartSteps 17/18			8,025				8,025
Parolee Employment Placement Program	127,057					(127,057)	
Alcohol/Drug Abuse Grant FY15'	3,782					(3,782)	
Alcohol/Drug Abuse Grant FY16'	73,427				27,335		46,092
Alcohol/Drug Abuse Grant FY17'			746,406		742,357		4,049
Municipal Alliance 2015	33,725				223	(33,502)	
Municipal Alliance 2016	52,255				30,326		21,929
Municipal Alliance 2017			512,024		450,960		61,064
Department of Labor - WIA Dislocated Worker	(1)					1	
L.E.O.T.E.F 2008	4,042				4,042		
L.E.O.T.E.F 2009	9,943				9,943		
L.E.O.T.E.F 2010	57,487				57,487		
L.E.O.T.E.F 2012	58,170				51,758		6,412
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
L.E.O.T.E.F 2016			45,033				45,033
Community Svc. Block Grant PHLP LINC'S	29,189					(29,189)	
Community Svc. Block Grant PHLP LINC'S	53,850					(53,850)	
Community Svc. Block Grant PHLP LINC'S	301,637				301,620		17
Community Svc. Block Grant PHLP LINC'S			526,569		262,223		264,346

COUNTY OF PASSAIC

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2017

Grant	Balance, Dec. 31, 2016	Transferred From 2017 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled	Balance, Dec. 31, 2017
		Budget	Appropriation By 40A:4-87				
CEHA Gant 2017			173,130		173,130		
MRC Cap Bldg Non-Competitive	1,607				1,607		
MRC Cap Bldg Non-Competitive	3,500						3,500
Right to Know 2017			15,213		15,213		
Sandy Grant (LINCS Agencies)	1,134					(1,134)	
MRC Challenge Award 2016	6,205				890		5,315
MRC Challenge Award 2017			13,000				13,000
MRC Competitive Award	2,426				942		1,484
Clean Communities 2015	839				433		406
Clean Communities 2016	47,174				42,696		4,478
Clean Communities 2017			80,299				80,299
Recycling Enhancement Act	1,360				1,360		
Recycling Enhancement Act	4,617				4,617		
Recycling Enhancement Act	317,611				47,392		270,219
Recycling Enhancement Act	381,900				625		381,275
Recycling Enhancement Act 2015			508,786		375,487		133,299
Radon Awareness Program 2015	4					(4)	
Radon Awareness Program 2016	2					(2)	
Radon Awareness Program 2017			2,000		2,000		
Mosquito ID & Control 2016	405						405
Passaic County Film Festival 2017	2,300				2,300		
Passaic County Film Festival 2018			2,200				2,200
Disaster Relief 2012	125					(125)	
CDBG-DR Program	100,532				91,659		8,873
PC Summer Concert Series		1,800			1,300		500
Green Acres 2006			750,000		187,500		562,500
Green Acres 2011			1,125,000				1,125,000
Green Acres 2012			750,000		90,000		660,000
PC Youth Golf Program	56,355				4,643		51,712
Aging Area Nutrition FY 2015	961,717				36,242		925,475
Aging Area Nutrition FY 2016	1,614,441				649,791		964,650
Aging Area Nutrition FY 2017		1,274,024	699,583	1,500,000	1,744,459		1,729,148
Aging Administration 2016	860,713				823,476		37,237
Aging Administration 2017		1,363,065	476,562	400,000	1,421,918		817,709
Casino Revenue 2014	80,814				80,814		
Casino Revenue 2015	208,229				208,229		
Casino Revenue 2016	39,511				(84,823)		124,334
Casino Revenue 2017		752,225		1,077,313	1,505,409		324,129
Senior Farmers Market Nutrition Program 2016			1,000		1,000		
Meals on Wheels Pet Food Grant	2,500				2,500		
Meals on Wheels Pet Food Grant 2017			1,500		1,500		
State Health Insurance Program 2016	13,004				13,004		
State Health Insurance Program 2017			32,000		16,000		16,000
2013 FTA Section 5310	77,948				27,929		50,019
JJC Partnership 2014	16,729				(70,207)	(86,936)	
State Community Partnership 2015	30,778				(3,310)	(26,088)	8,000
State Community Partnership 2016	40,466				16,907		23,559
State Community Partnership 2017		500,656			450,953		49,703
Social Services for the Homeless					(1)	(1)	
Social Services for the Homeless	12,796						12,796
Social Services for the Homeless	48,625				35,956		12,669
Social Services for the Homeless	989,912		827,510		1,775,480		41,942
Human Services 13BERN	35,590						35,590
Human Services 15BERN	68,475				1,831		66,644
Human Services 17BERN			350,746		118,016		232,730

COUNTY OF PASSAIC

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2017

Grant	Balance, Dec. 31, 2016	Transferred From 2017 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled (24,877)	Balance, Dec. 31, 2017
		Budget	Appropriation By 40A:4-87				
Div. Of Child Behavioral Hlth Serv. 2015	24,877						
Div. Of Child Behavioral Hlth Serv. 2016	14,730						14,730
Div. Of Child Behavioral Hlth Serv. 2017			158,456		132,622		25,834
Transportation and TIP	131,194				(14)		131,208
Transportation and TIP	25,993						25,993
Transportation and TIP	102,036		202,457		287,711		16,782
Passaic County Housing First	66,830				(500)		67,330
Passaic County Housing First	597,422						597,422
Passaic County Housing First	731,781						731,781
HUD-EVA'S Project	295,056						295,056
Collaborative II	220,201						220,201
Passaic County Housing First	239,914				471		239,443
New Passaic County Housing First	25,689				2,870		22,819
HUD-St. Paul's	121,825						121,825
HUD-St. Joseph	186,660						186,660
HUD-Paterson Park Apartments	34,173				(211,832)		246,005
C.S.B.G. Non-Discretionary 2016	100,263				100,263		
C.S.B.G. Non-Discretionary 2017	111,929		118,952		175,451		55,430
J.A.L.B.G. 2014	98						98
Juvenile Detention Alternative Innovation					(412)	(412)	
Juvenile Detention Alternative Innovation			124,000		124,000		
Birch Street Apartments	238,479						238,479
Human Services 15 BERN PASP	6,997					(6,997)	
Human Services 14 BERN PASP	401					(401)	
Human Services 16 BERN PASP	1,098				883		215
Family Court Services 2014	149				(59,412)	(59,561)	
Family Court Services 2015	17,440				(89)		17,529
Family Court Services 2016	4,226				2,453		1,773
Family Court Services 2017		278,149			275,659		2,490
JARC 2014	89,949						89,949
JARC NJ 3SFY2017	150,000		200,000		350,000		
NJ Highlands - Plan Conformance	70,000						70,000
Pat Transit Facility Pedestrian Safety	250,000						250,000
Transfer of Development Rights	15,000				(9)		15,009
Great Falls Circulation Study	8,598						8,598
PC Green Infrastructure - NJIT	300,000				255,612		44,388
Subregional Transportation Planning	316						316
Subregional Transportation Planning	1,785						1,785
Subregional Transportation Planning	77,283				75,226		2,057
Subregional Transportation Planning			132,048	33,012	86,839		78,221
Community Development Block Grant 2011	1,399				1,399		
Community Development Block Grant 2012	28,223				24,773		3,450
Community Development Block Grant 2013	32,874				32,871		3
Community Development Block Grant 2014	4,063				(30,054)		34,117
Community Development Block Grant 2015	2,731				(46,097)		48,828
Community Development Block Grant 2016	81,642				78,825		2,817
Community Development Block Grant 2017			788,241		598,969		189,272
Emergency Management Agency Assistance		55,000			55,000		
Hazard Mitigation Grant	40,959						40,959
UASI - Local Share	187,772						187,772
UASI - Local Share	356,080				39,287	(25,000)	291,793
UASI - Local Share	657,288				511,658		145,630
UASI - Local Share			300,000				300,000
County EOC Generator Project	100,223						100,223

COUNTY OF PASSAIC

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2017

Grant	Balance, Dec. 31, 2016	Transferred From 2017 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled	Balance, Dec. 31, 2017
		Budget	Appropriation By 40A:4-87				
Victim Witness Advocacy	400,000				218,566		181,434
Sexual Assault Nurse Examiner SAST/SANE	50,308				26,757		23,551
Sexual Assault Nurse Examiner SAST/SANE			95,250		61,303		33,947
Justice Assistance Program	26,759				26,759		
Justice Assistance Program			26,534				26,534
Victim Witness Advocacy	282,361				281,899		462
Insurance Fraud	11,250				11,250		
Insurance Fraud			250,000		250,000		
Body Armor P.C.P.O 2015	914				905		9
Body Armor P.C.P.O 2016	6,595				6,332		263
Body Armor P.C.P.O 2017			6,606				6,606
Child Advocacy Center Competetive Grant			83,390		82,744		646
National Childrens Alliance Program 2016	9					(9)	
Stop Violence Against Women Act			32,572		32,572		
County Gang, Gun & Narcotic Task Force	174,378				174,378		
County Gang, Gun & Narcotic Task Force			167,818				167,818
Victim Witness Advocacy			407,809				407,809
Multi Jurisdictional NARC Task Force 2014	50,045						50,045
Homeland Security Grant FY 15	131,481				131,481		
Homeland Security Grant FY 16			353,237		214,899		138,338
Homeland Security (SHSP-Local Share)			345,473				345,473
Child Advocacy Center Upgrades Grant			132,591		131,765		826
Body Armor P.C.S.D	43,807				43,807		
Body Armor P.C.S.D			44,690				44,690
Click It or Ticket 2016	5,000				5,000		
Click It or Ticket 2017			5,500		5,225		275
Pedestrian Safety Grant			15,000				15,000
Drive Sober or Get Pulled Over	5,000				4,100		900
Drive Sober or Get Pulled Over			5,500		5,060		440
U drive U Text U Pay			40,000		39,930		70
FEMA Generator Grant			438,908				438,908
REN Eva's Village Apartments	50,435				2,925		47,510
Eva's Village Homeless Housing	1,957						1,957
Eva's Village Homeless Housing	66,817				440		66,377
Eva's Village Homeless Housing	34,295				6,802		27,493
Eva's Village Homeless Housing	118,815		147,917		55,372		211,360
Eva's Village Homeless Housing			118,815		68,724		50,091
HUD - Scatterd Sites	2,723						2,723
HUD - St. Joe's CDC	9,025						9,025
HUD - St. Joe's CDC	14,987				500		14,487
HUD - St. Joe's CDC	29,786				512		29,274
HUD - St. Joe's CDC	9,055				1,013		8,042
HUD - St. Paul's CDC	44,522						44,522
HUD - St. Paul's CDC	12,795				192		12,603
HUD - St. Paul's CDC	28,736				151		28,585
HUD - St. Paul's CDC	46,262				36,512		9,750

COUNTY OF PASSAIC

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2017

Grant	Balance, Dec. 31, 2016	Transferred From 2017 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled	Balance, Dec. 31, 2017
		Budget	Appropriation By 40A:4-87				
NJ-511-PC Housing First	344,678				35,378		309,300
PC Housing First 2011	233,076				64,286		168,790
PC Housing First 2011			1,095,487		743,781		351,706
PC Housing First Bonus	200,766						200,766
PC Housing First Bonus 2011	48,938				(10,333)		59,271
PC Housing First Bonus 2011			78,729		41,967		36,762
Housing First PILOT Project	19,643						19,643
Housing First PILOT Project 2007	52,527						52,527
Housing First PILOT	217,764				8,090		209,674
Housing First PILOT	159,213				(6,064)		165,277
Housing First 2008	195,524				(964)		196,488
Housing First 2008	121,076				45,877		75,199
Housing First 2008	131,268				(14,576)		145,844
CoC Planning Grant			119,137				119,137
CoC Planning Grant	27,313						27,313
CoC Planning Grant	33,088				25,717		7,371
CoC Planning Grant	110,995				46,144		64,851
PC Housing First 2009	28,910				8,799		20,111
PC Housing First 2009			614,482		458,679		155,803
PC Housing First Collaborative II 2009	169,956				10,490		159,466
County Aid - Road Resurfacing 2017			3,649,000		3,649,000		
2016 Warwick Turnpike	640,000				640,000		
2016 Fairfield Road Bridge	34,337				34,337		
2016-17 Local Safety Prog - Center Rumble	139,723		30,455				170,178
2016-17 Local Safety Prog - High Friction	279,202		27,011		(2,400,995)		2,707,208
Fairlawn Avenue Bridge	13,300,000						13,300,000
2015 Spruce Street Bridge	1,500,000		1,000,000				2,500,000
Morris Canal Greenway Browertown Rd	450,000		291,000				741,000
Garret Mountain Improvements			1,375,000				1,375,000
Peckman River Crossing Project			700,000				700,000
Weasel Brook Park Improvements			600,000				600,000
	<u>\$ 46,241,932</u>	<u>4,224,919</u>	<u>36,822,806</u>	<u>3,010,325</u>	<u>33,869,106</u>	<u>(1,046,588)</u>	<u>55,384,288</u>

Cash Disbursed	\$ 24,309,817
Encumbrances Payable	<u>9,559,289</u>
	<u>\$ 33,869,106</u>

COUNTY OF PASSAIC
Schedule of Prepaid Revenues
Current Fund
Year Ended December 31, 2017

Balance, December 31, 2016	\$ 33,056
Increased by:	
Cash - Accrued Interest from State of New Jersey	\$ <u>51,376</u>
	84,432
Decreased by:	
Applied	<u>33,056</u>
Balance, December 31, 2017	\$ <u><u>51,376</u></u>

COUNTY OF PASSAIC

Schedule of Miscellaneous Reserves

Current Fund

Year Ended December 31, 2017

	Balance, December 31, <u>2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance, Dec. 31, <u>2017</u>
Office on Aging - Deferred Revenue	\$ 785,669	33,223	54,918	763,974
Salary and Wage Adjustment	343,611	503,133		846,744
NJ DOT Advance Funds Interest		11,493		11,493
	<u>\$ 1,129,280</u>	<u>547,849</u>	<u>54,918</u>	<u>1,622,211</u>
Cash		\$ 44,716	17,800	
Transfer from Appropriation Reserves		503,133		
Transfer to Current Year Appropriations			37,118	
		<u>\$ 547,849</u>	<u>54,918</u>	

COUNTY OF PASSAIC

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2017

<u>Grant</u>	Balance, Dec. 31, <u>2016</u>	Transferred To 2017 Budget <u>Appropriations</u> <u>Budget</u>	Cash <u>Received</u>	Balance, Dec. 31, <u>2017</u>
Emergency Management Performance Grant EMAA	\$ 55,000	55,000	_____	_____
	<u>\$ 55,000</u>	<u>55,000</u>	<u>_____</u>	<u>_____</u>

COUNTY OF PASSAIC

Schedule of Interfunds

Federal and State Grants Fund

Year Ended December 31, 2017

	Balance, December 31, 2016	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, 2017
Current Fund	\$ 1,640,993	416,248	3,723,097	(1,665,856)
	<u>1,640,993</u>	<u>416,248</u>	<u>3,723,097</u>	<u>(1,665,856)</u>
Due from	1,640,993		1,640,993	
Due (to)	<u>1,640,993</u>	416,248	<u>2,082,104</u>	<u>(1,665,856)</u>
	\$ <u>1,640,993</u>	<u>416,248</u>	<u>3,723,097</u>	<u>(1,665,856)</u>
Cancellation of Grants \$			1,046,175	
Grant Receipts		416,248		
Reimbursement for expenses			<u>2,676,922</u>	
		<u>\$ 416,248</u>	<u>3,723,097</u>	

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COUNTY OF PASSAIC

Schedule of Cash

Trust Funds

Year Ended December 31, 2017

	Other Trust Fund	Confiscated Trust Fund	Self- Insurance Trust Fund	Community Development Trust Fund
Balance - December 31, 2016	<u>37,704,679</u>	<u>2,560,675</u>	<u>4,089,171</u>	<u>7,136,372</u>
Increase by Receipts:				
Various Trust Deposits	69,394			
Interest	128,320	54,068	54,082	17,782
Reserve for Dedicated Trusts	10,179,343			
Outside Duty Accounts Receivable	2,558,732			
Reserve for Open Space Trust	4,733,433			
Interfunds	3,892,869	1,318,054	17,948,453	677,714
Receipts from Confiscated Funds		2,529,169		
Reserve for Workmen's Compensation			6,214,877	
Reserve for Health Benefits			10,856,233	
Reserve for Liability Insurance			7,946,603	
Housing Voucher Program				8,822,396
Total Receipts	<u>21,562,091</u>	<u>3,901,291</u>	<u>43,020,248</u>	<u>9,517,892</u>
	<u>59,266,770</u>	<u>6,461,966</u>	<u>47,109,419</u>	<u>16,654,264</u>
Decreased by Disbursements:				
Various Trust Deposits	85,057			
Reserve for Dedicated Revenues	8,359,385			
Open Space Trust Expenditures	4,756,535			
Interfunds	6,797,428	1,357,093	15,580,722	677,714
Adjudicated Confiscations		2,523,650		
Reserve for Workmen's Compensation			3,280,612	
Reserve for Health Benefits			5,000	
Reserve for Liability Insurance			3,437,825	
Housing Voucher Program				9,574,588
Total Disbursements	<u>19,998,405</u>	<u>3,880,743</u>	<u>22,304,159</u>	<u>10,252,302</u>
Balance - December 31, 2017	<u>\$ 39,268,365</u>	<u>2,581,223</u>	<u>24,805,260</u>	<u>6,401,962</u>

COUNTY OF PASSAIC
Schedule of Various Trust Deposits
Year Ended December 31, 2017

Balance - December 31, 2016			\$ 1,079,663
Increased by:			
Cash Deposits	\$	69,394	
Interfunds		1,284	
			70,678
			1,150,341
Decreased by:			
Payments			85,057
Balance - December 31, 2017			\$ 1,065,284

COUNTY OF PASSAIC

Schedule of Reserve for Dedicated Trusts

Year Ended December 31, 2017

	Balance December 31, <u>2016</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2017</u>
Homelessness Trust Fund	\$ 508,578	122,951	172,834	458,695
Off-Duty Police Outside Employment	285,451	2,345,796	2,446,199	185,048
Off-Duty Police Vehicle Fee	193,673	401,241	255,797	339,117
Off-Duty Police Admin Fee	89,403	158,309	247,712	0
Off-Duty Police PBA Admin Fee	22,710	27,456	22,710	27,456
Register of Deeds	1,566,908	142,662	65,921	1,643,649
Weights and Measure Fines	1,305,532	222,507	204,885	1,323,154
Tax Appeal Fees	975,101	120,000	146,357	948,744
County Clerk	497,072	54,595		551,667
County Sheriff	86,130	73,555	88,783	70,902
Surrogate	82,434	26,762	15,964	93,232
Forensic Lab Fees	258,528	35,352		293,880
Parks - Fines	33	266		299
Human Services	8,838			8,838
Parks - Lambert Castle	25,660	25,000	30,980	19,680
Passaic County Corr. Enh. Dist.	829,240	232,230	211,390	850,080
502 Pat-Ham Tpk Sidewalks	20,000			20,000
County Retirement Plan	422,204	160,031	6,500	575,735
Accumulated Absences	579,740	195,187		774,927
Snow Removal	400,288	383,383		783,671
Unemployment Comp. Ins.	55,621	720,870	45,134	731,357
Motor Vehicle Fines	2,129,322	3,112,693	2,925,000	2,317,015
Sheriff's Confiscated Funds - Local	320,590	284,990	62,533	543,047
Sheriff's Confiscated Funds - Treasury	58,995	55,879	57,462	57,412
Sheriff's Confiscated Funds - Justice	1,484,727	671,791	346,886	1,809,632
Municipal Confiscated Funds - Local	1,447,217	524,065	267,716	1,703,566
Municipal Confiscated Funds - Federal	1,342,760	726,641	364,566	1,704,835
Prosecutor's Confiscated Funds - Local	5,031,269	542,159	519,428	5,054,000
Prosecutor's Confiscated Funds - Treasury	209,587	48,125	57,786	199,926
Prosecutor's Confiscated Funds - Justice	1,018,754	332,666	320,568	1,030,852
Para Transit	194,756	81,574	36,569	239,761
	<u>\$ 21,451,121</u>	<u>11,828,736</u>	<u>8,919,680</u>	<u>24,360,177</u>
		Cash \$ 10,179,343	8,359,385	
		Interfunds 1,576,479	487,381	
		Reclass 72,914	72,914	
		<u>\$ 11,828,736</u>	<u>8,919,680</u>	

COUNTY OF PASSAIC

Schedule of Accounts Receivable - PCSD Off Duty

Year Ended December 31, 2017

Balance - December 31, 2016	\$ <u>439,274</u>
Increased by:	
Billings	\$ <u>2,493,528</u>
	2,932,802
Decreased by:	
Cash Received	<u>2,558,732</u>
Balance - December 31, 2017	\$ <u><u>374,070</u></u>

COUNTY OF PASSAIC

Schedule of Open Space Due from Municipalities

Year Ended December 31, 2017

Balance - December 31, 2016	\$ <u>40,000</u>
Decreased by:	
Cash Receipts	<u>40,000</u>

COUNTY OF PASSAIC
 Schedule of Reserve for Open Space Trust Expenditures
 Year Ended December 31, 2017

	Balance December 31, <u>2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Reallocated</u>	Balance December 31, <u>2017</u>
Reserve for Unallocated General Funds	2,827,036	2,430,876		(2,722,325)	2,535,587
Reserve for Unallocated Municipal/Non-Profit Funds	2,444,506	2,430,877		(2,443,804)	2,431,579
Reserve for Budgeted Projects	<u>1,895,906</u>	<u>8,486,170</u>	<u>6,298,397</u>	<u>5,166,129</u>	<u>9,249,808</u>
	<u>\$ 7,167,448</u>	<u>13,347,923</u>	<u>6,298,397</u>		<u>14,216,974</u>
		Levy \$ 4,720,888			
		Added and Omitted 12,545			
		Interfunds	1,541,862		
		Open Space Grant Commitments Payable 8,486,170			
		Payments	4,756,535		
		Reimbursements			
		Interest on Investments <u>128,320</u>			
		<u>\$ 13,347,923</u>	<u>6,298,397</u>		

COUNTY OF PASSAIC

Schedule of Open Space Grant Commitments Payable

Year Ended December 31, 2017

Balance - December 31, 2016	\$ 8,486,169
Decreased by:	
Cancellation of 2016 Appropriations	<u>8,486,169</u>

COUNTY OF PASSAIC

Schedule of Reserve for Confiscated Trust Fund

Year Ended December 31, 2017

	Balance December 31, <u>2016</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2017</u>
Reserve for Interest - Prosecutor	\$ 15,404	54,068	28,175	41,297
Reserve for All Confiscated Funds	2,520,866	2,493,305	2,498,650	2,515,521
Adjudicated to Distribute	<u>24,405</u>	<u>1,188,698</u>	<u>1,188,698</u>	<u>24,405</u>
	<u>\$ 2,560,675</u>	<u>3,736,071</u>	<u>3,715,523</u>	<u>2,581,223</u>
Reclass	\$	1,206,902	1,191,874	
Cash		<u>2,529,169</u>	<u>2,523,650</u>	
		<u>\$ 3,736,071</u>	<u>3,715,524</u>	

COUNTY OF PASSAIC

Schedule of Reserve for Workmen's Compensation

Year Ended December 31, 2017

Balance - December 31, 2016		\$ 2,521,937
Increased by:		
Miscellaneous Contributions and Reimbursements	\$ 857,258	
Budget Appropriations	3,852,415	
General Capital Fund - Insurance Bond	<u>1,505,204</u>	
		<u>6,214,877</u>
		8,736,814
Decreased by:		
Payment of Claims		<u>3,280,612</u>
Balance - December 31, 2017		<u>\$ 5,456,202</u>

COUNTY OF PASSAIC
Schedule of Reserve for Health Benefit Funds
Year Ended December 31, 2017

Balance - December 31, 2016		\$ 3,007,185
Increased by:		
Interest Income	54,082	
Unexpended Medical/RX Funds	<u>10,856,233</u>	
		<u>10,910,315</u>
		13,917,500
Decreased by:		
Claims Paid		<u>5,000</u>
Balance - December 31, 2017		<u>\$ 13,912,500</u>

Schedule of Reserve for Liability Insurance
Year Ended December 31, 2017

Balance - December 31, 2016		\$ 927,780
Increased by:		
Miscellaneous Contributions and Reimbursements	\$ 56,514	
Budget Appropriations	4,779,680	
General Capital Fund - Refunding Ordinance	<u>3,110,409</u>	
		<u>7,946,603</u>
		8,874,383
Decreased by:		
Payment of Claims		<u>3,437,825</u>
Balance - December 31, 2017		<u>\$ 5,436,558</u>

COUNTY OF PASSAIC
Reserve for Housing Voucher Program
Year Ended December 31, 2017

Balance - December 31, 2016		\$	7,136,372
Increased by:			
Grant Revenues	\$	8,667,596	
Other Income		154,800	
Interest Income		<u>17,782</u>	
			<u>8,840,178</u>
			15,976,550
Decreased by:			
Expenditures			<u>9,574,588</u>
Balance - December 31, 2017		\$	<u><u>6,401,962</u></u>

COUNTY OF PASSAIC

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2017

	Balance December 31, <u>2016</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2017</u>
Due from/(to) Current Fund:				
Other Trust Fund				
Homelessness Trust	\$	172,834	172,834	
Off-Duty Emp.		2,289,402	2,289,402	
Open Space Trust - Due from (to) Current		5,298,397	5,298,397	
Register of Deeds		71,239	71,239	
Other Trust		1,829,359	1,829,359	
Motor Vehicle Dedicated Trust	448	39,299	39,747	
PCSD Local		60,701	60,701	
PCSD Treasury		57,462	57,462	
PCSD Justice		345,033	345,033	
PCSD Municipal		630,756	630,756	
PCPO Local		507,264	507,264	
PCPO Treasury		39,127	39,127	
PCPO Justice		432,255	432,255	
Para Transit		36,569	36,569	
Confiscated Trust Fund		1,357,310	1,357,310	
Self Insurance Trust Fund:				
Worker's Compensation	2,367,731	4,660,057	7,027,788	
Health Benefits Fund		4,599,520	4,599,520	
Liability Insurance		6,326,144	6,326,144	
HUD Trust Fund		677,714	677,714	
		<u>29,430,442</u>	<u>31,798,621</u>	
Total Due from/(to) Current Fund	<u>2,368,179</u>			
Due from (to) Capital Fund:				
Open Space Trust				
		<u>1,000,000</u>	<u>1,000,000</u>	
Total Due from (to) Capital Fund		<u>1,000,000</u>	<u>1,000,000</u>	
Intrafunds:				
Other Trust - Homelessness Trust		11,547	11,547	
Other Trust - Motor Vehicle Trust		98	98	
Homelessness Trust - Other Trust		11,547	11,547	
Motor Vehicle Trust - Other Trust		98	98	
Confiscated - PCPO		14,990	14,990	
PCPO - Confiscated		14,990	14,990	
		<u>53,270</u>	<u>53,270</u>	
Total Intrafunds		<u>53,270</u>	<u>53,270</u>	
	\$ <u>2,368,179</u>	<u>30,483,712</u>	<u>32,851,891</u>	
Cash Receipts				
		\$	23,837,090	
Reimbursement for Expenses Paid		6,070,755	9,014,801	
Cash Disbursements		<u>24,412,957</u>		
		<u>\$ 30,483,712</u>	<u>32,851,891</u>	

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COUNTY OF PASSAIC

Schedule of Cash

General Capital Fund

Year Ended December 31, 2017

Balance - December 31, 2016		\$ 76,971,629
Increased by Receipts:		
Grants Receivable	\$ 188,199	
Bond Sale	18,000,000	
Interest Earnings	581,311	
Fund Balance	<u>1,379,175</u>	
		<u>20,148,685</u>
		97,120,314
Decreased by Disbursements:		
Commitments Payable	78,649	
Schedule of Interfunds	<u>40,227,933</u>	
		<u>40,306,582</u>
Balance - December 31, 2017		<u>\$ 56,813,732</u>

COUNTY OF PASSAIC

Analysis of Cash

General Capital Fund

Year Ended December 31, 2017

Fund Balance		\$	6,023,853
Grants Receivable			(75,153,660)
Committments payable			40,541,351
Capital Improvement Fund			58,666
Reserve for Payment of Bonds and Notes			10,121,959
Reserve for Salt Shed - West Milford			296,619
Reserve for Grants Receivable			22,677,866
Improvement Authorizations:			
Ordinance			
<u>Number</u>	<u>Improvement Description</u>		
00-14	Supplemental - Redecking of McBride Bridge Turnpike to Hinchman Ave		(238,000)
04-05	Acquisition of Property for a Salt Dome		(182,429)
04-12	Imp & Renovation to 435 Haamburg Turnpike		(416,858)
04-23	Intersection Improvements		(141,849)
05-07	Parks & Recreation General Improvements		4,748
07-06	Various Capital Improvments		(378,894)
07-11	Intersection Improvement Projects		(67,568)
07-12	Acquisition of Various Equipment		140
08-01	Various Building and Grounds Improvements		(410,000)
08-02	Various Roadway Imp & Acq. of Equipment		(252)
08-03	Various Capital Improvements		215,361
09-04	Various Park & Recreation Improvements		1,176
09-06	Building & Grounds Improvements		1,242,855
09-08	Various Capital Improvements - PCCC		(988)
09-09	Various Capital Improvements - PCTI		(330,380)
10-04	County Park Improvements		371
10-07	Refunding Bonds - GI 2003, 32mil		(1,041,865)
10-08	Various Capital Improvement Funds		2,044,315
11-03	Various Capital Improvements		1,001,756
11-04	Various Capital Improvements		(73,600)
12-05	Improvement of the Passaic County Technical School		34,749
12-06	Various Capital Improvements		(43,079)
12-07	Various Capital Improvements		2,057,551
13-05	Various Bridge/Drain/Road Impvts.		(1,770,117)
13-06	Improvement of Passaic County Community College		(3,110)
13-07	Various Capital Improvements		337,897
13-08	Improvement of the Passaic County Vocational School District		(40,881)
13-10	Various Capital Improvements		(305,878)

COUNTY OF PASSAIC

Analysis of Cash

General Capital Fund

Year Ended December 31, 2017

14-03	Improvement of Passaic County Community College	1,028,371
14-04	Improvement of the Passaic County Vocational School District	570,211
14-06	Self Insurance Funding	(2,142)
14-07	Improvement of the Passaic County Vocational School District	240,005
14-08	Various Capital Improvements	4,856,754
14-10	Police Radio Communications System	20,349
15-02	Acquisition Golf/Utility Carts	12,223
15-03	PCTI Improvements	976,858
15-05	PCCC Improvements - Chp. 12	2,726,833
15-06	Renovations to Courthouse Complex - Historic Preservation Trust	(1,975,000)
15-07/16-06	Various Capital Improvements	17,896,374
16-02	PCCC Improvements - Chp. 12	2,943,309
16-03	PCCC Improvements	(1,866,657)
16-04	Various Capital Improvements	967,438
16-05	PCTI Building & Grounds Improvements	(509,180)
16-09	PCTI-STEM Academy	16,354,784
16-11	9-1-1 Emergency System	(875,761)
17-01	RiverFront Park Imp	5,999,525
17-02	PCCC Improvements	2,943,380
17-03	PCCC Capital Improvements	(2,700)
17-04	Various Capital Improvements	(1,890,622)
17-07	Garret Mountain Reservation Improvements	16,555
17-08	Renovations of Courthouse Annex	321,000
		<u>56,813,732</u>
		\$ <u>56,813,732</u>

COUNTY OF PASSAIC
 Schedule of Receivables
 General Capital Fund

Year Ended December 31, 2017

Grantor	Project	Ord. No.	Balance Dec. 31, 2016	Awarded in 2017	Decreased	Balance Dec. 31, 2017
Federal Grants:						
Community Development	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	-	750,000	1,450,000
			4,400,000	-	950,000	3,450,000
State Grants:						
N.J. Department of Transportation	County Road Improvement Project	09-05	4,140,791	-	505,816	3,634,975
N.J. Historical Trust	Rehabilitation and Reconstruction of Dey Mansion	10-03	805,255	-	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	Moorestown Road	10-08	200,000	-	-	200,000
County Aid	Black Oak Ridge Road/Jackson Avenue Signal Replacement	10-08	294,856	-	-	294,856
N.J. Department of Transportation	Fairlawn Avenue Bridge	10-08	97,289	-	-	97,289
N.J. Department of Transportation	Two Bridges Road/West Belt	10-08	628,697	-	-	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	295,974	-	460	295,514
DOT Surface Transportation	Bridge Replacement, Rehab, Repairs	11-03	4,116,327	-	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	-	442,580	6,314,420
N.J. Department of Transportation	West Brook Road/Wanaque Reservoir, PC 491	12-07	12,170,868	-	892,870	11,277,998
N.J. Department of Transportation	Two Bridges Road/West Belt	12-07	3,794,195	-	534,362	3,259,833
N.J. Department of Transportation	Clinton Road Bridge	12-07	75,615	-	-	75,615
N.J. Department of Transportation	Pompton Hamburg Turnpike/Valley Road	12-07	1,000,000	-	1,000,000	-
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, 2017

Grantor	Project	Ord. No.	Balance Dec. 31, 2016	Awarded in 2017	Decreased	Balance Dec. 31, 2017
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	400,000			400,000
N.J. Department of Transportation	Various Road Improvements	14-08	5,980,434		5,907,602	72,832
County Aid	Road Resurfacing	14-08	921,425		921,425	-
N.J. Department of Transportation	Various Road Improvements	15-07	35,883,133		211,821	35,671,312
N.J. Dept. of Environment Protection	Haledon Avenue(Green Street) Improvements	15-07	306,526		1,207	305,319
County Aid	Resurfacing Various Roads	15-07	4,110,800		4,110,800	-
N.J. Dept. of Environment Protection	Construction of Riverfront Park	17-01	-	5,000,000		5,000,000
N.J. Dept. of Environment Protection	Various Improvements to Garrett Mountain Reservation	17-07	-	1,375,000		1,375,000
			<u>87,246,516</u>	<u>6,375,000</u>	<u>21,917,856</u>	<u>71,703,660</u>
			\$ <u>91,646,516</u>	<u>6,375,000</u>	<u>22,867,856</u>	<u>75,153,660</u>
	Improvement Authorizations		\$ <u>6,375,000</u>	<u>6,375,000</u>		
			\$ <u>6,375,000</u>			
	Cash		\$	188,199		
	Reallocated			19,512,601		
	Cancelled			3,167,056		
			\$	<u>22,867,856</u>		

COUNTY OF PASSAIC
Schedule of Deferred Charges to Future
Taxation - Funded
General Capital Fund
Year Ended December 31, 2017

Balance - December 31, 2016		\$	312,699,612
Increased by:			
Serial Bonds Issued			47,400,000
			360,099,612
Decreased by:			
2017 Budget Appropriations to Pay Bonds	\$	29,746,000	
2017 Budget Appropriations to Pay Loans		45,074	
2017 Budget Appropriations to Pay Capital Leases		2,930,000	
			32,721,074
Balance - December 31, 2017		\$	327,378,538

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

Ordinance Number	Improvement Description	General Capital Fund				Analysis of Balance - Dec. 31, 2017		
		Year Ended December 31, 2017				Balance Dec. 31, 2017	Expenditures	Unexpended Improvement Authorization
		Balance Dec. 31, 2016	2017 Authorizations	Reduced	Financed by			
		\$						
87-25	General Improvements: Acquisition of a Right-of-Way, Phase II & III Construction of New Street	337,629		337,629	238,000			
96-24	Expansion PCCC	222,000		222,000	182,429			
97-26	Rehabilitate Bridges - PC #28 & #29	344,538		344,538	416,858			63,142
99-10	Various Drainage Improvement Projects	238,000		238,000	141,849			
99-15	Intersection Imp. Torowa & French Hill Roads	476,000		476,000	648,822			
00-14	Supplemental - Redecking of McBride Bridge Turnpike to Finchman Ave	238,000		238,000	995,000			616,106
04-05	Acquisition of Property for a Salt Dome	185,000		2,571	67,568			
04-12	Imp & Renovations to 435 Hamburg Turnpike	480,000			946,850			46,850
04-23	Intersection Improvements	141,849						
06-06	Bridge Replacements and/or Repairs	657,923		9,101				
07-06	Various Capital Improvements	995,000		65,734				
07-11	Intersection Improvement Projects	133,302						
07-12	Acquisition of Various Equipment	946,850		174				
07-15	Various Imp for the Vocational Technical School	2,410,000		4,000,000	2,410,000			
08-01	Various Building and Grounds Improvements	5,696,252		18,270	1,696,252			252
08-02	Various Roadway Imp & Acq. of Equipment	18,270						
09-01	2009 Road Resurfacing	3,106,640		3,106,640				
09-06	Building & Grounds Improvements	2,278,988						
09-08	Various Capital Improvements - PCCC	937,924		600,000	2,278,988			988
09-09	Various Capital Improvements - PCTI	98,488		98,488	337,924			330,380
10-06	Various Capital Improvements	1,041,865		60,593	1,041,865			2,565,833
10-07	Refunding Bonds - GI 2003, 32mil	2,626,426			2,565,833			97,009
11-03	Various Capital Improvements	970,609			970,609			73,600
12-04	Improvement of Passaic County Community College	2,338,508			2,338,508			
12-05	Improvement of the Passaic County Technical Institute	1,938,616			1,938,616			758,616
12-06	Various Capital Improvements	1,631,466			1,631,466			88,387
12-07	Various Bridge/Drain/Road Impvrs.	11,631,325		1,563,091	10,068,234			568,234
13-05	Various Bridge/Drain/Road Impvrs.	6,550,000		1,755,894	4,794,106			3,023,990
13-06	Improvement of Passaic County Community College	1,868,110			1,865,000			
13-07	Various Capital Improvements	2,672,000		415,000	2,672,000			95,427
13-08	Improvement of the Passaic County Vocational School District	951,308			400,000			688,447
13-10	Various Capital Improvements	3,594,325			3,594,325			

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

General Capital Fund

Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Reduced	Balance Dec. 31, 2017	Analysis of Balance - Dec. 31, 2017		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
14-01	Various Capital Improvements	285,000		285,000				
14-02	Improvement of Passaic County Community College	980,840			980,840	980,840		
14-04	Improvement of the Passaic County Vocational School District Self Insurance Funding	1,958,616		725,000	1,958,616	1,958,616		
14-06	Improvement of the Passaic County Vocational School District	25,457,142		235,000	24,752,142	24,750,000	2,142	
14-07	Various Capital Improvements	5,622			9,315,000	9,315,000		500
14-08	Police Radio Communications System	1,206,500			1,206,500	1,206,000		
14-10	Acquisition of Golf & Utility Carts	580,806			580,806	580,806		
15-02	PCTI Improvements	979,308			979,308	979,308		
15-03	PCCC Improvements	1,896,985			1,896,985	1,896,985		
15-04	Court House Complex	2,175,000		200,000	1,975,000	1,975,000	1,975,000	8,950,000
15-06	Various Capital Improvements	8,950,000			8,950,000	8,950,000		609,975
15-07/16-06	PCCC Improvements	2,476,632			2,476,632	2,476,632	1,866,657	5,577,845
16-03	Various Capital Improvements	9,611,960			9,611,960	9,611,960	509,180	470,128
16-04	PCTI Improvements	979,308			979,308	979,308		
16-05	Acquisition of Office Condominium	2,500,000	6,000,000	36,000,000	2,500,000	2,500,000		
16-08	PCTI-STEM Academy	30,000,000			30,000,000	30,000,000		
16-09	9-1-1 Emergency System	1,045,000			1,045,000	1,045,000	875,761	169,239
16-11	RiverFront Park Imp	4,500,000		500,000	4,000,000	4,000,000		4,000,000
17-01	PCCC Improvements	3,000,000		3,000,000			2,700	2,049,675
17-02	PCCC Capital Improvements	2,052,375			2,052,375	2,052,375	1,890,623	6,538,537
17-03	Various Capital Improvements	8,429,160			8,429,160	8,429,160		
17-04								
		<u>\$ 158,396,104</u>	<u>23,981,535</u>	<u>54,264,345</u>	<u>128,113,294</u>	<u>78,580,000</u>	<u>12,567,810</u>	<u>36,965,484</u>
	Improvement Authorizations \$		<u>23,981,535</u>					
	County College Bonds			3,000,000				
	General Serial Bonds			44,400,000				
	Budget Appropriations			2,585,545				
	Cancelled by Resolution			3,778,800				
	Open Space Trust Fund			500,000				
				<u>\$ 54,264,345</u>				
	Excess Proceeds Ord. 14-08					195,000		
	Note Proceeds					78,580,000		
	Bond Anticipation Notes \$					<u>78,775,000</u>		

COUNTY OF PASSAIC

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2017

Improvement Authorizations Unfunded		\$	46,604,654
Less: Unexpended Proceeds of Bond Anticipation Notes Issued			
<u>Ordinance No.</u>			
07-12	\$	140	
12-05		34,749	
12-07		2,057,551	
13-07		337,897	
14-04		570,211	
14-08		4,661,754	
14-10		20,349	
15-02		12,223	
15-03		976,858	
16-04		967,438	
			<u>9,639,170</u>
		\$	<u>36,965,484</u>

COUNTY OF PASSAIC
Schedule of Improvement Authorizations
General Capital Fund
Year Ended December 31, 2017

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2016		2017 Authorizations	Cancelled	Paid or Charged	Balance Dec. 31, 2017	
			Funded	Unfunded				Funded	Unfunded
	General Improvements:								
98-36	Kingsland Avenue Bridge PC #81	\$ 400,000	\$ 271,219			271,219			
00-40	Supplemental - Repairs/Rehab. to Kingsland Ave Bridge PC #81.	700,000	700,000			700,000			
			18,042			18,042			
01-37	Supplemental - Structure Deficient Bridges	200,000		144,311			144,311		
04-05	Acquisition of Property for a Salt-Dome	600,000		296,987			233,845		63,142
04-12	Imp & Renovations to 435 Hamburg Turnpike						(35,446)		
04-21	Various Road Improvements					35,446			
04-24	Miscellaneous Buildings & Grounds Improvements	2,000,000	64,638			143,362	64,638		
04-29	Acquisition of & Renovation to County Building	6,000,000	66,115			3,973	(77,247)		
05-07	County Road Resurfacing						(3,973)		
05-07	Parks & Recreation General Improvements	2,903,400	69,725				64,977	4,748	
05-09	Acquisition of Equipment- Freakness Healthcare Center	1,000,000	4,339				4,339		
05-11	Various Repairs & Improvements	12,334,000							
06-03	Various Road Improvements					1,875	(1,875)		
06-05	Private Fiber Optic Network	5,500,000	3,554			14,526	(10,972)		
06-08	Parks & Recreation General Improvements	3,750,000	14,958			15,181	(223)		
06-16	Reconstruction and Rehabilitations of Various Bridges	6,652,000	26,802			31,076	(4,274)		
07-06	Various Capital Improvements	2,500,000		616,106				616,106	
07-08	2007 Road Improvement Projects	3,773,000	616,884			616,884	900		
07-11	Intersection Improvement Projects	1,350,000	66,634			65,734	2,300		46,990
07-12	Acquisition of Various Equipment	1,523,000	49,290						
07-13	Various Capital Improvements	4,300,000	261,843			261,843			
08-03	Various Capital Improvements	10,800,000	244,189						
09-04	Various Park & Recreation Improvements	7,400,000					28,828	215,361	
09-06	Building & Grounds Improvements	2,015,000	123,026			112,408	(1,176)	1,176	
09-07	Acquisition of Equipment	2,937,924					6,853	1,242,855	
09-09	Various Capital Improvements - PCTI	1,858,950		1,249,708					7,544
10-03	Dey Mansion Renovations	3,000,000	187,761	9,544		167,586	2,000	371	
10-04	County Park Improvements	4,730,000	697,050			795,538	20,175		
10-06	Various Capital Improvements	16,304,250	2,470,186			60,593	425,871	2,044,315	2,565,833
11-03	Various Capital Improvements	27,920,000	1,161,024	2,626,426		1,001,756	159,268	1,001,756	
11-04	Various Capital Improvements	11,470,000		150,283			53,274		97,009
12-05	Improvement of the Passaic County Technical Institute	1,958,616	794,765				1,400		793,365
12-06	Various Capital Improvements	12,428,000	268,083				179,696		88,387
12-07	Various Capital Improvements	28,853,000	5,306,979			1,563,091	1,118,102		2,625,786

COUNTY OF PASSAIC

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2017

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2016		2017 Authorizations	Cancelled	Paid or Charged	Balance Dec. 31, 2017	
			Funded	Unfunded				Funded	Unfunded
13-05	Various Bridge/Drain/Road Impvts.	6,700,000		4,942,463		1,755,894	162,580	3,023,989	
13-07	Various Capital Improvements	3,100,000		576,032			238,135	337,897	
13-08	Improvement of the Passaic County Voc School District	951,308		174,315			78,888	95,427	
13-09	Improvement of Passaic County Community College	1,500,000					282,026		
13-10	Various Capital Improvements	8,500,000	282,026	981,133			292,686	688,447	
14-03	Improvement of Passaic County Community College	4,250,000	4,210,507				3,182,136		
14-04	Improvement of the Passaic County Technical Institute	1,958,616		571,911			1,700	570,211	
14-06	Insurance Refunding	26,730,000		4,630,613			4,630,613		
14-07	Improvement of the Passaic County Technical Institute	8,155,622	249,383	5,622			15,000		
14-08	Various Capital Improvements	29,461,708	5,686,805	9,550,000	6,892,602		3,682,449	240,005	
14-10	Police Radio Communication System	1,270,000		22,349			1,500	4,661,754	
15-02	Acquisition of Golf & Utility Carts	625,000		16,950			4,727	20,849	
15-03	PCTI Improvements	979,308		978,258			1,400	12,223	
15-05	PCCC Chapter 12	3,200,000	2,726,973					976,858	
15-06	Court House Complex	2,500,000	324,600	2,175,000			2,499,600		
15-07/16-06	Various Capital Improvements	51,324,505	20,484,867	8,930,000			2,588,493	8,930,000	
16-02	PCCC Improvements - Chp. 12	3,000,000	2,943,309				2,943,309		
16-03	PCCC Improvements	2,476,632		2,471,831			1,861,856	609,975	
16-04	Various Capital Improvements	32,295,800		8,278,277			1,732,994	6,545,283	
16-05	PCTI Building & Grounds Improvements	979,308		619,808			149,680	470,128	
16-09	PCTI-STEM Academy	30,000,000		27,885,650	6,000,000		17,530,866		
16-11	9-1-1 Emergency System	1,100,000	55,000	1,045,000			930,761	169,239	
17-01	RiverFront Park Imp	10,000,000			10,000,000		475	4,000,000	
17-02	PCCC Improvements	3,000,000		3,000,000			56,620	2,943,380	
17-03	PCCC Capital Improvements	2,052,375		2,052,375			2,700	2,049,675	
17-04	Various Capital Improvements	8,872,800		8,872,800			2,334,263	6,538,537	
17-07	Garret Mountain Reservation Improvements	2,750,000		2,750,000			2,733,445	16,555	
17-08	Renovations of Courthouse Annex	3,700,000		3,700,000			3,379,000	321,000	
			\$ 44,156,308	\$ 85,532,816	\$ 36,375,175	\$ 13,526,873	\$ 50,952,054	\$ 54,980,718	\$ 46,604,654

Capital Improvement Fund	\$ 443,640
Open Space Trust Fund	500,000
Capital Fund Balance	5,075,000
Grants Receivable	6,375,000
Def. Charges to Future Taxation	23,981,535
	\$ 36,375,175

Interfunds \$	10,410,703
Commitments Payable	40,541,351
	\$ 50,952,054

COUNTY OF PASSAIC
Schedule of Commitments Payable
General Capital Fund
Year Ended December 31, 2017

Balance - December 31, 2016		\$	45,651,462
Increased by:			
Charges to Improvement Authorizations			<u>40,541,351</u>
			86,192,813
Decreased by:			
Cancelled	\$		1,963,448
Schedule of Interfunds			<u>43,688,014</u>
			<u>45,651,462</u>
Balance - December 31, 2017		\$	<u><u>40,541,351</u></u>

COUNTY OF PASSAIC
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2017

Balance - December 31, 2016	\$	2,306
Increased by:		
2017 Budget Appropriations		500,000
		502,306
Decreased by:		
Appropriated to Finance Improvement Authorizations		443,640
Balance - December 31, 2017	\$	58,666

Schedule of Reserve for Final Payments and Litigation
General Capital Fund
Year Ended December 31, 2017

Balance - December 31, 2016	\$	160,258
Decreased by:		
Cancelled to Fund Balance		160,258
		-

COUNTY OF PASSAIC

Schedule of Reserve for Payment of Bonds and Notes

General Capital Fund

Year Ended December 31, 2017

	<u>Ordinance</u>	<u>Balance Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2017</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		496,755	605,655
Bridge, Road, & Traffic Safety	09-05	100,311			100,311
Total Reserve for Payment of Bonds		<u>1,205,966</u>		<u>500,000</u>	<u>705,966</u>
Reserve for Payment of Bond Anticipation Notes:					
Various Capital Improvements	08-03	5,018,299			5,018,299
ARRA 2009 Road Resurfacing	09-01	282,400			282,400
2009 Road Resurfacing	09-01	26,440			26,440
Various Building & Grounds Imp	09-06	91,252			91,252
Various Capital Improvements	12-06	52,664	442,580		495,244
Various Capital Improvements	13-10	1,075,125			1,075,125
Various Capital Improvements-PH Tpk/Valley Rd	12-07		2,427,233		2,427,233
Total Reserve for Payment of Bond Anticipation Notes		<u>6,546,180</u>	<u>2,869,813</u>		<u>9,415,993</u>
Total Reserve for Payment of Bonds and Notes		<u>\$ 7,752,146</u>	<u>2,869,813</u>	<u>500,000</u>	<u>10,121,959</u>
			Budget \$	500,000	
			Transfer from Reserve for Grants Receivable	<u>2,869,813</u>	
			Interfunds \$	<u>2,869,813</u>	<u>500,000</u>

COUNTY OF PASSAIC

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2017

	Balance, December 31, <u>2016</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2017</u>
Current Fund	\$	53,680,028	53,680,028	
Open Space Trust Fund		<u>1,000,000</u>	<u>1,000,000</u>	
		<u>54,680,028</u>	<u>54,680,028</u>	
Due from		1,000,000	1,000,000	
Due (to)		<u>53,680,028</u>	<u>53,680,028</u>	
	\$	<u>54,680,028</u>	<u>54,680,028</u>	

Receipts	\$	
Improvement Authorizations		10,410,703
Commitments Payable		43,688,014
Reimbursement for Expenditures	12,107,291	
Capital Improvement Fund	500,000	
Budget-Paydown of Debt	200,000	
Deferred Charges Unfunded-Budget	1,644,804	
Interest on Investments		581,311
Disbursements	<u>40,227,933</u>	
	\$	<u>54,680,028</u>
		<u>54,680,028</u>

COUNTY OF PASSAIC

Schedule of Reserve for Salt Shed - West Milford

General Capital Fund

Year Ended December 31, 2017

Balance - December 31, 2016	\$ <u>296,619</u>
Balance - December 31, 2017	\$ <u><u>296,619</u></u>

COUNTY OF PASSAIC

Schedule of Reserve for Interest - Fire Academy

General Capital Fund

Year Ended December 31, 2017

Balance - December 31, 2016	\$ <u>1,101,710</u>
Decreased by: Cancelled to Fund Balance	\$ <u><u>1,101,710</u></u>

COUNTY OF PASSAIC

Schedule of Reserve for Administration
Building Settlement

General Capital Fund

Year Ended December 31, 2017

Balance - December 31, 2016	\$ <u>9,786</u>
Decreased by:	
Cancelled to Fund Balance	\$ <u><u>9,786</u></u>

Schedule of Reserve for Interest - DOT Programs

General Capital Fund

Year Ended December 31, 2017

Balance - December 31, 2016	\$ <u>12,786</u>
Decreased by:	
Cancelled to Fund Balance	\$ <u><u>12,786</u></u>

COUNTY OF PASSAIC

Schedule of Reserve for Grants Receivable

General Capital Fund

Year Ended December 31, 2017

Balance - December 31, 2016		\$ <u>27,347,678</u>
Decreased by:		
Cancelled By Resolution	\$ 1,800,000	
Transferred to Reserve for Payment of Debt	<u>2,869,812</u>	
		<u>4,669,812</u>
Balance - December 31, 2017		\$ <u><u>22,677,866</u></u>
 <u>Analysis of Balance:</u>		
Ordinance 12-06		\$ 6,314,420
Ordinance 12-07		14,613,446
Ordinance 13-05		1,100,000
Ordinance 13-07		<u>650,000</u>
		<u><u>22,677,866</u></u>

COUNTY OF PASSAIC
Schedule of Bond Anticipation Notes Payable
General Capital Fund
Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance		Decreased	Balance Dec. 31, 2017
						Dec. 31, 2016	Increased		
08-02	Various Capital Improvements	12/4/14	12/12/16	12/11/17	2.0000%	4,000,000		4,000,000	
09-06	Building & Grounds Improvements	12/4/14	12/12/16	12/11/17	2.0000%	3,106,640		3,106,640	
09-09	Various Capital Improvements	12/4/14	12/12/16	12/11/17	2.0000%	600,000		600,000	
13-08	Various Capital Improvements	12/4/14	12/12/16	12/11/17	2.0000%	415,000		415,000	
14-01	Various Capital Improvements	12/4/14	12/12/16	12/11/17	2.0000%	285,000		285,000	
11-04	Various Capital Improvements	12/14/15	12/12/16	12/11/17	2.0000%	800,000	800,000		800,000
12-06	Various Capital Improvements	12/14/15	12/12/16	12/11/17	2.0000%	1,500,000	1,500,000		1,500,000
12-07	Various Capital Improvements	12/14/15	12/12/16	12/11/17	2.0000%	3,000,000	3,000,000		3,000,000
13-06	Improvements to PCCC	12/14/15	12/12/16	12/11/17	2.0000%	1,865,000	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		2,600,000
13-08	Improvements to PCCC	12/14/15	12/12/16	12/11/17	2.0000%	400,000	400,000		400,000
07-12	Acquisition of Equipment	12/14/15	12/12/16	12/11/17	2.0000%	900,000	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		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		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		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		1,500,000
14-02	Improvements to PCCC	12/14/15	12/12/16	12/11/17	2.0000%	700,000	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		1,206,000
15-02	Acquisition of Golf Carts	12/14/15	12/12/16	12/11/17	2.0000%	580,806	580,806		580,806
13-05	Various Bridges/Drainage/Road Improvements	12/12/16	12/12/16	12/11/17	2.0000%	1,500,000	1,500,000		1,500,000
06-06	Bridge, Road, & Traffic Safety	12/12/16	12/12/16	12/11/17	2.0000%	692,182	648,822	692,182	648,822
08-02	Various Capital Improvements	12/12/16	12/12/16	12/11/17	2.0000%	1,696,000	1,696,000	1,696,000	1,696,000
12-04	Improvements to PCCC	12/12/16	12/12/16	12/11/17	2.0000%	2,338,508	2,338,508	2,338,508	2,338,508
12-07	Various Capital Improvements	12/12/16	12/12/16	12/11/17	2.0000%	5,000,000	5,000,000	5,000,000	5,000,000
13-07	Various Capital Improvements	12/12/16	12/12/16	12/11/17	2.0000%	1,172,000	1,172,000	1,172,000	1,172,000
14-02	Improvements to PCCC	12/12/16	12/12/16	12/11/17	2.0000%	280,840	280,840	280,840	280,840
14-04	Improvements to PCTI	12/12/16	12/12/16	12/11/17	2.0000%	1,958,616	1,958,616	1,958,616	1,958,616
14-08	Various Capital Improvements	12/12/16	12/12/16	12/11/17	2.0000%	9,510,000	9,510,000	9,510,000	9,510,000
15-03	Improvements to PCTI	12/12/16	12/12/16	12/11/17	2.0000%	979,308	979,308	979,308	979,308
15-04	Improvements to PCCC	12/12/16	12/12/16	12/11/17	2.0000%	1,896,985	1,896,985	1,896,985	1,896,985
16-04	Various Capital Improvements	12/12/16	12/12/16	12/11/17	2.0000%	4,034,115	4,034,115	4,034,115	4,034,115
16-08	Acquire Office Condominiums	12/12/16	12/12/16	12/11/17	2.0000%	2,500,000	2,500,000	2,500,000	2,500,000
16-09	PCTI-Stem	12/12/16	12/12/16	12/11/17	2.0000%	21,000,000	21,000,000	21,000,000	21,000,000
14-06	Self Insurance Funding	12/12/16	12/12/16	12/11/17	2.0000%	25,455,000	24,730,000	25,455,000	24,730,000
						<u>\$ 108,950,000</u>	<u>78,775,000</u>	<u>108,950,000</u>	<u>78,775,000</u>

Serial Bonds \$ 29,400,000
 Budget Appropriations 775,000
 Renewed 78,775,000
 \$ 78,775,000

COUNTY OF PASSAIC
Schedule of General Serial Bonds Payable
General Capital Fund
Year Ended December 31, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2017				Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
			Year	Amount	Year	Amount					
General Obligation Refunding Bonds of 1998 (Term Bonds) - Series B	09/01/98	30,700,000	2018	2,300,000	2018	2,300,000	6.770%	9,100,000		1,900,000	7,200,000
			2019	2,400,000	2019	2,400,000	6.770%				
			2020	2,500,000	2020	2,500,000	6.770%				
General Obligation Refunding Bonds of 1998 (Term Bonds) - Series A	09/01/98	665,000	2018	220,000	2018	220,000	6.770%	665,000			665,000
			2019	220,000	2019	220,000	6.770%				
			2020	225,000	2020	225,000	6.770%				
Pension Refunding Bonds, Series 2003	02/15/03	6,560,000	2018	25,000	2018	25,000	5.750%	1,045,000		880,000	165,000
			2019	35,000	2019	35,000	5.750%				
			2020	45,000	2020	45,000	5.750%				
			2021	60,000	2021	60,000	5.750%				
General Obligation Refunding Bonds	05/01/04	12,220,000					1,095,000				
County College Bonds (A)	10/15/04	4,788,000					488,000		488,000		
County College Bonds (A)	11/15/06	3,050,000	2018	300,000	2018	300,000	600,000		300,000	300,000	
County College Bonds (B)	11/15/06	3,050,000	2018	300,000	2018	300,000	600,000		300,000	300,000	
County College Bonds (A)	11/01/07	5,950,000	2018	615,000	2018	615,000	1,835,000		595,000	1,240,000	
			2019	625,000	2019	625,000	4,000%				
County College Bonds (B)	11/01/07	5,950,000	2018	615,000	2018	615,000	1,835,000		595,000	1,240,000	
			2019	625,000	2019	625,000	4,000%				
General Obligation Bonds	05/01/08	48,625,000	2018	3,000,000	2018	3,000,000	5.000%	2,900,000		2,900,000	

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
			Year	Amount					
			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, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding	Interest Rate	Balance December 31, 2016	Balance December 31, 2017	Change	
							Year	Amount
Vocational School Bonds	05/01/08	2,938,000	2018	5.000%	335,000	335,000		
			2019	5.000%				
County College Bonds	05/01/08	8,077,000	2018	5.000%	710,000	710,000		
			2019	5.000%				
			2020	4.000%				
General Obligation Bonds	04/01/10	19,671,000	2018	3.250%	16,696,000	15,446,000		1,250,000
			2019	3.500%				
			2020	4.000%				
			2021	4.000%				
			2022	4.000%				
			2023	4.000%				
Vocational School Bonds	04/01/10	945,000	2018	3.250%	355,000	250,000		125,000
			2019	3.500%				

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
			Year	Amount					
County College Bonds	04/01/10	2,130,000	2018	220,000	3.250%	1,080,000		210,000	870,000
			2019	230,000	3.500%				
			2020	240,000	4.000%				
			2021	180,000	4.000%				
Recovery Zone Economic Development Bond	07/28/10	4,389,000	2018	233,000	4.910%	3,193,000		223,000	2,970,000
			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	2018	115,000	3.000%	622,000		110,000	512,000
			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, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
			Year	Amount	Rate					
County College Bonds	08/01/10	1,176,000	2018	115,000	3.000%	621,000			110,000	511,000
			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	2018	755,000	4.750%	6,445,000			4,955,000	1,490,000
			2019	735,000	4.750%					
General Obligation Refunding Bonds	02/01/12	11,695,000	2018	2,125,000	4.000%	6,325,000			1,975,000	4,350,000
			2019	2,225,000	4.000%					
General Obligation Bonds	04/01/12	23,155,000	2018	1,500,000	3.000%	18,555,000			1,400,000	17,155,000
			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, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
			Year	Amount					
General Obligation Bonds - Taxable Bonds	04/01/12	13,370,000	2018	1,450,000	3.000%	9,370,000		1,350,000	8,020,000
			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	2018	430,000	2.000%	2,720,000		415,000	2,305,000
			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	2018	430,000	2.000%	2,720,000		415,000	2,305,000
			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	2018	585,000	4.000%	2,890,000		600,000	2,290,000
			2019	580,000	4.000%				
			2020	575,000	4.000%				
			2021	550,000	4.000%				
General Obligation Refunding Bonds	05/15/13	17,650,000	2018	1,360,000	4.000%	17,480,000		1,265,000	16,215,000
			2019	1,455,000	4.000%				
			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%							

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
			Year	Amount					
College Bond - Series 2014A	06/15/14	2,875,000	2018	190,000	5.000%	2,520,000		185,000	2,335,000
			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%				

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
			Year	Amount					
College Bond - Series 2012B	06/15/14	2,875,000	2018	190,000	5.000%	2,520,000		185,000	2,335,000
			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	2018	965,000	3.000%	20,271,000		965,000	19,306,000
			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, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
			Year	Amount					
County Vocational School Bonds, Series 2014	12/04/14	979,000	2018	40,000	3.000%	899,000		40,000	859,000
			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	2018	600,000	3.000%	1,825,000		575,000	1,250,000
			2019	650,000	2.000%				
General Obligation Bonds, Series 2014B	12/04/14	3,940,000	2018	350,000	2.500%	3,365,000		325,000	3,040,000
			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, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
			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	2018	125,000	2.000%	1,495,000			1,380,000
			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, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
			Year	Amount					
County College Bonds, Series 2015B	07/01/15	1,600,000	2018	125,000	2.000%	1,495,000		115,000	1,380,000
			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%	10,890,000		730,000	10,160,000
			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, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
			Year	Amount					
County Vocational School Bonds	12/14/15	2,000,000	2018	100,000	4.000%	1,900,000		100,000	1,800,000
			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	2018	115,000	1.000%	1,500,000		105,000	1,395,000
			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, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
			Year	Amount					
County College Bonds, Series 2015B	07/01/16	1,500,000	2018	115,000	1.000%	1,500,000		105,000	1,395,000
			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				
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, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
			Year	Amount					
County Vocational School Bonds	12/01/16	8,150,000	2018	400,000	2.000%	8,150,000		350,000	7,800,000
			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	2018	220,000	2.000%	2,500,000		210,000	2,290,000
			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%							
County College Bonds	07/01/17	1,500,000	2018	105,000	2.000%				1,500,000
			2019	115,000	2.000%				
			2020	125,000	2.000%				
			2021	130,000	2.000%				
			2022	140,000	3.000%				
			2023	150,000	3.000%				
			2024	160,000	3.000%				
			2025	165,000	3.000%				
2026	200,000	3.000%							
2027	210,000	3.000%							

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
			Year	Amount					
County College Bonds	07/01/17	1,500,000	2018	105,000	2.000%		1,500,000		1,500,000
			2019	115,000	2.000%				
			2020	125,000	2.000%				
			2021	130,000	2.000%				
			2022	140,000	3.000%				
			2023	150,000	3.000%				
			2024	160,000	3.000%				
			2025	165,000	3.000%				
			2026	200,000	3.000%				
			2027	210,000	3.000%				
General Improvement Bonds	12/01/17	7,385,000	2018	405,000	2.000%		7,385,000		7,385,000
			2019	425,000	2.000%				
			2020	440,000	2.000%				
			2021	450,000	2.000%				
			2022	470,000	3.000%				
			2023	490,000	3.000%				
			2024	515,000	3.000%				
			2025	545,000	4.000%				
			2026	555,000	4.000%				
			2027	575,000	4.000%				
			2028	595,000	3.000%				
		2029	615,000	3.000%					
		2030	645,000	3.000%					
		2031	660,000	3.000%					

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
			Year	Amount					
County Vocational School Bonds	12/01/17	36,000,000	2018	1,245,000	2.000%		36,000,000		36,000,000
			2019	1,295,000	2.000%				
			2020	1,345,000	2.000%				
			2021	1,395,000	2.000%				
			2022	1,445,000	3.000%				
			2023	1,495,000	3.000%				
			2024	1,535,000	3.000%				
			2025	1,600,000	4.000%				
			2026	1,695,000	4.000%				
			2027	1,755,000	4.000%				
			2028	1,820,000	3.000%				
			2029	1,895,000	3.000%				
			2030	1,945,000	3.000%				
			2031	1,995,000	3.000%				
			2032	2,090,000	3.000%				
			2033	2,095,000	3.000%				
			2034	2,195,000	3.000%				
		2035	2,385,000	3.000%					
		2036	2,370,000	3.000%					
		2037	2,385,000	3.000%					

COUNTY OF PASSAIC

Schedule of New Jersey Green Trust Loans Payable

General Capital Fund

Year Ended December 31, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance December 31, 2016	Decreased	Balance December 31, 2017
			Date	Amount				
Lambert Castle Grounds Project	02/28/08	\$ 564,657	02/28/18	22,875	2.000%	234,612	45,074	189,538
			08/28/18	23,105	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	24,526	2.000%			
						\$ 234,612	45,074	189,538

COUNTY OF PASSAIC

Schedule of Capital Leases Payable

General Capital Fund

Year Ended December 31, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Capital Leases Outstanding		Interest Rate	Balance December 31, 2016	Decreased	Balance December 31, 2017
			Date	Amount				
Refunding -Preakness Healthcare Center Expansion	05/01/12	\$ 57,425,000	05/01/18	200,000	4.000%	54,875,000	2,000,000	52,875,000
	05/01/18		05/01/18	1,905,000	5.000%			
	05/01/19		05/01/19	1,890,000	3.000%			
	05/01/19		05/01/19	300,000	4.000%			
	05/01/20		05/01/20	2,250,000	2.125%			
	05/01/21		05/01/21	2,330,000	5.000%			
	05/01/22		05/01/22	1,530,000	2.500%			
	05/01/22		05/01/22	900,000	5.000%			
	05/01/23		05/01/23	2,010,000	2.625%			
	05/01/23		05/01/23	500,000	4.000%			
	05/01/24		05/01/24	2,610,000	5.000%			
	05/01/25		05/01/25	2,740,000	5.000%			
	05/01/26		05/01/26	2,885,000	5.000%			
	05/01/27		05/01/27	3,000,000	3.000%			
	05/01/28		05/01/28	3,090,000	3.000%			
05/01/29		05/01/29	3,185,000	3.125%				
05/01/30		05/01/30	3,290,000	3.125%				
05/01/35		05/01/35	18,260,000	3.500%				

COUNTY OF PASSAIC

Schedule of Capital Leases Payable

General Capital Fund

Year Ended December 31, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Capital Leases Outstanding		Interest Rate	Balance December 31, 2016	Balance December 31, 2017
			Date	Amount			
Refunding -Preakness Healthcare Center Expansion	05/20/15	\$ 19,550,000	05/01/18	655,000	4.000%	19,550,000	18,920,000
			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%			
						630,000	

COUNTY OF PASSAIC

Schedule of Capital Leases Payable

General Capital Fund

Year Ended December 31, 2017

Purpose	Date of Issue	Amount of Original Issue	Maturities of Capital Leases Outstanding		Interest Rate	Balance December 31, 2016	Decreased	Balance December 31, 2017
			Date	Amount				
Refunding - Prosecutor Building	05/20/15	\$ 3,510,000	05/01/18	310,000	3.000%	3,215,000	300,000	2,915,000
			05/01/19	320,000	5.000%			
			05/01/20	335,000	5.000%			
			05/01/21	355,000	5.000%			
			05/01/23	390,000	5.000%			
			05/01/24	405,000	5.000%			
			05/01/25	430,000	3.000%			
						\$ 77,640,000	2,930,000	74,710,000

COUNTY OF PASSAIC

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2017

Ordinance Number		Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
General Improvements:					
87-25	New Street Reconstruction - Phases II and III	\$ 337,629		337,629	
96-24	Expansion PCCC	222,000		222,000	
97-26	Rehabilitate Bridges - PC #28 & #29	344,538		344,538	
99-10	Various Drainage Improvements Projects	238,000		238,000	
99-15	Totowa/French Hill Roads Intersection Improvements	476,000		476,000	
00-20	Construction of Jughandle from Paterson-Hamburg Turnpike to Hinchman Ave	238,000			238,000
04-05	Acquisition of Property for a Salt Dome	185,000		2,571	182,429
04-12	Imp & Renovations to 435 Hamburg Turnpike	480,000			480,000
04-23	Intersection Improvements	141,849			141,849
07-06	Various Capital Improvements	95,000			95,000
07-11	Intersection Improvement Projects	133,302		65,734	67,568
07-12	Acquisition of Various Equipment	946,850			946,850
07-15	Various Improvements for the Vocational Technical School	174		174	
08-01	Various Building and Grounds Improvements	410,000			410,000
08-02	Various Roadway Imp & Acq. of Equipment	252			252
09-01	2009 Road Resurfacing	18,270		18,270	
09-08	Various Capital Improvements - PCCC	988			988
09-09	Various Capital Improvements - PCTI	337,924			337,924
10-06	Various Capital Improvements	98,488		98,488	
10-07	Refunding Bonds - GI 2003, 32mil	1,041,865			1,041,865
11-03	Various Capital Improvements	2,626,426		60,593	2,565,833
11-04	Various Capital Improvements	170,609			170,609
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	3,631,325		1,563,091	2,068,234
13-05	Various Bridge/Drain/Road Impvts.	5,050,000		1,755,894	3,294,106
13-06	Improvement of Passaic County Community College	3,110			3,110
13-08	Improvement of the Passaic County Vocational School District	136,308			136,308
13-10	Various Capital Improvements	994,325			994,325
14-06	Self Insurance Funding	2,142			2,142
14-07	Improvement of the Passaic County Vocational School District	5,622		5,622	
14-08	Various Capital Improvements	40,000		40,000	
14-10	Police Radio Communications System	500			500
15-06	Renovations to Courthouse Complex - Historic Preservation Trust	2,175,000		200,000	1,975,000
15-07	Various Capital Improvements	8,930,000			8,930,000
16-03	PCCC Improvements	2,476,632			2,476,632
16-04	Various Capital Improvements	5,577,845			5,577,845
16-05	PCTI Improvements	979,308			979,308
16-09	PCTI-STEM Academy	9,000,000	6,000,000	15,000,000	
16-10	9-1-1 Emergency System	1,045,000			1,045,000
17-01	Construction of Riverfront Park		4,500,000	500,000	4,000,000
17-02	Improvements to PCCC		3,000,000	3,000,000	
17-03	Improvements to PCCC		2,052,375		2,052,375
17-04	Various Capital Improvements		8,429,160		8,429,160
		\$ 49,480,363	23,981,535	23,928,604	49,533,294
			Cancelled by Resolution	3,583,799	
			Bonds Issued	18,000,000	

COUNTY OF PASSAIC
Schedule of Bonds and Notes Authorized But Not Issued
General Capital Fund
Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Balance Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2017</u>
General Improvements:				
			1,644,804	
			<u>700,000</u>	
			\$ <u>23,928,603</u>	

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COUNTY OF PASSAIC

STATE OF NEW JERSEY

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PART II

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

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2017

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the County of Passaic in the State of New Jersey as of and for the year ended December 31, 2017 and the related notes to the financial statements, and have issued our report thereon dated June 4, 2018, 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

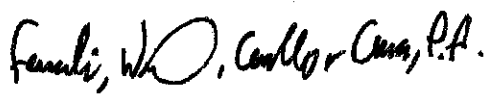
As part of obtaining reasonable assurance about whether the County of Passaic' financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have 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. Wielkocz
Registered Municipal Accountant
No. 413


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

June 4, 2018

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY 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, 2017. 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, 2017.

Report on Internal Control Over Compliance

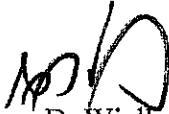
Management of the County of Passaic is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County of Passaic's internal control over compliance 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.

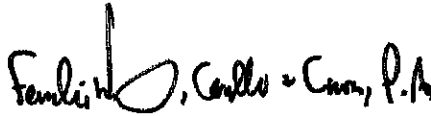
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material 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

June 4, 2018

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COUNTY OF PASSAIC

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2017

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/ Canceled	MEMO
									Cumulative Total Expenditures
Passaic County Housing First - Boms	14.238			2017	78,729		29,219		29,219
Passaic County Housing First - 2011	14.238			2016	404,509	277,338	118,037		210,386
HUD - St. Paul's	14.238			2011	186,600				64,775
HUD - St. Joseph	14.238			2011	186,600				103,761
HUD - Birch Street Apartments	14.238			2012	342,240		93,889		560,755
HUD - Paterson Park Apartments	14.238			2013	806,760		2,925		74,314
HUD - Eva's Village Apartments	14.238			2014	121,824				104,598
Eva's Village Homeless Housing Project	14.238			2014	120,953		440		50,518
Eva's Village Homeless Housing Project	14.238			2015	116,895	58,481	17,957		86,888
Eva's Village Homeless Housing Project	14.238			2015	114,495	22,060	31,335		31,335
Eva's Village Homeless Housing Project	14.238			2016	266,732		61,900		61,900
Eva's Village Homeless Housing Project	14.238			2017	118,815				44,387
Scattered Sites Homeless Housing Project	14.238			2014	47,110				38,085
St. Joe's CDC	14.238			2014	47,110		500		31,044
St. Joe's CDC	14.238			2015	45,531	13,906	512		15,921
St. Joe's CDC	14.238			2015	44,595	34,000	29,612		39,145
St. Paul's CDC	14.238			2016	47,187				3,214
St. Paul's CDC	14.238			2014	47,736		300		32,928
St. Paul's CDC	14.238			2015	45,531	17,064	154		16,010
St. Paul's CDC	14.238			2015	44,595	25,887	33,618		33,618
St. Paul's CDC	14.238			2016	47,187	1,609,692	1,600,805		7,140,947
Continuum of Care Program	14.267	NJ032912F111202		2015	32,741				5,428
Continuum of Care Program	14.267	NJ033012F111202		2016	35,907		25,717		28,596
Continuum of Care Program	14.267	NJ038712F111201		2017	110,995		46,144		46,144
Continuum of Care Program	14.267	NJ038712F111201		2018	119,137		71,861		80,108
Section 8 Housing Choice Voucher Program	14.871		NJ090-2FPH-2016	2017	9,530,168	9,402,941	9,530,168		9,530,168
Federal Office of Justice Programs Passed Through N.J. State Law Enforcement Planning Agency:						9,402,941	9,530,168		9,530,168
Juvenile Crime Reduction	16.523		066-1500-100-121	2013	26,639				28,921
Juvenile Justice - Partnership	17		066-1500-100-007	2014	86,936	86,936			86,936
Juvenile Justice - Partnership	16.540		066-1500-100-007	2015	474,568			(26,088)	466,568
Juvenile Justice - Partnership	16.540		066-1500-100-007	2016	500,656	434,594	91,573		477,097
Juvenile Justice - Partnership	16.540		066-1500-100-007	2017	500,656	111,495	389,248		389,248
						633,025	480,821	(26,088)	1,419,849

COUNTY OF PASSAIC

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2017

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	
									Expenditures	Total Expenditures
SART/SANE Program	16.575	VS-46-14	066-1020-100-142	2016	109,729	9,613	26,757		86,178	61,503
SART/SANE Program	16.575		066-1020-100-142	2017	95,250	9,613	88,060		147,481	147,481
STOP Violence Against Women Act Formula Grant	16.588	13VAWA-77	066-1020-100-246	2017	32,572	31,890	32,572		32,572	32,572
Victim Witness Advocacy	16.582		066-1020-100-246	2015	400,000	130,000	215,917		215,917	215,917
Victim Witness Advocacy	16.582		066-1020-100-246	2016	282,361	271,823	281,899		281,899	281,899
Victim Witness Advocacy	16.582		066-1020-100-246	2017	407,809	433,713	530,388		530,388	530,388
Multi-Juris Narc Task Force	16.738		066-1020-100-364	2014	184,139				134,094	134,094
Multi-Juris Narc Task Force	16.738		066-1020-100-364	2016	174,378	89,420	174,378		174,378	174,378
Multi-Juris Narc Task Force	16.738		066-1020-100-364	2017	167,818				26,759	26,759
Justice Assistance Program	16.738		066-1020-100-364	2016	26,759	26,759	26,759		26,759	26,759
Justice Assistance Program	16.738		066-1020-100-364	2017	26,534	116,179	201,137		335,231	335,231
National Children's Alliance Support	16.758			2016	8,991	8,860		131	8,860	8,860
						8,860		131	8,860	8,860
J.S. Dept. of Labor Passed Through N.J. Dept. of Labor:										
Workforce Learning Link Program	17.258		062-4545-100-095	2016/17	188,000	148,498	139,324		188,000	188,000
Workforce Learning Link Program	17.258		062-4545-100-095	2017/18	333,000	54,443	70,123		70,123	70,123
WIA - Adult	17.258		062-4545-100-095	2015/16	1,611,233	1,026,554	872,977		1,611,233	1,611,233
WIA - Adult	17.258		062-4545-100-095	2016/17	1,671,380	682,923	904,804		904,804	904,804
WIA - Adult	17.258		062-4545-100-095	2017/18	1,654,646		(29)			
WIA - Youth	17.259		062-4545-100-095	2015/16	1,758,970	178,577	137,558		1,758,970	1,758,970
WIA - Youth	17.259		062-4545-100-095	2016/17	1,832,249	1,277,013	1,332,549		1,332,549	1,332,549
WIA - Youth	17.259		062-4545-100-095	2017/18	1,878,579	88,912	99,470		99,470	99,470
WIA - Dislocated Worker	17.278		062-4545-100-105	2015/16	1,576,896	787,714	663,295		663,295	663,295
WIA - Dislocated Worker	17.278		062-4545-100-105	2016/17	1,691,989	585,502	746,463		746,463	746,463
WIA - Dislocated Worker	17.278		062-4545-100-105	2017/18	1,532,764		(19)			
WIA - Dislocated Worker Employer Focus	17.260		062-4545-100-105	2015/16	287,359	4,809,936	4,966,515		8,235,544	8,235,544
U.S. Dept. of Transportation Great Falls Circulation Study	20.205			2014	300,000				291,402	291,402
Subregional Transportation Planning	20.505	N/A	N/A	FY14	123,019				121,403	121,403
Subregional Transportation Planning	20.505	N/A	N/A	FY15	132,048				130,263	130,263
Subregional Transportation Planning	20.505	N/A	N/A	FY16	132,048	130,446	75,226		75,226	129,991
Subregional Transportation Planning	20.505	N/A	N/A	FY17	132,048	33,012	86,443		86,443	86,443
Green Infrastructure Plan	20.505	N/A	N/A	2017/18	300,000	30,150	113,828		113,828	113,828
						193,608	275,497		581,928	581,928

COUNTY OF PASSAIC

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

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	
									Total Expenditures	Cumulative Total Expenditures
FTA JARRC	20.516	N/A	N/A	2012	109,585	40,000	90,918		109,585	440,051
FTA JARRC	20.516	N/A	N/A	2012/13	530,000		39,080			127,483
FTA Section 5310	20.513	N/A	N/A	2014	180,867	86,877	203,234			203,234
FTA JARRC NJ SFY 2017	20.516	N/A	N/A	2017	350,000	126,877	333,232			880,553
Drive Sober or Get Pulled Over	20.601			2015	5,000	5,060	4,100			4,100
Drive Sober or Get Pulled Over	20.601			2017	5,500	5,060	9,160			5,060
Click it or Ticker	20.602			2016	5,000	5,225	5,000			5,000
Click it or Ticker	20.602			2017	5,500	5,225	10,225			10,225
Pedestrian Safety Grant			PS-18-45-01-19	2017	15,000					
Hazardous Materials Preparation & Planning	20.703		100-066-1200-703	2014	5,140					
U.S. Dept. of Energy Passed Through N.J. Dept. of Community Affairs:										
Weatherization Assistance Program	81.042		022-8050-100-160	2016	357,316	357,316	276,513			357,316
Weatherization Assistance Program	81.042		022-8050-100-160	2018	377,779	63,681	67,847			67,847
						420,997	344,360			425,163
Juvenile Detention Alternative Innovations	84.411		100-066-1500-237	2016	123,633	91,574	33,270			123,414
Juvenile Detention Alternative Innovations	84.411		100-066-1500-237	2017	124,000	91,574	69,112			69,112
							102,382			191,526
U.S. Dept. of Health and Human Services Passed Through N.J. Dept. of Services:										
Preakness Gerio-Psych Program	93.005		054-7700-100-029	2016	338,210	84,553	338,210			338,210
Preakness Gerio-Psych Program	93.005		054-7700-100-029	2017	338,210	169,105	338,210			338,210
						253,658	338,210			676,420
MRC Capacity Building Award	93.008			2013	4,000		1,846			4,000
MRC Competitive Award	93.008			2013	7,000		2,759			5,516
MRC Capacity Building Award	93.008			2015	5,500					
MRC Challenge	93.008			2016	15,000		3,394			9,685
MRC Challenge	93.008			2017	13,000	13,000	7,999			19,201

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 For the Year Ended December 31, 2017

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/ Canceled	MEMO	
									Expenditures	Total
Aging Area Nutrition Grant	93.044		046-4275-100-061	2015	1,593,556	137,502	1,502,054		668,081	668,081
Aging Area Nutrition Grant	93.044		046-4275-100-061	2016	1,840,529	724,037	1,116,492		875,876	875,876
Aging Area Nutrition Grant	93.044		046-4275-100-061	2017	3,473,607	3,342,796	1,653,086		1,653,086	1,653,086
Aging Administration	93.045		046-4275-100-228	2016	1,966,215	44,445	983,309		1,928,921	1,928,921
Aging Administration	93.045		046-4275-100-228	2017	2,239,627	2,137,203	1,300,231		1,300,231	1,300,231
					5,324,444	4,800,165	6,426,195			6,426,195
Community Services Block Grant (PHLP)	93.069		046-4230-100-361	2014	514,592			(192)	482,814	482,814
Community Services Block Grant (PHLP)	93.069		046-4230-100-361	2015	516,567			(466)	213,869	213,869
Community Services Block Grant (PHLP)	93.069		046-4230-100-361	2016	511,586	511,571	308,213		511,569	511,569
Community Services Block Grant (PHLP)	93.069		046-4230-100-361	2017	526,569	126,573	199,886		199,886	199,886
					638,144	508,099	1,408,138	(638)	1,408,138	1,408,138
Human Services	93.558		046-4275-100-371	2013	350,746				315,127	315,127
Human Services	93.558		046-4275-100-371	2015	350,746		3,793		284,102	284,102
Human Services	93.558		046-4275-100-371	2017	350,746		117,724		117,724	117,724
Human Services PASP	93.558		054-7545-100-005	2014	42,000			(6,997)	42,000	42,000
Human Services PASP	93.558		054-7545-100-005	2015	48,997			(402)	47,881	47,881
Human Services PASP	93.558		054-7545-100-005	2016	48,997		883		48,782	48,782
Transportation & TIP	93.558		100-054-7550-308	2014	404,914				273,706	273,706
Transportation & TIP	93.558		100-054-7550-308	2015	404,914				378,921	378,921
Transportation & TIP	93.558		100-054-7550-308	2016	607,371	101,229	441,738		479,029	479,029
					1,011,229	564,138	1,987,272	(7,399)	1,987,272	1,987,272
Weatherization LIHEAP Weatherization	93.568		100-022-8050-182	2015-16	635,191	310,494	229		635,149	635,149
Weatherization LIHEAP Weatherization	93.568		100-022-8050-182	2016	651,795	651,795	544,569		651,795	651,795
Weatherization LIHEAP Weatherization	93.568		100-022-8050-182	2017	764,202	532,883	634,983		764,202	764,202
Weatherization LIHEAP Assistance	93.568		100-022-8050-182	2016	566,001		72,127		566,001	566,001
Weatherization LIHEAP Assistance	93.568		100-022-8050-182	2017	662,752		661,750		661,750	661,750
Weatherization LIHEAP Assistance	93.568		100-022-8050-182	2018	721,935					
Heating Improvement (HIP)	93.568		100-022-8050-182	2016	423,835	357,513	96,408		423,835	423,835
Heating Improvement (HIP)	93.568		100-022-8050-182	2017	1,050,488	278,729	392,743		552,697	552,697
					2,131,414	2,402,809	4,255,429		4,255,429	4,255,429
Community Services Block Grant	93.569		022-8050-100-184	2015	301,386				298,968	298,968
Community Services Block Grant	93.569		022-8050-100-184	2016	319,796	222,519	166,569		319,795	319,795
Community Services Block Grant	93.569		022-8050-100-184	2017	230,881	62,557	106,947		106,947	106,947
					35,000	283,076	273,516		298,968	298,968
Social Service Block Grant - Post Sandy Recovery	93.657			2014	35,000	1,134		(1,134)	33,866	33,866
						1,134		(1,134)	33,866	33,866
State Health Insurance Program (SHIP)	93.779	DOAS16SHF004	100-054-7530-055	2016	26,000	13,004	13,004		26,000	26,000
State Health Insurance Program (SHIP)	93.779	DOAS17SHF004	100-054-7530-055	2017	32,000	16,000	16,000		16,000	16,000
					29,004	29,004	29,004		29,004	29,004

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Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2017

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/ Canceled	MEMO	
									Total Expenditures	Cumulative Total Expenditures
U.S. Dept. of Homeland Security										
Urban Area Security Initiative (UASI) Projects - Local	97.008			2014	886,396					698,624
Urban Area Security Initiative (UASI) Projects - Local	97.008			2015	698,396	344,130	236,459			386,275
Urban Area Security Initiative (UASI) Projects - Local	97.008			2016	657,500	72,142	472,440			472,440
Urban Area Security Initiative (UASI) Projects - Local	97.008			2017	300,000	416,272	708,899			1,557,339
Hazard Mitigation Grant	97.039			2014	187,500					146,541
Hazard Mitigation Grant - EOC Generator Project	97.039			2015	100,223					
FEMA Generator Grant	97.039			2017	438,908					146,541
Emergency Management Performance Grant	97.042			2016	55,000		55,000			55,000
							55,000			55,000
Homeland Security Grant Program	97.077			2015	365,351	142,025	95,988			280,580
Homeland Security Grant Program (SHSP-Local Share)	97.077	EMW-2016-SS-00052-S01		2016	353,237	62,571	101,708			101,709
Homeland Security Grant Program (SHSP-Local Share)	97.077	EMW-2017-SS-00043-S01		2017	345,473	204,596	197,696			382,289
Total Federal Grant Programs						30,191,222	31,118,513	(35,273)		63,916,447

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Schedule of Expenditures of State Awards

For the Year Ended December 31, 2017

Program Description	State Program / Account No.	Grant Period	Total Grant Award	Revenue Realized	Grant Expenditures	Adjustments/ Canceled	MEMO
							Cumulative Total Expenditures
State Programs							
Senior Citizen and Disabled Resident Transportation Assistance Program (Casino Revenue Fund)	491-078-6050-001	2014	1,950,424		80,813	*	1,950,424
Assistance Program (Casino Revenue Fund)	491-078-6050-001	2015	785,538		217,954	*	785,538
Assistance Program (Casino Revenue Fund)	491-078-6050-001	2016	1,885,387	704,667	(15,334)	*	1,761,009
Assistance Program (Casino Revenue Fund)	491-078-6050-001	2017	1,829,538	1,510,999	1,475,585	*	1,475,585
				2,215,666	1,759,018	*	5,972,556
Paterson Transit Facility Pedestrian Safety Grant							
	15-480-078-6300-GS3-7210	2015	250,000			*	
Department of Health and Senior Services:							
Homeless Grant	100-054-7550-072	2014	535,993	4,599		(376)	535,617
Social Services for the Homeless	100-054-7550-072	2015	1,045,019			*	1,032,223
Social Services for the Homeless	100-054-7550-072	2016	1,045,019		35,956	*	1,017,041
Social Services for the Homeless	100-054-7550-072	2017	2,305,290	193,942	1,360,719	*	1,847,826
				198,541	1,396,675	(376)	4,432,707
Family Court Services							
Family Court Services	100-066-1500-021	2014	278,149			(9,735)	268,414
Family Court Services	100-066-1500-021	2015	278,149		1,301	*	259,652
Family Court Services	100-066-1500-021	2016	278,149	271,588	82,821	*	276,376
Family Court Services	100-066-1500-021	2017	278,149	33,799	172,516	*	172,516
				305,387	256,638	(9,735)	976,958
County Right to Know Program							
County Right to Know Program	100-046-4771-105	2016	15,213	11,410		*	15,213
County Right to Know Program	100-046-4771-105	2017	15,213	3,803	15,213	*	15,213
				15,213	15,213	*	30,426
NJ Department of Community Affairs:							
Universal Service Fund	100-022-8050-B15	2017	441,168	441,168	333,311	*	440,547
Universal Service Fund	100-022-8050-B15	2018	461,565		166,554	*	166,707
				441,168	499,565	*	607,254
NJ Department of Environmental Protection:							
Recycling Enhancement Act	758-042-4960-2001	2012	385,000		3,102	*	383,485
Recycling Enhancement Act	758-042-4960-2001	2013	423,500		44,382	*	150,871
Recycling Enhancement Act	758-042-4960-2001	2014	336,600		1,360	*	336,600
Recycling Enhancement Act	758-042-4960-2001	2015	381,900		625	*	625
Recycling Enhancement Act	758-042-4960-2001	2017	508,786	508,786	259,483	*	259,483
				508,786	309,552	*	1,131,064

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Schedule of Expenditures of State Awards

For the Year Ended December 31, 2017

Program Description	State Program / Account No.	Grant Period	Total Grant Award	Revenue Realized	Grant Expenditures	Adjustments/ Canceled	MEMO Cumulative Total Expenditures
NJ Department of Environmental Protection, Cont... Radon Awareness Program Radon Awareness Program Radon Awareness Program	100-042-4820-4CBC	2015	996				996
	100-042-4820-4CBC	2016	998	998	2,000		998
	100-042-4820-4CBC	2017	2,000		2,000		2,000
							3,994
C.E.H.A. - 2017	100-042-4855-001	2017	173,130	173,130	173,130		173,130
				173,130	173,130		173,130
Mosquito ID & Control Effects	100-054-7550-072	2016	27,325	26,920	14,290		26,920
				26,920	14,290		26,920
Clean Communities	765-042-4900-005	2015	82,859		848		82,453
Clean Communities	765-042-4900-005	2016	94,415		28,696		75,937
Clean Communities	765-042-4900-005	2017	80,299	80,299			80,299
				80,299	29,544		158,390
Green Acres 2006	1600-02-014	2017	750,000	187,500	187,500		187,500
Green Acres 2011	1600-02-014	2017	1,125,000				
Green Acres 2012	1600-02-014	2017	750,000	90,000	90,000		90,000
Green Acres 2017 - Garret Mountain Improvements	N/A	2017	1,375,000				
Weasel Brook Park Improvements, Phase II	N/A	2017	600,000	277,500	277,500		277,500
				277,500	277,500		277,500
New Jersey Highlands Council	100-082-2078-033	2015	50,000		34,991		34,991
Transfer of Development Rights Feasibility Grant	100-082-2078-033	2009-16	70,000				
Plan Conformance					34,991		34,991
Other State Agencies:							
Municipal Alliance	100-082-C01-044	2015	478,522	360,939	223	223	478,522
Municipal Alliance	100-082-C01-044	2016	512,024	133,884	378,680		438,731
Municipal Alliance	100-082-C01-044	2017	512,024	44,575	44,575		44,575
				494,823	423,478	223	961,828
Body Armor Replacement Fund P.C.P.O.	718-066-1020-001	2015	7,151		905		7,142
Body Armor Replacement Fund P.C.P.O.	718-066-1020-001	2016	6,395		2,714		2,714
Body Armor Replacement Fund P.C.P.O.	718-066-1020-001	2017	6,606	6,606			6,606
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				44,818
Body Armor Replacement Fund P.C.S.D.	718-066-1020-001	2015	44,955				44,630
Body Armor Replacement Fund P.C.S.D.	718-066-1020-001	2016	43,807	44,690	43,253		43,253
Body Armor Replacement Fund P.C.S.D.	718-066-1020-001	2017	44,690	51,296	46,872		204,188
				44,690	46,872		44,690
U Drive U Text U Pay	DD-17-45-01-06	2017	40,000	39,930	39,930		39,930
				39,930	39,930		39,930

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Program Description	State Program / Account No.	Grant Period	Total Grant Award	Revenue Realized	Grant Expenditures	Adjustments/ Canceled	MEMO	
							Total Expenditures	Cumulative Total Expenditures
Comprehensive Alcoholism & Drug Abuse Grant	100-046-4219-024	2015	726,452			30	*	722,670
Comprehensive Alcoholism & Drug Abuse Grant	100-046-4219-024	2016	737,782	374,792	164,842		*	691,690
Comprehensive Alcoholism & Drug Abuse Grant	100-046-4219-024	2017	746,406		381,755		*	381,755
				374,792	546,597		30	1,796,115
Work First NJ - TANF	7550-150-158010-64	FY15/16	3,626,054	17,519	57,657		*	3,529,471
Work First NJ - TANF	7550-150-158010-64	FY16/17	3,853,467	2,463,180	2,174,485		*	3,534,878
Work First NJ - TANF	7550-150-158010-64	FY17/18	4,093,976	761,048	1,194,524		*	1,194,524
Work First NJ - GA/SNAP	7550-150-158010-65	FY15/16	1,783,210	151,281	163,844		*	1,620,554
Work First NJ - GA/SNAP	7550-150-158010-65	FY16/17	1,832,660	1,263,667	1,203,609		*	1,819,199
Work First NJ - GA/SNAP	7550-150-158010-65	FY17/18	818,371	217,412	407,491		*	407,491
Work First NJ - Smart Steps	7550-150-158010-66	2017	828,640	216,598	272,163		*	272,163
Work First NJ - Smart Steps	7550-150-158010-66	FY16/17	24,075	4,012	4,012		*	4,012
Work First NJ - Smart Steps	7550-150-158010-66	FY17/18	8,025				*	
Work First - ABABD	7550-150-158010-67	1997	89,402				*	
			5,094,717	5,477,785			*	12,182,293
Child Behavioral Health Services	100-016-1620-014	2015	133,579			(24,877)	*	108,702
Child Behavioral Health Services	100-016-1620-014	2016	158,456				*	143,726
Child Behavioral Health Services	100-016-1620-014	2017	158,456	138,456	132,622		*	132,622
				138,456	132,622		*	385,050
Child Advocacy Center Competitive Grant	17-100-016-1610-131	2017	83,390	83,390	66,150		*	66,150
Child Advocacy Center Upgrades	17-100-016-1610-131	2017	132,591	132,591	36,969		*	36,969
				215,981	103,119		*	103,119
Insurance Fraud Reimbursement Program	100-1020-066-102	2015	261,250	66,001	11,250		*	261,250
Insurance Fraud Reimbursement Program	100-1020-066-102	2017	250,000	118,770	250,000		*	250,000
				184,771	261,250		*	511,250
L.E.O.T.E.F.	1020-100-066-1020-314-TCJS-6120	2008	48,990		5,386		*	48,990
L.E.O.T.E.F.	1020-100-066-1020-314-TCJS-6120	2009	9,943		9,943		*	9,943
L.E.O.T.E.F.	1020-100-066-1020-314-TCJS-6120	2010	57,487		57,487		*	57,487
L.E.O.T.E.F.	1020-100-066-1020-314-TCJS-6120	2012	58,170		51,758		*	51,758
L.E.O.T.E.F.	1020-100-066-1020-314-TCJS-6120	2013	14,133				*	
L.E.O.T.E.F.	1020-100-066-1020-314-TCJS-6120	2014	43,795				*	
L.E.O.T.E.F.	1020-100-066-1020-314-TCJS-6120	2015	24,386				*	
L.E.O.T.E.F.	1020-100-066-1020-314-TCJS-6120	2016	45,033	45,033	124,574		*	168,178
			45,033	45,033	124,574		*	168,178

COUNTY OF PASSAIC

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2017

Program Description	State Program / Account No.	Grant Period	Total Grant Award	Revenue Realized	Grant Expenditures	Adjustments/ Canceled	MEMO	
							Cumulative Expenditures	Total
Department of Transportation								
Warwick Turnpike	N/A	2016	640,000	480,000	640,000	*	640,000	
County Aid - Road Resurfacing	480-078-6320-AMN-8010	2017	3,649,000	3,649,000	1,454,736	*	1,454,736	
Fairfield Road Bridge	N/A	2016	1,000,000		1,000,000	*	1,000,000	
Fairlawn Ave Bridge	N/A	2016	13,300,000			*		
Spruce Street Bridge	480-078-6320-ALN-6010	2015	2,500,000			*		
Morris Canal Greenway Browertown Road	N/A	2016	741,000			*		
Peckman River Crossing Project	N/A	2017	700,000			*		
			<u>4,129,000</u>	<u>4,129,000</u>	<u>3,094,736</u>		<u>3,094,736</u>	
Total Federal and State Grant Fund			<u>15,032,407</u>	<u>15,019,179</u>	<u>(34,735)</u>		<u>33,272,577</u>	

General Capital Fund:

State Department of Transportation:								
Paterson/Hanburg Turnpike/Jackson Avenue Imp.	6320-480-078-6320-496	07-08	1,600,000			(700,215)	878,443	
Black Oak Ridge/Pompton Road Improvements	6320-480-078-6320-496	07-11	1,000,000			(859,041)	140,959	
Bridge Replacement and/or Repairs	6320-480-078-6320-496	09-05	5,900,000			(1,522,285)	5,900,000	
2006 Various Road Improvements	6320-480-078-6320-496	09-05	5,024,000			(11,469)	5,024,000	
Rehabilitation and Reconstruction of Dey Mansion	6320-480-078-6320-496	10-03	1,239,475	188,199		(469,735)	622,419	
Pennington Ave Culvert	6320-480-078-6320-496	10-08	150,000				150,000	
Local Bridges - Warburton Ave/Goffle Brook, PC 81	6320-480-078-6320-496	10-08	1,000,000			(850,749)	1,000,000	
Moorestown Road	6320-480-078-6320-496	10-08	200,000			(17,513)	17,608	
Squirrelwood Road	6320-480-078-6320-496	10-08	1,250,000			470,000	1,250,000	
Black Oak Ridge Road/Jackson Avenue Signal Replacement	6320-480-078-6320-496	10-08	320,000			(13,329)	320,000	
McBride/Hillery Street Improvements	6320-480-078-6320-496	10-08	550,000			88,184	550,000	
Fairlawn Avenue Bridge	6320-480-078-6320-496	10-08	600,000		297,829	(120,192)	600,000	
Two Bridges Road/West Belt	6320-480-078-6320-496	10-08	1,686,900			403,059		
West Brook Road/Wanaque Reservoir, PC 491	6320-480-078-6320-496	10-08	300,000		126,209		234,071	
Eighth Street Bridge Rehabilitation	6320-480-078-6320-496	10-08	2,019,250		1,213,055	276,429	1,264,995	
Bridge Replacement, Rehab, Repairs	6320-480-078-6320-496	11-03	20,400,000		3,277,688	23,677,688	20,400,000	
Bridge Replacement, Rehab, Repairs	6320-480-078-6320-496	11-03	1,000,000			696,361	2,625	
Bridge Replacement, Rehab, Repairs	6320-480-078-6320-496	11-03	124,000			124,000		
Resurfacing Various Roads	6320-480-078-6320-496	11-04	4,200,000			222,289	4,200,000	
Resurfacing Various Roads	6320-480-078-6320-496	12-03	9,557,420			(1,065,908)	9,557,420	
West Brook Road/Wanaque Reservoir, PC 491	6320-480-078-6320-496	12-07	9,700,000		4,087,942	(9,362,378)	3,079,942	
Two Bridges Road/West Belt	6320-480-078-6320-496	12-07	3,800,000		1,816,400	344,807	2,005,955	
Clinton Road Bridge	6320-480-078-6320-496	12-07	1,000,000			898,385	924,385	
8th Street Rehabilitation PC4	6320-480-078-6320-496	12-07	30,000			(30,000)		
Pompton/Hanburg Turnpike/Valley Road	6320-480-078-6320-496	12-07	1,000,000			240,786		
McBride/Slippery Rock Improvements	6320-480-078-6320-496	13-05	1,000,000			347,615		
Haledon Avenue (Green Street) Improvements	6320-480-078-6320-496	13-05	100,000			100,000		
Cloves Road in Little Falls	6320-480-078-6320-496	13-05	1,600,000			350,000		
Parks & Recreation Improvements	6320-480-078-6320-496	13-07	250,000				250,000	
Parks & Recreation Improvements	6320-480-078-6320-496	13-07	650,000			159,517	612,829	
Various Road Improvements	6320-480-078-6320-496	14-08	7,100,000		1,128,674	7,614,398	3,761,745	

COUNTY OF PASSAIC

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2017

Program Description	State Program / Account No.	Grant Period	Total Grant Award	Revenue Realized	Grant Expenditures	Adjustments/ Canceled	MEMO		
							Cumulative Total Expenditures	Cumulative Total Expenditures	
Various Road Improvements	6320-480-078-6320-496	15-07	35,184,000		1,196,198		*	1,196,198	
Haledon Avenue (Green Street) Improvements	6320-480-078-6320-496	15-07	329,365		13,457	13,329	*	38,335	
Resurfacing Various Roads	6320-480-078-6320-496	15-07	4,110,800		40,242	3,910,085	*	3,745,788	
Construction of Riverfront Park	6320-480-078-6320-496	17-01	5,000,000				*		
Various Improvements to Garrett Mountain Reservation	6320-480-078-6320-497	17-07	1,375,000				*		
Total General Capital Fund				188,199	13,197,694	24,914,114	*	67,221,717	
Total State Programs				15,220,606	28,216,873	24,879,379	*	101,000,294	
<u>Local Programs:</u>									
<u>Federal and State Grant Fund</u>									
County Aid	N/A	2017	2,300	2,300	2,300		*	2,300	
Passaic County Film Festival - 2017	N/A	2018	2,200				*		
Passaic County Film Festival - 2018	N/A	2017	1,800	900	1,300		*	1,300	
Passaic County Summer Concert Series 2017	N/A	2014-15	100,000		4,643		*	48,288	
Passaic County Youth Golf Program	N/A	2016	889,172	295,837	592,619		*	592,619	
Local Safety Program - Center Rumble Strips	N/A	2016	5,461,713		2,064,005		*	2,064,005	
Local Safety Program - High Friction Surface Treatment	N/A	2016					*		
Meals on Wheels Pet Food Program	N/A	2016	2,500	2,500	2,500		*	2,500	
Meals on Wheels Pet Food Program	N/A	2017	1,500	1,500	1,500		*	1,500	
Total Federal and State Grant Fund				303,037	2,668,867		*	2,712,512	
<u>General Capital Fund</u>									
Passaic County Open Space Trust	N/A	03-25	630,000			(354,675)	*	630,000	
Goffler/Weasel Brook Park	N/A	03-29	200,000			(200,000)	*	200,000	
Goffle Brook Stabilization Project	N/A	12-06	165,000				*	63,644	
Golf Course Improvements	N/A	14-08	2,425,708		583,280	(1,759,843)	*	3,425,142	
Various Park Improvements	N/A	14-08	2,000,000		146,780	(438,517)	*	687,005	
Various Facility Improvements	N/A	15-07	150,000		150,000		*	150,000	
Hamilton Street Courthouse Plaza	N/A	15-07	87,000				*		
Dey Mansion Rehabilitation and Rea House	N/A	15-07	350,000		295,532	(10,067)	*	295,532	
Weasel Brook Park Improvements	N/A	13-04	3,522,738			(1,551,262)	*	3,686,000	
Borough of Wanaque - Amending Ordinance 2009-05	N/A	14-08	3,686,000		184,262	(2,934,214)	*	567,524	
County Aid - Road Resurfacing	N/A	16-04	4,110,800		2,334,511		*	3,637,601	
County Aid - Road Resurfacing	N/A						*		
Total General Capital Fund					3,694,385	(7,248,578)	*	13,342,468	
Total Local Programs				303,037	6,363,252	(7,248,578)	*	16,054,980	
Total State and Local Programs				15,523,643	34,580,125	17,630,801	*	117,055,274	

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**COUNTY OF PASSAIC
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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	\$21,588,345	\$15,019,179	\$2,668,867	\$39,276,391
Community Development Trust Fund	9,530,168			9,530,168
General Capital Fund	<u>31,118,513</u>	<u>13,197,694</u>	<u>3,694,385</u>	<u>16,892,079</u>
		<u>\$28,216,873</u>	<u>\$6,363,252</u>	<u>\$65,698,638</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, 2017, 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>\$189,538</u>

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**COUNTY OF PASSAIC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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: \$ 933,555

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:

CFDA Number(s)	Name of Federal Program or Cluster
14.871 (A)	Section 8 Housing Choice Vouchers
93.044, 93.045 (A)	Aging Cluster - Support Services and Senior Centers, Nutrition
93.568 (A)	Low Income Home Energy Assistance
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, 2017
(continued)**

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

State Awards Section

Dollar threshold used to determine type A programs: \$ 846,506

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>
6320-480-078-6320-496 (A)	Department of Transportation
100-046-4219-024 (B)	Comprehensive Alcoholism & Drug Abuse 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, 2017
(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, 2017
(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

None

**COUNTY OF PASSAIC
GENERAL COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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 or 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, 2017
(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:

Frozen Food, Dairy Items and Kitchen Supplies for Departments/Institutions	2 International Trucks w/Multi-purpose Body & Snow Plow
Bridge Replacement	Debris Removal at Rifle Camp Park
Courthouse Annex Renovations	Culvert Repairs
Goffle Brook Park Synthetic Field	Oxygen for Preakness Healthcare
Chiller Replacement	Fertilizer/Chemicals for Golf Course
PCSD Rescue Boat	GMC Sierra 4 WD Double Cab
Demolition and Grading	Mini Buses
Salt Storage Shed	Chevy Tahoe LT
Electrical Supplies	Drainage Repairs
Hardware Supplies	Street Improvement Projects
Road Resurfacing Projects	Pavement Marking Program
Dredging and Aeration of Barbour's Pond	Medical and Physical Therapy Equipment
Hybrid Fort Sedans	Solid Waste & Recycling Program
Golf Cart Storage Structure	
Garret Mountain Improvements	

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

COUNTY OF PASSAIC
GENERAL COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017
(continued)

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, 2017**

COMMENTS

Preakness Healthcare Center

1. *The cash receipt ledger is not being maintained properly.
Receipts per the ledger do not agree to the amount that was deposited and do not agree to the account being deposited.
2. *The balance in the Petty Cash account is not properly analyzed.
3. *The balance of the Petty Cash Account was not turned over to the State of NJ Unclaimed Property prescribed by Chapter 30B Title 46 of the Revised N.J.S.A.

Parks Department

1. Monthly reconciliations are not being performed in a timely manner.
2. Daily reports don't agree to amounts being deposited due to additional credit cards charged but not recorded in the POS system.

RECOMMENDATIONS

Preakness Healthcare Center

1. *That a cash ledger be maintained to accurately record when receipts are received.
2. *An accurate analysis of deposits from the Resident Trust Account should be maintained in order to return funds not distributed to outside vendors.
3. *That funds be remitted to the appropriate agency.

Parks Department

1. Accounts should be analyzed and reconciled on a monthly basis.
2. More care be taken to ensure all credit cards charged be properly recorded in the POS system.

**COUNTY OF PASSAIC
GENERAL COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017
(continued)**

STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

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

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

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

Very truly yours,



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



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

June 4, 2018

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