

**REPORT OF AUDIT  
COUNTY OF PASSAIC  
STATE OF NEW JERSEY  
DECEMBER 31, 2018**

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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, 2018**

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# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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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, 2018 and 2017, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2018, 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, 2018 and 2017 which represents 8.2 percent and 8.7 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, 2018 and 2017, 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, 2018 and 2017, 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, 2018 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### ***Emphasis of Matter***

#### ***Adoption of New Accounting Principle***

As discussed in Note 1 to the basic financial statements, during the year ended December 31, 2018, the County adopted Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions (an Amendment of GASB Statement No. 45). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this statement only required financial statement disclosure. Our opinions are not modified with respect to this matter.

### ***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 April 1, 2019 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. Wielkatz*

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

*Ferraioli, Wielkatz, Cerullo & Cura, P.A.*

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

April 1, 2019



COUNTY OF PASSAIC

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 111,676,845	83,248,588
Investments	A-4	14,088,457	4,000,000
Change Fund	A-5	675	675
Cash - Fiscal Agent for Health Benefits		<u>3,531,708</u>	<u>3,531,708</u>
		<u>129,297,685</u>	<u>90,780,971</u>
Receivables and Other Assets with Full Reserves:			
Revenue Accounts Receivable	A-8	726,191	740,414
Interfunds Accounts Receivable	A-9	<u>                    </u>	<u>1,665,856</u>
		<u>726,191</u>	<u>2,406,270</u>
		<u>130,023,876</u>	<u>93,187,241</u>
Federal and State Grant Fund:			
Grants Receivable	A-7	72,119,299	66,609,433
Due from Current Fund	A-18	<u>7,999,977</u>	<u>                    </u>
		<u>80,119,276</u>	<u>66,609,433</u>
Total Assets		<u>\$ 210,143,152</u>	<u>159,796,674</u>

## COUNTY OF PASSAIC

## Comparative Balance Sheet-Regulatory Basis

## Current Fund

December 31, 2018 and 2017

	<u>Ref</u>	<u>2018</u>	<u>2017</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-10 \$	43,779,758	25,666,054
Accounts Payable	A-11	2,398,744	2,736,008
Encumbrances Payable	A-12	6,653,844	10,649,076
Prepaid Revenues	A-15	49,172	51,376
Interfunds Accounts Payable	A-9	8,057,224	
Miscellaneous Reserves	A-16	1,931,758	1,622,211
		<u>62,870,500</u>	<u>40,724,725</u>
Reserve for Receivables	Contra	726,191	2,406,270
Fund Balance	A-1	66,427,185	50,056,246
		<u>130,023,876</u>	<u>93,187,241</u>
Federal and State Grant Fund:			
Amount Due to Current Fund	A-18		1,665,856
Commitments Payable	A-13	11,819,676	9,559,289
Reserve for State and Federal Grants - Appropriated	A-14	68,281,222	55,384,288
Reserve for State and Federal Grants - Unappropriated	A-17	18,378	
		<u>80,119,276</u>	<u>66,609,433</u>
Total Liabilities, Reserves and Fund Balance	\$	<u>210,143,152</u>	<u>159,796,674</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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenues and Other Income:		
Fund Balance Utilized	\$ 19,000,000	18,000,000
Miscellaneous Revenue Anticipated	129,055,704	113,358,777
Receipts from Current Taxes	347,570,634	341,186,221
Non-Budget Revenue	2,347,275	4,460,983
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	11,867,015	9,260,151
Prior Year Interfunds Returned	1,665,856	
Cancellation of Accounts Payable		122,959
Prior Year Adjustments		148,011
Cancellation of Appropriated Grants		1,046,175
Additional Working Capital - Horizon Blue Cross Blue Shield		286,406
	<u>511,506,484</u>	<u>487,869,683</u>
Total Revenues and Other Income		
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	138,861,334	138,806,963
Other Expenses	240,027,912	224,739,279
Capital Improvement Fund	700,000	699,210
Debt Service	47,790,799	51,162,800
Deferred Charges and Statutory Expenditures	48,614,489	46,687,973
Interfunds and Receivables Originating in Current Fund		1,665,856
Grant Receivables Canceled		889,646
Refunds	141,011	177,962
	<u>476,135,545</u>	<u>464,829,689</u>
Total Expenditures		
Statutory Excess to Surplus	35,370,939	23,039,994
Fund Balance, January 1,	<u>50,056,246</u>	<u>45,016,252</u>
	85,427,185	68,056,246
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>19,000,000</u>	<u>18,000,000</u>
Fund Balance, December 31,	<u>\$ 66,427,185</u>	<u>50,056,246</u>

See accompanying notes to the financial statements.

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**COUNTY OF PASSAIC**  
**Statement of Revenues-Regulatory Basis**  
**Current Fund**  
**Year Ended December 31, 2018**

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$ 19,000,000	19,000,000	
Miscellaneous Revenues:			
County Clerk	872,565	1,286,872	414,307
Register	2,832,093	3,850,096	1,018,003
Surrogate	410,000	319,919	(90,081)
Sheriff	1,797,494	4,367,201	2,569,707
Interest on Investments and Deposits	750,000	2,638,724	1,888,724
Road Opening Permits	300,000	572,383	272,383
Rental Income	268,000	362,846	94,846
State Aid - County College Bonds (N.J.S.A. 18A:64-22.6)	2,300,000	2,351,487	51,487
Division of Youth and Family Services	3,685,316	3,685,316	
Supplemental Social Security Income	1,236,619	1,637,955	401,336
Casino Revenue	764,248	764,248	
Area Plan Grant - Aging Area Nutrition	1,262,922	1,262,922	
Area Plan Grant	1,356,686	1,356,686	
Family Court Services	278,149	278,149	
State Community Partnership	500,656	500,656	
Dey Mansion Garden Restoration	100,000	100,000	
CEHA Grant Fiscal 2018	173,030	173,030	
Alcohol/Drug Abuse Grant	756,147	756,147	
Juvenile Detention alternatives	124,000	124,000	
Local Safety Program Grant - Allwood Road and Clifton Avenue	2,663,400	2,663,400	
Local Safety Program Grant - Market Street	3,560,400	3,560,400	
Medical Assisted Treatment	200,000	200,000	
Spruce Street Gateway Phase I	1,200,000	1,200,000	
LBFN - Scour Countermeasurers	550,000	550,000	
Kingsland Avenue Bridge	2,245,960	2,245,960	
2015 Spruce St Bridge	700,000	700,000	
CEHA Grant Fiscal 2019	174,980	174,980	
Division of Child Behavioral Health Services	48,970	48,970	
Social Services for the Homeless 2017	309,688	309,688	
Social Services for the Homeless 2018	2,069,900	2,069,900	
Substance Use Navigator 2017	150,000	150,000	
Substance Use Navigator 2018	200,000	200,000	
PC Housing First	1,177,615	1,177,615	
PC Housing First BONUS	84,633	84,633	
Emergency Management Grant	55,000	55,000	
PC Summer Concert Series	1,700	1,700	
Insurance Fraud	250,000	250,000	
Area Plan Grant - Aging Area Nutrition	771,287	771,287	
Area Plan Grant	556,307	556,307	
U Drive U Text U Pay	40,000	40,000	
LEOTEF	36,396	36,396	
Radon Awareness Program (RAP)	2,000	2,000	
Preakness Gero-Psych Program	338,210	338,210	
County Aid - Resurfacing 2016	54,908	54,908	
County Aid - Resurfacing 2018	7,747,724	7,747,724	
Municipal Alliance Program	512,024	512,024	
Sexual Assault Nurse Examiner (SART/FNE)	117,312	117,312	

## COUNTY OF PASSAIC

## Statement of Revenues-Regulatory Basis

## Current Fund

Year Ended December 31, 2018

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
2018 State Health Insurance Program (SHIP) Grant	32,000	32,000	
JOB ACCESS & REVERSE COMMUTE (JARC)	200,000	200,000	
TRANSPORTATION & TIP	404,914	404,914	
CSBG NON-DISCRETIONARY 2017	70,225	70,225	
CSBG NON-DISCRETIONARY 2018	301,801	301,801	
PHLP LINC'S 2019 (old BT grant)	526,569	526,569	
Subregional Transportation Program (STP) Grant	132,048	132,048	
Subregional Studies Program - Bus Rapid Transit Market Study	252,000	252,000	
Workforce Innovation Opportunity Act Adult	1,615,456	1,615,456	
Workforce Innovation Opportunity Act Dislocated Worker	1,370,514	1,370,514	
Workforce Innovation Opportunity Act Youth	1,782,067	1,782,067	
Temporary Assistance for Needy Families	4,758,174	4,758,174	
General Assistance/Supplemental Nutrition Assistance Program	2,302,439	2,302,439	
Workforce Learning Link Program	259,000	259,000	
WIC/Senior Farmers Market Nutrition Program Mini 2018	1,000	1,000	
Heating Improvement 2018	360,135	360,135	
LIHEAP Weatherization 2018	233,419	233,419	
DOE Weatherization 2019	361,947	361,947	
Right to Know 2018 (2019-RTK-LOA)	15,213	15,213	
Click It or Ticket MOB-CIOT-2018-Passaic County-00117	5,500	5,500	
Universal Service Fund 2019	468,809	468,809	
Community Development Block Grant (CDBG)	849,041	849,041	
Pedestrian Safety Grant	50,000	50,000	
Paterson Transit Facility Pedestrian Safety Project	35,000	35,000	
SmartSTEPS	4,815	4,815	
HUD-HF NJ0329-707	287,084	287,084	
HUD-HF NJ0566-700	119,137	119,137	
HUD-HF NJ0242-703	660,742	660,742	
Passaic County Film Festival	2,400	2,400	
UASI Local Share	375,000	375,000	
Victim Witness Advocacy	70,397	70,397	
2014 FTA Section 5310	125,000	125,000	
2015 FTA Section 5310	120,000	120,000	
Clean Communities Entitlement	76,918	76,918	
Passaic County Youth Golf Program	11,000	11,000	
NJDEA Innovation Planning Challenge	100,000	100,000	
NJHT Monument Restoration Grant	16,200	16,200	
Lambert Castle Preservation Grant	50,000	50,000	
NJ Historic Commission Grant	7,500	7,500	
Humanities Action Grant	17,000	17,000	
Added and Omitted Taxes	900,000	1,325,823	425,823
Board Inmates at County-State	50,000	93,205	43,205
Title IV D Parent Locator Program	1,100,000	1,079,296	(20,704)
Fringe Benefits	12,000,000	13,391,919	1,391,919
Indirect Costs - Grants	1,500,000	2,081,483	581,483
Preakness Hospital - Medicaid Reimbursements	28,500,000	32,840,059	4,340,059
Maintenance in Lieu of Rent - Martin Luther King - Soc. Serv.	130,000	69,272	(60,728)
State School Building Aid (Chapter 12)	380,000	1,413,441	1,033,441
Park Fees	2,000,000	2,111,932	111,932
Site Plan Fees	54,000	94,482	40,482
Radio Tower Rental	32,000	97,701	65,701
Rental Revenue - Quarry	550,000	594,268	44,268

## COUNTY OF PASSAIC

## Statement of Revenues-Regulatory Basis

## Current Fund

Year Ended December 31, 2018

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Reserve for Payment of Bonds	750,000	750,000	
Due From OSTF - Court House Renovation	200,000	200,000	
Due From OSTF - Passaic River Front Park Project	500,000	500,000	
City of Passaic - Information Technology	6,000	7,500	1,500
Wanaque Board of Education - Information Technology	6,000	6,000	
Borough of Woodland Park - Public Health Services	66,000	68,960	2,960
Borough of Woodland Park - Information Technology	5,000	5,000	
PCIA Tourism	100,000	100,000	
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>114,433,651</u>	<u>129,055,704</u>	<u>14,622,053</u>
Total Miscellaneous Revenues			
Amount to be Raised by Taxation - County Purpose Tax	<u>347,570,634</u>	<u>347,570,634</u>	
Total Budget Revenues	<u>\$ 481,004,285</u>	<u>495,626,338</u>	<u>14,622,053</u>
Nonbudget Revenue		<u>2,347,275</u>	
		<u>\$ 497,973,613</u>	

**COUNTY OF PASSAIC**  
**Statement of Revenues-Regulatory Basis**  
**Current Fund**  
**Year Ended December 31, 2018**

Miscellaneous Revenue Not Anticipated:		
State of New Jersey	\$	43,780
Sale of Equipment		19,006
Bid Spec Fees		3,670
Duplication of Records		2,083
Vending Machine Commissions		21,409
Prior Year Fringe Benefits		854,626
SLAP Fees		60,298
PILOT County Share		206,947
ID Bureau		12,892
P/R Deduction Fees		6,284
Department of Cultural Affairs		14,050
Construction Board of Appeals		2,200
Bail Processing Fees		2,825
Bail Bond Forfeitures		7,950
Consumer Affairs		4,421
Refunds		44,968
Various Election Reimbursements		244,383
Access Secure Commissions		16,900
ATM Fees		4,756
Prosecutors Overtime Reimbursement		4,456
Keefe Commissions		80,557
Off-Duty Administrative Fees		177,233
Homeless Administrative Fees		23,452
Subrogation Loss Recoveries		6,516
Police Academy Registration & Fees		316,997
PCIA Fees		2,129
Restitution		2,867
Film Permit Fees		5,000
Pension Refund Bonds - PCTI		4,421
TD Wealth IRS Subsidy		76,011
Towing and Impound Fees		7,900
Sale of Property-Block 604 Lot 18, Wayne		35,000
City of Paterson-Prior Year Garret Mt. Radio Tower Rent		14,400
Keane Unclaimed Property-PSE&G Unclaimed Funds		6,000
United Paterson Enterprise-Scrap Metal/Iron		6,560
Other Miscellaneous		4,328
		<u>2,347,275</u>
	\$	<u>2,347,275</u>

See accompanying notes to the financial statements.

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Cancelled
<b>OPERATIONS:</b>					
Administration Executive					
Board of Freeholders					
Salaries and Wages	360,000	360,000	340,730	19,270	
Other Expenses	75,000	75,000	56,667	18,333	
Contribution to Public Access Libraries	70,000	70,000	70,000		
County Administrator					
Salaries and Wages	593,000	593,000	505,873	87,127	
Other Expenses	327,053	327,053	259,224	67,829	
Finance Section					
Finance Department					
Salaries and Wages	1,210,000	1,185,000	1,128,462	56,538	
Other Expenses	391,650	391,650	279,220	112,430	
Audit	107,000	107,000		107,000	
Payroll Processing-Other Expenses	250,000	250,000	226,371	23,629	
Insurance Division	1,760	1,760	812	948	
Legal Department					
County Counsel					
Salaries and Wages	1,236,516	1,176,516	1,125,431	51,085	
Other Expenses	76,100	76,100	64,222	11,878	
Other Expenses Ethics	10,000	10,000		10,000	
County Adjuster					
Salaries and Wages	272,000	227,000	189,497	37,503	
Other Expenses	84,762	109,762	71,412	38,350	
Clerk of the Board					
Salaries and Wages	399,842	399,842	363,522	36,320	
Other Expenses	31,075	31,075	19,151	11,924	
Personnel					

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Cancelled
Salaries and Wages	478,827	478,827	420,962	57,865	
Other Expenses	84,114	84,114	34,263	49,851	
State and National Association of County Officials	11,373	11,373		11,373	
County Clerk					
Salaries and Wages	818,829	818,829	516,805	302,024	
Other Expenses	19,912	19,912	15,207	4,705	
Other Expenses - Elections	300,000	300,000	297,464	2,536	
County Register					
Salaries and Wages	1,311,052	1,311,052	1,203,597	107,455	
Other Expense	154,935	154,935	97,251	57,684	
Prosecutor's Office					
Salaries and Wages	18,953,814	18,953,814	17,441,922	1,511,892	
Salaries and Wages-Spec.					
Other Expenses	718,000	718,000	624,842	93,158	
Countywide Police Radio Purchasing Department	85,000	85,000	74,606	10,394	
Salaries and Wages	841,773	841,773	753,315	88,458	
Other Expenses	34,675	34,675	19,654	15,021	
Other Expenses-Bulk Purchasing	86,550	86,550	31,913	54,637	
MIS Department (Finance Department)					
Other Expenses	998,030	998,030	996,915	1,115	
Building and Grounds					
Salaries and Wages	6,680,000	6,380,000	6,177,922	202,078	
Other Expenses	3,962,000	4,312,000	4,165,196	146,804	
Other Expenses-Parking	380,000	380,000	372,420	7,580	
Postage	200,000	220,000	219,342	658	
Other Expenses-Preakness Health Center	127,000	147,000	135,594	11,406	
Other Expenses-Welfare Board	63,010	63,010	36,420	26,590	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Cancelled
Photostat					
Other Expenses	35,493	35,493	34,579	914	
Surrogate					
Salaries and Wages	1,197,830	1,197,830	1,111,459	86,371	
Other Expenses	60,614	60,614	51,869	8,745	
Insurances: Group Hospitalization, Medical Surgical, Major Med. for Employees	60,200,000	55,200,000	43,035,519	12,164,481	
Group Life Insurance for Employee	40,000	40,000	16,000	24,000	
Surety Bond Premium	6,000	6,000	4,631	1,369	
Worker's Compensation	2,500,000	2,500,000	(1,155)	2,501,155	
Liability Insurance	3,500,000	9,500,000	2,161,846	7,338,154	
Other Insurance	500,000	500,000	397,866	102,134	
Drug Plan	22,500,000	21,435,000	15,136,283	6,298,717	
Dental Plan	875,000	875,000	91,258	783,742	
REGULATION					
Sheriff's Office					
Salaries and Wages	10,655,250	12,480,250	11,723,719	756,531	
Other Expenses	291,770	291,770	185,375	106,395	
Weights and Measures					
Salaries and Wages	456,846	456,846	355,320	101,526	
Other Expenses	9,000	9,000	7,839	1,161	
Board of Taxation					
Salaries and Wages	394,008	394,008	351,027	42,981	
Office Expenses	14,400	14,400	14,066	334	
Medical Examiner					
Other Expenses-Contractual State of NJ	1,560,600	1,560,600	1,560,600		
Indigent Burials	50,000	50,000	24,023	25,977	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Cancelled
Board of Elections					
Salaries and Wages	749,310	749,310	746,308	3,002	
Other Expenses	152,400	152,400	137,325	15,075	
Superintendent of Elections					
Salaries and Wages	1,542,439	1,542,439	1,542,439		
Other Expenses	502,500	502,500	464,817	37,683	
County Emergency Management					
Salaries and Wages	199,851	199,851	152,304	47,547	
Other Expenses	18,000	18,000	16,605	1,395	
Planning Board (NJS 40:273)					
Salaries and Wages	328,000	328,000	310,357	17,643	
Other Expenses	36,450	36,450	36,337	113	
Economic Development					
Salaries and Wages	167,893	167,893	167,836	57	
Other Expenses	15,500	15,500	15,491	9	
Construction Board of Appeals	3,600	3,600		3,600	
ROADS & BRIDGES DEPT.					
Roads and Bridges Dept.					
Salaries and Wages-Roads	1,012,000	1,012,000	832,730	179,270	
Salaries and Wages-Mosquito	725,006	725,006	682,526	42,480	
Other Expenses-Roads	1,858,400	1,858,400	1,690,700	167,700	
Other Expenses-Mosquito	57,000	57,000	56,169	831	
Engineering					
Salaries and Wages	972,000	1,032,000	1,021,762	10,238	
Other Expenses	18,100	18,100	17,858	242	



COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<b>CORRECTIONAL AND PENAL</b>					
Jail and Workhouse	38,626,419	38,626,419	38,423,947	202,472	
Salaries and Wages - Jail	13,402,281	11,577,281	10,057,746	1,519,535	
Salaries and Wages - Patrol	4,098,010	4,098,010	3,903,137	194,873	
Other Expenses	4,988,945	4,988,945	4,796,509	192,436	
Other Expenses-Medical Expenses	200,000	200,000	148,236	51,764	
Other Expenses-Re-Entry Program					
<b>HEALTH AND WELFARE</b>					
Crippled Children	36,000	36,000	36,000		
Mental Health Board (30:9A-3)	283,211	288,211	285,937	2,274	
Salaries and Wages					
Mental Health Program (40:5-29)	703,300	703,300		703,300	
Contractual					
Aid to Bergen-Passaic Unit for the Mentally Retarded (NJS 40:23-8.11)	54,000	54,000	54,000		
Alcohol and Drugs					
Addiction Program Contractual-Salaries and Wages	30,340	30,340	29,873	467	
Addiction Program Contractual-Other Expenses	161,660	161,660	156,381	5,279	
Maintenance of Patients in State Institutions:					
Mentally Diseased and Mentally Retarded	4,786,540	4,851,540	4,371,739	479,801	
Welfare Board-Administration	12,067,664	11,962,664	10,450,001	1,512,663	
Administration-Fringe Benefits	5,700,000	5,700,000	5,700,000		
Supplement Security Income	1,236,619	1,341,619	1,321,620	19,999	
Aid to Dependent Children (NJS 44-10-1 ST Seq	630,516	630,516	525,000	105,516	
New Jersey Bureau of Children's Services	3,800,000	3,800,000	3,685,316	114,684	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Cancelled
Department of Youth Services					
Salaries and Wages	238,892	234,892	209,554	25,338	
Other Expenses-Shared Services Essex County	2,116,203	2,118,203	2,117,645	558	
Other Expenses-Education	670,087	674,087	574,317	99,770	
Other Expenses-Shelter Beds	682,213	265,000	255,000	10,000	
Other Expenses-Medical	265,000	784,213	782,779	1,434	
Other Expenses	20,500	18,500	15,781	2,719	
Preakness Hospital					
Salaries and Wages	29,426,575	28,706,575	28,378,105	328,470	
Other Expenses	7,867,490	8,537,490	8,205,275	332,215	
Camp Hope (40-23-6. 1 to 16)					
Salaries and Wages	438,093	438,093	397,328	40,765	
Other Expenses	58,709	58,709	52,235	6,474	
Div. of Senior Services, Disabilities, & Vets Affairs, Etc.					
Salaries and Wages	208,612	208,612	125,635	82,977	
Other Expenses	23,021	23,021	20,668	2,353	
County Health Dept. Chapter 329 PL 1975					
Salaries and Wages	550,565	550,565	529,040	21,525	
Other Expenses	23,700	23,700	23,526	174	
EDUCATIONAL					
Office of County Superintendent of Schools					
Salaries and Wages	494,100	494,100	484,580	9,520	
Other Expenses	18,514	18,514	13,768	4,746	
Passaic County Vocational School					
County Extension Services	7,044,585	7,044,585	7,044,585		
Salaries and Wages	62,400	62,400	62,352	48	
Other Expenses	148,516	148,516	95,464	53,052	
Passaic County Community College					
Reimbursement for Residents Attending Out	14,125,725	14,125,725	14,125,725		
of County Two Year College (NJS18:A:64A-23)					
	175,000	175,000	120,072	54,928	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

	<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					
Salaries and Wages-Parks	2,249,757	2,102,757	1,957,383	145,374	
Salaries and Wages-Golf Course	1,256,060	1,236,060	1,154,204	81,856	
Other Expenses-Parks	320,290	365,290	360,641	4,649	
Other Expenses-Golf Course	447,142	467,142	451,596	15,546	
Passaic County Historical Society (NJS 40:32-6)	25,000	25,000	25,000		
Cultural and Historical Affairs					
Salaries and Wages	179,200	179,200	178,074	1,126	
Other Expenses	41,900	41,900	41,859	41	
PCIA Interlocal Tourism Marketing					
Salaries and Wages	59,000	59,000	23,013	35,987	
Other Expenses	41,000	41,000	21,604	19,396	
UNCLASSIFIED					
Passaic County Volunteer Fire Academy					
Equipment, Office, Car, Other	75,000	75,000	32,683	42,317	
Sick Leave Payment	300,000	300,000	254,271	45,729	
Matching Funds for Grants	250,000	250,000	111,812	138,188	
Aid to Children Care Coordination Committee (4CS) (NISA 40:23)	22,500	22,500	22,500		
Aid to Women's Haven NISA 30:14-11	15,750	15,750	15,750		
Aid to D.L.A.L (40:23-811)	54,000	54,000	54,000		
Para-Transit					
Salaries and Wages	81,600	81,600	42,038	39,562	
Other Expenses - Vehicle Maint	50,000	50,000	43,240	6,760	
Police Academy					
Salaries and Wages	650,963	650,963	591,946	59,017	
Other Expenses	96,958	96,958	53,616	43,342	
Aid to Health & Welfare Councils (NJS 40-23-8.28)	485,000	485,000	315,250	169,750	
Salaries and Wage Adjustment	82,180	82,180		82,180	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Cancelled
Utilities (40A-4-45 4H)					
Gasoline	1,050,000	1,050,000	967,600	82,400	
Telephone and Telegraph	800,000	800,000	696,775	103,225	
Natural Gas & Electric	5,250,000	5,250,000	4,325,327	924,673	
Street Lighting	475,000	475,000	410,931	64,069	
Heating Oil	50,000	50,000	24,172	25,828	
Water	925,000	925,000	903,023	21,977	
Garbage	350,000	350,000	268,500	81,500	
Debt Service Fees	50,000	50,000	49,972	28	
Aid to Housing First	90,000	90,000		90,000	
PUBLIC AND PRIVATE PROGRAMS OFFSET					
BY REVENUES					
County Match					
Aging Area Plan	1,500,000	1,500,000	1,500,000		
Aging Area Nutrition	400,000	400,000	400,000		
Casino Revenue Grant	1,077,313	1,077,313	1,077,313		
Insurance Fraud	250,000	250,000	250,000		
CEHA Grant Fiscal 2018	173,030	173,030	173,030		
CEHA Grant Fiscal 2019	174,980	174,980	174,980		
Alcohol/Drug Abuse Grant	756,147	756,147	756,147		
Juvenile Detention Alternatives Innocations Funding	124,000	124,000	124,000		
Clean Communities Entitlement	76,918	76,918	76,918		
Passaic County Youth Golf Program	11,000	11,000	11,000		
NUDEA Innovation Planning Challenge	100,000	100,000	100,000		
NIHT Monument Restoration Grant	16,200	16,200	16,200		
Lambert Castle Preservation Grant	50,000	50,000	50,000		
NJ Historic Commission Grant	7,500	7,500	7,500		
Humanities Action Grant	17,000	17,000	17,000		
Local Safety Program - Allwood Road and Clifton Ave	2,663,400	2,663,400	2,663,400		
Local Safety Program - Market Street	3,560,400	3,560,400	3,560,400		
Medical Assisted Treatment	200,000	200,000	200,000		

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Cancelled
Spruce Street Gateway - Phase I	1,200,000	1,200,000	1,200,000		
2015 Spruce St Bridge	700,000	700,000	700,000		
LBFN - Scour Countermeasures	550,000	550,000	550,000		
Division of Child Behavioral Health Services	48,970	48,970	48,970		
Social Services for the Homeless 2017	309,688	309,688	309,688		
Social Services for the Homeless 2018	2,069,900	2,069,900	2,069,900		
Substance Use Navigator 2017	150,000	150,000	150,000		
Substance Use Navigator 2018	200,000	200,000	200,000		
PC Housing First	1,177,615	1,177,615	1,177,615		
PC Housing First BONUS	84,633	84,633	84,633		
Kingsland Avenue Bridge	2,245,960	2,245,960	2,245,960		
U Drive U Text U Pay	40,000	40,000	40,000		
LEOTEF	36,396	36,396	36,396		
Radon Awareness Program (RAP)	2,000	2,000	2,000		
Freakness Geri-Psych Program	338,210	338,210	338,210		
County Aid - Resurfacing 2016	54,908	54,908	54,908		
County Aid - Resurfacing 2018	7,747,724	7,747,724	7,747,724		
Municipal Alliance Program	512,024	512,024	512,024		
Sexual Assault Nurse Examiner (SART/FNE)	117,312	117,312	117,312		
2018 State Health Insurance Program (SHIP) Grant	32,000	32,000	32,000		
Job Access and Reverse Commute	200,000	200,000	200,000		
Transportation and TIP	404,914	404,914	404,914		
CSBG NON-DISCRETIONARY 2017	70,225	70,225	70,225		
CSBG NON-DISCRETIONARY 2018	301,801	301,801	301,801		
PHLP LINCIS 2019 (old BF grant)	526,569	526,569	526,569		
Subregional Transportation Program (STP) Grant	132,048	132,048	132,048		
Subregional Studies Program - Bus Rapid Transit Market Study	252,000	252,000	252,000		
Workforce Innovation Opportunity Act Adult	1,615,456	1,615,456	1,615,456		
Workforce Innovation Opportunity Act Dislocated Worker	1,370,514	1,370,514	1,370,514		
Workforce Innovation Opportunity Act Youth	1,782,067	1,782,067	1,782,067		
Temporary Assistance for Needy Families	4,758,174	4,758,174	4,758,174		

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Cancelled
General Assistance/Supplemental Nutrition Assistance Program	2,302,439	2,302,439	2,302,439		
Workforce Learning Link Program	259,000	259,000	259,000		
WIC/Senior Farmers Market Nutrition Program Mimi 2018	1,000	1,000	1,000		
Heating Improvement 2018	360,135	360,135	360,135		
LIHEAP Weatherization 2018	233,419	233,419	233,419		
DOE Weatherization 2019	361,947	361,947	361,947		
Right to Know 2018 (2019-RTK-LOA)	15,213	15,213	15,213		
Click It or Ticket MOB-CIOT-2018-Passaic County-00117	5,500	5,500	5,500		
Universal Service Fund 2019	468,809	468,809	468,809		
Community Development Block Grant (CDBG)	849,041	849,041	849,041		
Pedestrian Safety Grant	50,000	50,000	50,000		
Paterson Transit Facility Pedestrian Safety Project	35,000	35,000	35,000		
SmartSTEPS	4,815	4,815	4,815		
HUD-HF NJ0329-707	287,084	287,084	287,084		
HUD-HF NJ0566-700	119,137	119,137	119,137		
HUD-HF NJ0242-703	660,742	660,742	660,742		
Passaic County Film Festival	2,400	2,400	2,400		
UASI Local Share	375,000	375,000	375,000		
Dey Mansion Garden Restoration	100,000	100,000	100,000		
Victim Witness Advocacy	70,397	70,397	70,397		
2014 FTA Section 5310	125,000	125,000	125,000		
2015 FTA Section 5310	120,000	120,000	120,000		
Casino Revenue	764,248	764,248	764,248		
Area Plan Grant-Aging Area Nutrition	2,034,209	2,034,209	2,034,209		
Area Plan Grant	1,912,993	1,912,993	1,912,993		
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	1,700	1,700	1,700		
<b>Total Operation (item 8(A) )</b>	<b>378,839,246</b>	<b>378,839,246</b>	<b>336,007,577</b>	<b>42,831,669</b>	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Cancelled
Contingent	50,000	50,000	18,260	31,740	
Total Operation Including Contingent Detail:	378,889,246	378,889,246	336,025,837	42,863,409	
Salaries and Wages	140,176,334	138,920,334	132,350,851	6,569,483	
Other Expenses (Including Contingent)	238,712,912	239,968,912	203,674,986	36,293,926	
Capital Improvement					
Capital Improvement Fund	500,000	500,000	500,000		
Acquisition of Various Equipment	200,000	200,000	200,000		
Total Capital Improvements	700,000	700,000	700,000		
County Debt Service					
Payment of Bond Principal					720,000
County College Bonds	4,500,000	4,500,000	3,780,000		
State Aid- County College Bonds (N.J.S. 18A:64A-22.6)	2,000,000	2,000,000	1,995,000	5,000	
Vocational School Bonds	2,800,000	2,800,000	2,360,000	440,000	
Other Bonds	21,000,000	20,598,000	18,296,763	2,301,237	
Payment of Bond Anticipation Notes	1,160,000	1,160,000	1,158,785	1,215	
Interest on Bonds					
County College Bonds	600,000	602,000	601,292	708	
State Aid- County College Bonds (N.J.S. 18A:64A-22.6)	375,000	375,000	350,487	24,513	
Vocational School Bonds	1,525,000	1,525,000	1,488,643	36,357	
Other Bonds	6,600,000	7,000,000	6,725,619	274,381	
Interest on Notes	2,000,000	2,000,000	1,840,598	159,402	
Passaic County Utilities Authority	4,150,000	4,150,000	3,270,708	879,292	
Prosecutors Building	441,000	441,000	440,321	679	
Preakness Healthcare Center	5,600,000	5,600,000	5,433,041	166,959	
Green Trust Loan	49,550	49,550	49,542	8	
Total County Debt Service	52,800,550	52,800,550	47,790,799	5,009,751	

COUNTY OF PASSAIC

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Cancelled
Deferred Charges and Statutory Expenditures					
Emergency Authorizations					
Special Emergency Authorization 5 Years - (40A-4-55)					
Overexpenditure of Appropriations					
Prior Year Bills-Summary					
Braen Supply	138	138	138		
Deferred Charges to Future Taxation - Capital	2,000,000	2,000,000	2,000,000		
Due From OSTF - Court House Renovation	200,000	200,000	200,000		
Due From OSTF - Passaic River Front Park Project	500,000	500,000	500,000		
Statutory Charges:					
Contribution to PERS	16,003,353	16,003,353	16,003,353		
Social Security System (O.A.S.I.)	13,000,000	13,000,000	12,693,291	306,709	
Unemployment Compensation Insurance	550,000	550,000	151,633	398,367	
(N.J.S.A. 43:21-3 et seq.)					
Police and Fire Retirement System	14,385,998	14,385,998	14,385,998		
County Pension Fund	1,875,000	1,875,000	1,700,195	174,805	
Defined Benefit Pension	100,000	100,000	63,532	36,468	
Total Deferred Charges & Statutory Expenditures	48,614,489	48,614,489	47,698,140	916,349	
Total General Appropriations	\$ 481,004,285	481,004,285	432,214,776	43,779,758	5,009,751

Adopted Budget 436,755,407  
 Added by N.J.S.A. 40A:4-87 44,248,878

\$ 481,004,285

Cash \$ 375,996,216  
 Reserve for Encumbrances 6,653,844  
 Grants Appropriated 49,564,716  
 \$ 432,214,776

See accompanying notes to financial statements.



COUNTY OF PASSAIC

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2018 and 2017

	<u>Assets</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Other Trust Fund:				
Cash		B-1	\$ 37,224,507	39,268,365
Accounts Receivable - PCSD Off Duty		B-4	7,441	374,070
			<u>37,231,948</u>	<u>39,642,435</u>
Confiscated Trust Fund:				
Cash		B-1	<u>2,484,771</u>	<u>2,581,223</u>
			<u>2,484,771</u>	<u>2,581,223</u>
Self Insurance Fund:				
Cash		B-1	<u>31,493,860</u>	<u>24,805,260</u>
			<u>31,493,860</u>	<u>24,805,260</u>
Community Development Grant Fund:				
Cash		B-1	<u>6,332,611</u>	<u>6,401,962</u>
			<u>6,332,611</u>	<u>6,401,962</u>
Total Assets			<u>\$ 77,543,190</u>	<u>73,430,880</u>

## COUNTY OF PASSAIC

## Comparative Balance Sheet-Regulatory Basis

## Trust Funds

December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Liabilities, Reserves &amp; Fund Balance</u>			
Other Trust Fund:			
Various Trust Deposits	B-2	\$ 886,722	1,065,284
Reserve for Dedicated Revenues	B-3	24,562,664	24,360,177
Reserve for Open Space Expenditures	B-5	<u>11,782,562</u>	<u>14,216,974</u>
		<u>37,231,948</u>	<u>39,642,435</u>
Confiscated Trust Fund:			
Reserve for Confiscated Trust Fund	B-6	<u>2,484,771</u>	<u>2,581,223</u>
		<u>2,484,771</u>	<u>2,581,223</u>
Self Insurance Fund:			
Reserve for Workmen's Compensation	B-7	4,135,509	5,456,202
Reserve for Health Benefits	B-8	22,005,719	13,912,500
Reserve for Liability Insurance	B-9	<u>5,352,632</u>	<u>5,436,558</u>
		<u>31,493,860</u>	<u>24,805,260</u>
Community Development Grant Fund:			
Reserve for:			
Housing Voucher Program	B-10	<u>6,332,611</u>	<u>6,401,962</u>
		<u>6,332,611</u>	<u>6,401,962</u>
 Total Liabilities, Reserves and Fund Balance		<u>\$ 77,543,190</u>	<u>73,430,880</u>

See accompanying notes to financial statements.

## COUNTY OF PASSAIC

## Comparative Balance Sheet-Regulatory Basis

## General Capital Fund

December 31, 2018 and 2017

<u>Assets</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Cash	C-2/C-3	\$ 69,304,016	56,813,732
Grants Receivable	C-4	51,381,804	75,153,660
Deferred Charges to Future Taxation:			
Funded	C-5	337,564,559	327,378,538
Unfunded	C-6	<u>127,541,379</u>	<u>128,113,294</u>
Total Assets		<u>\$ 585,791,758</u>	<u>587,459,224</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-16	\$ 251,251,000	252,479,000
Green Trust Loans Payable	C-17	143,559	189,538
Bond Anticipation Notes	C-15	90,725,000	78,775,000
Capital Leases Payable	C-18	86,170,000	74,710,000
Improvement Authorizations:			
Funded	C-7	35,003,869	54,980,718
Unfunded	C-7	42,461,191	46,604,654
Commitments Payable	C-8	39,312,130	40,541,351
Capital Improvement Fund	C-9	58,666	58,666
Reserve for Payment of Bonds and Notes	C-10	16,061,593	10,121,959
Reserve for Salt Shed - West Milford	C-12		296,619
Reserve for Capital Acquisition	C-13	11,055,323	
Reserve for Grants Receivable	C-14	6,843,904	22,677,866
Fund Balance	C-1	<u>6,705,523</u>	<u>6,023,853</u>
Total Liabilities		<u>\$ 585,791,758</u>	<u>587,459,224</u>

Footnote: There were Bonds and Notes Authorized But Not Issued on December 31, 2018 and 2017 of \$36,816,379 and \$49,533,294, 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, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
Balance - January 1,	\$ 6,023,853	6,040,373
Increased by:		
Premium on Bond/Note Sales	1,255,063	1,379,175
Reserves Cancelled	3,634,976	160,258
Improvement Authorizations Cancelled	<u>102,607</u>	<u>4,047,165</u>
	<u>4,992,646</u>	<u>5,586,598</u>
	11,016,499	11,626,971
Decreased by:		
Premium on Bond/Note Sales	96,000	78,649
Schedule of Receivables-Cancel Grant Balances	3,634,976	449,469
Improvement Authorizations - Ordinance 2018-05	<u>580,000</u>	<u>5,075,000</u>
	<u>4,310,976</u>	<u>5,603,118</u>
Balance - December 31,	<u>\$ 6,705,523</u>	<u>6,023,853</u>

See accompanying notes to the financial statements.

COUNTY OF PASSAIC

Comparative Statement of General Fixed Assets-Regulatory Basis

December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>General Fixed Assets:</u>		
Land	\$ 327,098,799	326,979,707
Buildings	297,477,145	284,270,305
Equipment	68,100,494	66,181,106
Construction in Progress	<u>10,566,448</u>	<u>10,416,448</u>
	<u>\$ 703,242,886</u>	<u>687,847,566</u>
Investment in Fixed Assets	<u>\$ 703,242,886</u>	<u>687,847,566</u>

See accompanying notes to financial statements.

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**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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, 2018 AND 2017**  
**(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, 2018 AND 2017**  
**(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, 2018 AND 2017**  
**(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, 2018 and 2017, the Governing Body approved additional revenues and appropriations of \$44,248,878 and \$36,822,806, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body in 2018 and 2017.

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, 2018 AND 2017**  
**(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, 2018 AND 2017**  
**(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, 2018 AND 2017**  
**(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, 2018.

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.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

For the year ended December 31, 2018, the County adopted Government Accounting Standards Board GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. As a result of adopting this Statement, the County was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their post-employment benefits other than pensions. As a result of the regulatory basis of accounting previously described in Note 1, the implementation of this Statement only required financial statement disclosure. There exists no impact on the financial statements of the County.

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.

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**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, 2018 and 2017, \$-0- of the County's bank balance of \$281,133,056 and \$227,489,785, respectively, were exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**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.

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 3. COUNTY DEBT**

Long-term debt as of December 31, 2018 and 2017 consisted of the following:

<u>2018</u>	<u>Balance Dec. 31, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2018</u>	<u>Amounts Due Within One Year</u>
Bonds Payable - General					
Obligation Debt	\$252,479,000	\$25,200,000	\$26,428,000	\$251,251,000	\$28,699,000
Capital Leases	74,710,000	14,530,000	3,070,000	86,170,000	4,010,000
Other Liabilities:					
Compensated Absences	18,168,727	3,640,596	3,555,279	18,254,044	
New Jersey:					
Green Trust Loans	189,538		45,979	143,559	46,904
Deferred Pension	<u>7,394,546</u>		<u>645,448</u>	<u>6,749,098</u>	<u>625,642</u>
	<u>\$352,941,811</u>	<u>\$43,370,596</u>	<u>\$33,744,706</u>	<u>\$362,567,701</u>	<u>\$33,381,546</u>

<u>2017</u>	<u>Balance Dec. 31, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2017</u>	<u>Amounts Due Within 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	<u>8,020,188</u>		<u>625,642</u>	<u>7,394,546</u>	<u>611,613</u>
	<u>\$359,238,284</u>	<u>\$47,933,276</u>	<u>\$54,229,749</u>	<u>\$352,941,811</u>	<u>\$27,395,593</u>

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

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 3. COUNTY DEBT, (continued)**

The County's debt is summarized as follows:

	<u>2018</u>	<u>2017</u>
Issued		
General		
Bonds, Notes and Loans	\$342,119,559	\$331,443,538
Bonds Authorized by Another Public Body		
Guaranteed by the County	<u>119,419,394</u>	<u>119,531,515</u>
Total Issued	<u>461,538,953</u>	<u>450,975,053</u>
Authorized But Not Issued		
General		
Bonds, Notes and Loans	<u>36,816,379</u>	<u>49,533,294</u>
Total Issued and Authorized But Not Issued	<u>498,355,332</u>	<u>500,508,347</u>
Less: Funds Temporarily Held to Pay Bonds		
and Notes	16,061,593	10,316,958
Receivables from Other Public Authorities	4,775,000	5,975,000
Additional Borrowing for County College		
Refunding Bonds	17,785,000	8,030,000
Bonds Authorized by Another Public Body		
Guaranteed by the County	<u>119,419,394</u>	<u>119,531,515</u>
Total Deductions	<u>158,040,987</u>	<u>143,853,473</u>
Net Debt	<u>\$340,314,345</u>	<u>\$356,654,874</u>

The summarized statement of debt condition which follows is extracted from the County's Annual Debt Statement, indicates a statutory net debt of .705% and .760% at December 31, 2018 and 2017, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2018</u>			
General debt	<u>\$498,355,332</u>	<u>\$158,040,987</u>	<u>\$340,314,345</u>
<u>2017</u>			
General debt	<u>\$500,508,347</u>	<u>\$143,853,473</u>	<u>\$356,654,874</u>



**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 3. COUNTY DEBT, (continued)**

The County's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31 2018 and 2017 was as follows:

	<u>2018</u>	<u>2017</u>
2% of equalized valuation basis (county)	\$965,062,665	\$939,963,277
Net debt	<u>340,314,345</u>	<u>356,654,874</u>
Remaining Borrowing Power	<u>\$624,748,320</u>	<u>\$583,308,403</u>

The County's long-term debt consisted of the following at December 31, 2018 and 2017:

Paid by Current Fund:

**General Obligation Bonds**

	<u>2018</u>	<u>2017</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%	\$4,900,000	\$7,200,000
\$665,000, 1998 Bonds, due in annual installments of \$220,000 to \$225,000 through Sept. 2018-2020, interest at 6.77%	445,000	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%	140,000	165,000
\$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
\$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
\$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%	625,000	1,240,000
\$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%	625,000	1,240,000

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

	<u>2018</u>	<u>2017</u>
<b>NOTE 3. <u>COUNTY DEBT, (continued)</u></b>		
\$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%	\$13,946,000	\$15,446,000
\$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%	100,000	230,000
\$2,130,000, 2010 Bonds, due in annual installments of \$180,000 to \$240,000 through Apr. 1, 2021, interest at various rates from 2.00% to 4.00%	650,000	870,000
\$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%	2,737,000	2,970,000
\$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%	397,000	512,000
\$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%	396,000	511,000
\$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%	735,000	1,490,000
\$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%	2,225,000	4,350,000
\$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%	15,655,000	17,155,000
\$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%	6,570,000	8,020,000

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

	<u>2018</u>	<u>2017</u>
<b>NOTE 3. COUNTY DEBT, (continued)</b>		
\$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%	\$1,875,000	\$2,305,000
\$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%	1,875,000	2,305,000
\$10,200,000, 2012 Refunding Bonds, due in annual installments of \$550,000 to \$2,895,000 through Aug. 15, 2021, interest at various rates from 1.50% to 4.00%	1,705,000	2,290,000
\$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%	14,855,000	16,215,000
\$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%	2,145,000	2,335,000
\$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%	2,145,000	2,335,000
\$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%	18,341,000	19,306,000
\$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%	819,000	859,000

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

	<u>2018</u>	<u>2017</u>
<b>NOTE 3. COUNTY DEBT, (continued)</b>		
\$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%	\$650,000	\$1,250,000
\$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%	2,690,000	3,040,000
\$36,570,000, 2015 General Obligation Refunding Bonds, due in annual installments of \$2,735,000 to \$4,050,000 through February 1, 2028, interest at various rates from 3.00% to 5.00%	33,835,000	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%	435,000	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%	1,560,000	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%	1,255,000	1,380,000
\$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%	1,255,000	1,380,000
\$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%	9,405,000	10,160,000

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

	<u>2018</u>	<u>2017</u>
<b>NOTE 3. COUNTY DEBT, (continued)</b>		
\$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%	\$1,700,000	\$1,800,000
\$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%	1,280,000	1,395,000
\$1,500,000, 2016 County College Bonds, Series 2016B, due in annual installments of \$105,000 to \$210,000 through July 1, 2016, interest at various rates from 1.00% to 2.00%	1,280,000	1,395,000
\$24,025,000, 2016 General Obligation 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%	21,855,000	22,885,000
\$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%	7,400,000	7,800,000
\$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%	2,070,000	2,290,000
\$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%	1,395,000	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%	1,395,000	1,500,000

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

	<u>2018</u>	<u>2017</u>
<b>NOTE 3. COUNTY DEBT, (continued)</b>		
\$7,385,000, 2017 General Obligation 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%	\$6,980,000	\$7,385,000
\$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%	34,755,000	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%	950,000	1,015,000
\$1,600,000, 2018 County College School Bonds, due in annual installments of \$105,000 to \$210,000 through June 1, 2028, interest at various rates from 3.00% to 4.00%	1,600,000	
\$1,600,000, 2018 County College School Bonds, due in annual installments of \$105,000 to \$210,000 through June 1, 2028, interest at various rates from 3.00% to 4.00%	1,600,000	
\$15,557,000, 2018 General Obligation Bonds, due in annual installments of \$800,000 to \$1,357,000 through December 1, 2033, interest at various rates from 2.00% to 4.00%	15,557,000	
\$1,600,000, 2018 County Vocational School Bonds, due in annual installments of \$110,000 to \$205,000 through December 1, 2028, interest at various rates from 2.00% to 4.00%	1,600,000	
\$4,843,000, 2018 County College School Bonds, due in annual installments of \$275,000 to \$533,000 through December 1, 2031, interest at various rates from 2.00% to 4.00%	<u>4,843,000</u>	
	<u>\$251,251,000</u>	<u>\$252,479,000</u>

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 3. COUNTY DEBT, (continued)**

**Intergovernmental Loans Payable**

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

	<u>2018</u>	<u>2017</u>
\$564,657 Loan, due in semi-annual installments of \$19,124 to \$24,526 through August 28, 2021, interest at 2.0%	<u>\$143,559</u>	<u>\$189,538</u>

The County's principal and interest for long-term debt issued and outstanding at December 31, 2018 is as follows:

Calendar Year	Bonds		Loans		Total
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2019	\$28,699,000	\$8,751,644	\$46,904	\$2,638	\$37,500,186
2020	25,292,000	7,727,464	47,847	1,695	33,069,006
2021	22,903,000	6,757,855	48,808	733	29,710,396
2022	22,570,000	5,943,053			28,513,053
2023	21,200,000	5,169,542			26,369,542
2024-2028	92,755,000	14,641,139			107,396,139
2029-2033	28,497,000	3,803,112			32,300,112
2034-2037	<u>9,335,000</u>	<u>708,450</u>			<u>10,043,450</u>
	<u>\$251,251,000</u>	<u>\$53,502,259</u>	<u>\$143,559</u>	<u>\$5,066</u>	<u>\$304,901,884</u>

**NOTE 4. BOND ANTICIPATION NOTES**

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

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 4. BOND ANTICIPATION NOTES, (continued)**

On December 31, 2018 and 2017, the County had \$90,725,000 and \$108,950,000, respectively, in outstanding General Capital bond anticipation notes.

The following activity related to bond anticipation notes occurred during the calendar years ended December 31, 2018 and 2017:

<u>2018</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Oppenheimer & Co.	\$54,045,000	\$	\$54,045,000	\$0
Jefferies LLC	24,730,000		24,730,000	0
Oppenheimer & Co.		24,730,000		24,730,000
Morgan Stanley & Co., LLC		<u>65,995,000</u>		<u>65,995,000</u>
	<u>\$78,775,000</u>	<u>\$90,725,000</u>	<u>\$78,775,000</u>	<u>\$90,725,000</u>
<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		<u>24,730,000</u>		<u>24,730,000</u>
	<u>\$108,950,000</u>	<u>\$78,775,000</u>	<u>\$108,950,000</u>	<u>\$78,775,000</u>

**NOTE 5. CAPITAL LEASES PAYABLE**

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. In 2018, the County entered into a \$14,530,000 capital lease for the Department of Public Works for building improvements. Annual debt service requirements for these capital leases are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$4,010,000	\$3,332,469	\$7,342,469
2020	4,010,000	3,185,088	7,195,088
2021	4,180,000	3,013,182	7,193,182
2022	4,365,000	2,819,057	7,184,057
2023	4,550,000	2,642,175	7,192,175
2024-2028	24,645,000	9,936,733	34,581,733
2029-2033	28,745,000	4,925,379	33,670,379
2034-2036	<u>11,665,000</u>	<u>498,944</u>	<u>12,163,944</u>
	<u>\$86,170,000</u>	<u>\$30,353,027</u>	<u>\$116,523,027</u>



**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 6. FIXED ASSETS**

The following is a summary of the General Fixed Assets Account Group as of December 31, 2018 and 2017.

<u>2018</u>	Balance <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>Dec. 31, 2018</u>
Land	\$326,979,707	\$119,092	\$	\$327,098,799
Buildings and Building Improvements	284,270,305	13,303,507	96,667	297,477,145
Machinery and Equipment	66,181,106	3,695,596	1,776,208	68,100,494
Construction in Progress	<u>10,416,448</u>	<u>150,000</u>		<u>10,566,448</u>
	<u>\$687,847,566</u>	<u>\$17,268,195</u>	<u>\$1,872,875</u>	<u>\$703,242,886</u>

<u>2017</u>	Balance <u>Dec. 31, 2016</u>	<u>Additions</u>	<u>Retirements</u>	Balance <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>

**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>2019</u>	<u>2018</u>
Current Fund	<u>\$19,000,000</u>	<u>\$19,000,000</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.

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 9. ACCUMULATED VACATION AND SICK PAY (UNAUDITED), (continued)**

The maximum sick leave benefits an employee is entitled to at retirement is \$12,000, except for law enforcement who are extended to \$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 \$18,254,044 and \$18,168,727 at December 31, 2018 and 2017, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability. The County has accumulated reserves to offset annual costs of \$999,488 and \$774,927 at December 31, 2018 and 2017, respectively.

**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).

*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](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

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:

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 10. EMPLOYEE RETIREMENT SYSTEM, (continued)**

Tier	Definition
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 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> 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 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Police and Firemens' Retirement System (PFRS)*

Plan Description

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

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:

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 10. EMPLOYEE RETIREMENT SYSTEM, (continued)**

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

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

Defined Contribution Retirement Program

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

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

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.

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 10. EMPLOYEE RETIREMENT SYSTEM, (continued)**

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>
2018	\$16,003,353	\$14,385,998	\$63,532
2017	15,014,142	13,760,327	54,667
2016	14,201,186	14,558,198	60,113

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, 2018. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end.

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 10. EMPLOYEE RETIREMENT SYSTEM, (continued)**

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

**Public Employees Retirement System (PERS)**

At December 31, 2018, the County had a liability of \$209,374,985 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the County's proportion was 1.063383880 percent, which was an increase/(decrease) of 0.0039692611 percent from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the County recognized pension expense of \$16,003,353. At December 31, 2018, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$3,992,812	\$1,079,605
Changes of assumptions	34,501,529	66,946,986
Net difference between projected and actual earnings on pension plan investments		1,963,946
Changes in proportion and differences between the County's contributions and proportionate share of contributions	3,997,696	2,678,574
County contributions subsequent to the measurement date	<u>10,577,234</u>	<u>                    </u>
Total	<u>\$53,069,271</u>	<u>\$72,669,111</u>

**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)**

**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, 2018) 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:	
2019	\$1,453,170
2020	(2,011,953)
2021	(14,427,205)
2022	(12,505,727)
2023	(4,004,500)

**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 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Additional Information**

Local Group Collective balances at June 30, 2018 and June 30, 2017 are as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Collective deferred outflows of resources	\$4,684,852,302	\$6,424,455,842
Collective deferred inflows of resources	7,646,736,226	5,700,625,981
Collective net pension liability	19,689,501,539	23,278,401,588
County's Proportion	1.063383880%	1.0594146189%

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(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 collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. This actuarial valuation used the following assumptions, 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, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for



**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)**

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

future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge 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, 2018 AND 2017**  
**(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 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2018, 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, 2018		
	1% Decrease <u>4.66%</u>	At Current Discount Rate <u>5.66%</u>	1% Increase <u>6.66%</u>
County's proportionate share of the pension liability	\$263,264,970	\$209,374,985	\$164,164,777

**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)**

**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](http://www.state.nj.us/treasury/pensions).

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

At December 31, 2018, the County had a liability of \$206,472,593 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the County's proportion was 1.5258495059 percent, which was an increase/(decrease) of 0.0454186876 percent from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the County recognized pension expense of \$14,385,998. At December 31, 2018, 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	\$2,100,590	\$854,432
Changes of assumptions	17,722,894	52,915,361
Net difference between projected and actual earnings on pension plan investments		1,129,592
Changes in proportion and differences between County contributions and proportionate share of contributions	7,118,786	13,427,592
County contributions subsequent to measurement date	<u>14,917,427</u>	<u>                    </u>
Total	<u>\$41,859,697</u>	<u>\$68,326,977</u>

**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)**

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2018) 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:	
2019	\$1,775,687
2020	(5,985,754)
2021	(16,745,940)
2022	(10,749,746)
2023	(3,370,150)

**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 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Additional Information**

Local Group Collective balances at June 30, 2018 and June 30, 2017 are as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Collective deferred outflows of resources	\$1,988,215,695	\$2,941,952,753
Collective deferred inflows of resources	4,286,994,294	3,262,432,093
Collective net pension liability	13,531,648,591	17,167,260,198
County's Proportion	1.5258495059%	1.4804308183%

**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)**

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. This actuarial valuation used the following 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**

Preretirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements are based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scales thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

**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)**

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge 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 6.51% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 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 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2018, 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, 2018		
	1% Decrease <u>5.51%</u>	At Current Discount Rate <u>6.51%</u>	1% Increase <u>7.51%</u>
County's proportionate share of the pension liability	\$285,827,996	\$206,472,593	\$141,018,840

**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)**

**Special Funding Situation - PFRS**

Under N.J.S.A. 43:16A-15, the County is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the County by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the County's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2018 and 2017, the State proportionate share of the net pension liability attributable to the County for the PFRS special funding situation is \$28,045,888 and \$25,599,573, respectively. For the years ended December 31, 2018 and 2017, the pension system has determined the State's proportionate share of the pension expense attributable to the County for the PFRS special funding situation is \$3,321,991 and \$3,131,399, respectively, which is more than the actual contributions the State made on behalf of the County of \$1,660,994 and \$1,280,084, respectively. The State's proportionate share attributable to the County was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the County's financial statements.

**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](http://www.state.nj.us/treasury/pensions).



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

**NOTE 10. EMPLOYEE RETIREMENT SYSTEM, (continued)**

**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.

The following information is provided by the County with the actuarially determined contribution amount and liabilities using the same funding method as required by GASB Statements 67 and 68.

Benefits under the Employees' Retirement System of the County of Passaic are outlined in Article IB of Chapter 10 of Title 43, "Employees of Counties of 300,000 to 325,000 Inhabitants", and include provisions of 1974 Assembly, No. 1484, 1978 Assembly, No. 225, 1981 Assembly, No. 274 and 1994 Assembly, No. 764. We have not been provided with any other legislation and assume that there has been none.

- |                           |   |
|---------------------------|---|
| Eligibility:              | All persons employed by the County prior to July 1, 1966 were eligible to become members of this System. The System was closed to persons employed on or after July 1, 1966.  |
| Salary:                   | <p>Salary, used in determining the amount of a benefit under the System, means the average annual salary or compensation earned by a member during the final three years of service as a county employee.</p> <p>An exception is that, for members who were transferred from certain prior retirement systems and for members who elect to receive a non-contributory veteran pension, Salary means the total annual salary received during the final year of service as a county employees.</p>  |
| Age & Service Retirement: | <p>A member who has attained age 55 and completed 20 years of service or who has completed 35 years of service regardless of age is entitled to retire and receive a pension equal to 50% of Salary.</p> <p>In addition, a member who has attained age 55 and completed 25 years of service is entitled to an additional 1% of Salary for each year of service over 25 years up to age 70.</p> <p>A retiring veteran may elect to withdraw 100% of his or her total employee contributions without interest and receive, in lieu of the above pension, a non-contributory pension equal to 50% of Salary.</p> |

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 10. EMPLOYEE RETIREMENT SYSTEM, (continued)**

**Disability Retirement:**

A member who become permanently and totally disabled will be entitled to retire and receive a pension equal to 2.5% of Salary multiplied by number of years of his or her 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.

**Death In Service:**

Upon the death of an employee member, an annual survivorship benefit is payable to the surviving Widower or Widow, as long as he or she remains unmarried, or any minor children up to age 18, as the case may be.

The survivorship benefit is equal to 2.5% of Salary multiplied by the number of years of service, not to 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 regardless of the cause of death.

**Death After Retirement:**

Upon the death of a member after age and service or disability retirement, 50% of the retired member's pension will be continued to the surviving Widower or Widow, as long as he or she remains unmarried, or any minor children up to age 18, as the case may be.

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.

However, in no event will such pension payable at death exceed 25% of the member's final compensation at the time of retirement, except for a \$2,500 minimum annual benefit.

There is no pension payable pursuant to the death of a member who elects a non-contributory pension.

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 10. EMPLOYEE RETIREMENT SYSTEM, (continued)**

- Widow or Widower:** A surviving Widower or Widow will qualify for a death benefit if he or she was married to the employee prior to the employee's retirement. Also, he or she must have married the employee before the employee attained age 50, unless the employee continues in the employment of the County as an active member of the System for at least five years after such marriage.
- Termination:** If a member's employment is terminated after having completed at least 20 years of service, and before he is age 55, he may elect to receive 100% of his total employee contributions without interest, or a deferred pension commencing at age 55 equal to 50% of Salary times the ratio of his service divided by the service he would have accrued at age 55.
- Alternatively, he may elect to receive a pension to commence immediately equal to 50% of Salary reduced on an actuarial equivalent basis for commencement prior to age 55.
- If such a member dies after his pension has become payable, the same survivorship benefit is payable as is payable for a member who dies after age and service or disability retirement.
- Member Contributions:** Each employee member is required to contribute 6% of Salary.
- County Contributions:** The County is required to contribute 10% of its employees' Salaries, plus an additional 1% in each succeeding fiscal year (accumulatively) after 1966 until the Actuary of the Retirement System certifies to the County that the County's contributions, together with the contributions of the members and all earnings, are sufficient to meet the liabilities of the Retirement System on a fully funded reserve basis.
- Pension Increase:** Pension payments to most retired employees and beneficiaries are adjusted each year by a percentage equal to 60% of the change in the Consumer Price Index.

COUNTY OF PASSAIC, N.J.  
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**NOTE 10. EMPLOYEE RETIREMENT SYSTEM, (continued)**

Pension payments to retired employees who are receiving a general non-contributory pension are adjusted by 50% of the change in the Consumer Price Index.

Pension payments to retired employees who elect a non-contributory veterans pension are not entitled to an annual adjustment.

**Actuarial Assumptions:**

**Interest Rate:** 5.00% *(Pre and post-retirement)*

As the plan assets are very limited, a very significant portion of the plan liabilities are an obligation of the County. The interest rate reflects the average cost to the County for obtaining funding over the past 20 years. The 20-year GO bond rate was used as the basis for the cost of funds.

**Mortality:** RP2000 gender specific table projected to the valuation year using scale AA *(post-retirement only)*

The Society of Actuaries are developing a new mortality table for governmental employees. Until such time as the mortality table for governmental employees is released, the RP-2000 shall be used as it represents the most up-to-date pending this release.

**Salary Scale:** 2.50%

The salary scale assumption is insignificant as more than 94% of the liabilities belong to the retirees.

**Cost of Living:** 2.00%

According to Department of Treasury statistics, the nominal rates of return for treasuries after adjusting for real yields range from 1.31% for 5-year treasuries to 1.73% for 30-year treasuries. After applying professional judgment, the COLA assumption was set at 2.00%.

Load for Ancillary Benefits: None

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**NOTE 10. EMPLOYEE RETIREMENT SYSTEM, (continued)**

The valuation results are summarized below:

Number of Plan Members:		
Actives		\$ 1
Retired Members & Beneficiaries		<u>51</u>
Total		<u><u>52</u></u>
Present Value of Benefits:		
Active Members	\$895,609	
Retired Members	<u>11,378,050</u>	
Total		\$12,273,659
Plan Assets		<u>751,868</u>
		<u><u>(\$11,521,791)</u></u>
Excess (deficiency) of assets over liabilities		

Annual pension payments to retirees totaled \$1,597,221. The average payment was \$31,318. The additional potential payment to the one active member was \$101,710. 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 86.

Based on current and projected annual payments, it is recommended that the fund maintain at least \$1.728 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 not changed from 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 \$13,002,944, making the deficit (\$12,251,076). On the other hand, if the assumed rate of return was 6.00%, the liabilities would be \$11,617,775, and the deficit would be (\$10,865,907).

**COUNTY OF PASSAIC, N.J.**  
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**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. The County also budgets funds in each year's budget to meet current claims. The County has created a loss reserve for claims incurred and claims not reported which were unpaid at December 31, 2018 and 2017. These reserve amounts are \$4,135,509 for 2018 and \$3,456,202 for 2017. Exhibit B-9 summarizes the 2018 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. The County has created a loss reserve for claims incurred and claims not reported which were unpaid at December 31, 2018 and 2017. These reserve amounts are \$5,352,632 for 2018 and \$5,436,558 for 2017. Exhibit B-12 summarizes the 2018 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 \$300,000 per employee per year, with any excess benefit being reimbursed through a Re-Insurance Agreement with HM Insurance Company up to \$1,000,000 per employee per year. The County has created a loss reserve for claims incurred and claims not reported which were unpaid at December 31, 2018 and 2017. These reserve amounts are \$22,005,719 for 2018 and \$13,912,500 for 2017.

**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, 2018 and 2017, 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.

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**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 \$27,000,000 consisting of \$13,850,000 aggregate principal amount of Solid Waste Disposal Revenue Bonds, Refunding Series 2012A and \$13,150,000 aggregate principal amount of Solid Waste Disposal Revenue Bonds, Refunding Series 2012B (Federally Taxable)

- \$14,930,000 in aggregate principal amount of its Solid Waste Disposal Revenue Bonds, Refunding Series 2018 outstanding in the amount of \$14,930,000.

- \$8,270,000 in aggregate principal amount of its Solid Waste Disposal Revenue Bonds, Refunding Series 2014B - Taxable outstanding in the amount of \$7,020,000.

**NOTE 16. LITIGATION**

**General Litigation**

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

**COUNTY OF PASSAIC, N.J.**  
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**(continued)**

**NOTE 16. LITIGATION, (continued)**

**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.



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NOTE 16. 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 award<sup>1</sup>. Certification of that decision was sought to the New Jersey Supreme Court, and ultimately denied.

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

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

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<sup>1</sup> 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.

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

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(continued)

**NOTE 16. 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 favor<sup>2</sup>, 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.

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(continued)

NOTE 16. 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 PenPac<sup>3</sup>.

<sup>3</sup> That Mortgage has now been paid and amortized in full.

**COUNTY OF PASSAIC, N.J.**  
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**(continued)**

**NOTE 16. 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.

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**NOTE 16. 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. The Appellate Court entertained this matter on January 22, 2019 and we are awaiting the Court's decision.

**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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**NOTE 16. 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. Plaintiff v. Passaic Sheriff's Office, et al.**

This claim is centered around claims of employment discrimination, whistleblowing and retaliation. The plaintiff has a workers' compensation claim and is seeking total disability and has refused to return to her position of employment. With this lawsuit, she is seeking significant lost wages (20 years, ages 45 to 65), compensatory damages, punitive damages and legal fees. The case is early in discovery and was assigned to our office on December 21, 2018.

**6. 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.

**COUNTY OF PASSAIC, N.J.**  
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**(continued)**

**NOTE 16. LITIGATION, (continued)**

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 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.

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**NOTE 16. LITIGATION, (continued)**

**7. Plaintiff v. County of Passaic**

Plaintiff contends that he was traveling on a motorcycle when he swerved to avoid potholes causing him to lose control of his motorcycle, enter the opposite lane of travel, and striking a minivan.

Current Litigation Status

The parties are still in the process of exchanging discovery. We have received Plaintiff interrogatories, medicals, and reports of his economist and liability experts. The current Discovery End Date of May 5, 2019; however, there is a pending Motion to Extend Discovery End Date to June 22, 2019, returnable March 29, 2019. As a result of Plaintiff's counsel's illness, litigation has been at a slower pace.

**8. 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 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.



**COUNTY OF PASSAIC, N.J.**  
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**NOTE 16. LITIGATION, (continued)**

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

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

The depositions of NRC's corporate designees have been taken on all topics with one deposition date remaining for the corporate designee on damages related to NRC's Differing Site Condition claims. That deposition is scheduled for February 14, 2019. Twelve other depositions have been conducted, and four additional depositions remain to be taken in February and March, 2019. Presently, there is a fact discovery end date of March 22, 2019. The parties will be filing a joint motion to extend fact discovery for a limited period of time to allow the parties to proceed to mediation with a retired judge on NRC's claims. Mediation is anticipated for late April or early May 2019. If mediation is not successful in resolving the matter, the case will proceed to the expert discovery phase. During this time, the County of Passaic intends to file a Motion for Summary Judgment on the issues of Mass Concrete and Differing Site Condition Type I.

Based on Judge Doyne's prior non-binding arbitration decision and the discovery conducted to date on this issue, the County is in a strong-position with regard to NRC's claim on Mass Concrete. Similarly, as to the Differing Site Condition Type I claim, Judge Doyne found it lacked any substantial basis, and discovery to date has given no reason to believe any additional merit or countenance should be given to this claim.

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 16. LITIGATION, (continued)**

NRC's Differing Site Condition Type II claim is not as straightforward and will likely be dependent upon the credibility of the parties' experts. While there are a number of legal issues which could be useful in handling this argument, including the limitations of the contract and the transfer of risk to the contractor, if NRC can prove the conditions encountered were anomalous, they would be entitled to recovery as a matter of law. There will be multiple experts in the case which will require expert reports and depositions. No trial date has yet been scheduled.

**9. 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, 2018 AND 2017**  
**(continued)**

**NOTE 16. 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.

**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.

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 16. LITIGATION, (continued)**

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.

**NOTE 17. 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.

**NOTE 18. 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 2018 calendar year, the County did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 19. POST RETIREMENT BENEFITS**

**Plan Description and Basis of Valuation**

This valuation has been conducted as of December 31, 2018 based upon census, plan design and cost information provided by the County. Those who retired prior to 2014 receive Medicare B premium reimbursements. Those hired on or after January 1, 2015 receive EPO benefits in retirement. Census includes 1,424 retirees currently receiving retiree benefits and 1,662 active participants of whom 215 are eligible to retire as of the valuation date. The average age of the active population is 46 and the average age of the retired population is 67.

Actuarial assumptions were selected with the intention of satisfying the requirements of New Jersey Local Finance Notice 2007-15 in addition to Statement of Government Accounting Standard Number 75.

Demographic assumptions were selected based on those used in by the State Division of Pensions and Benefits in calculating pension benefits taken from the July 1, 2017 report from Conduent. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of LFN 2007-15.

Health care (economic) assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP number OPEB requirements taken from the July 1, 2017 GASB 75 report from Aon Consultants.

**Key Actuarial Assumptions**

<i>Mortality</i>	<i>RP 2000 Combined Health Male Mortality Rates Set Forward Three Years</i>
<i>Turnover</i>	<i>NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility</i>
<i>Assumed Retirement Age</i>	<i>Based on first eligibility after the completion of 25 years of service</i>
<i>Full Attribution Period</i>	<i>Service to Assumed Retirement Age</i>
<i>Annual Discount Rate</i>	<i>4.10% Based on the Bond Buyer 20 Index December 31, 2018</i>
<i>CPI Increase</i>	<i>2.5%</i>
<i>Rate of Salary Increase</i>	<i>2.5%</i>
<i>Medical Travel</i>	<i>Medical: 5.8% in 2018, reducing by 0.1% per annum, leveling at 5% per annum in 2026 Drug: 10.0% in 2018, reducing by 0.5% per annum to 2022 and 1.0% per annum thereafter, leveling at 5% per annum in 2026 Dental: 3.5% per annum</i>
<i>Medical Cost Aging Factor</i>	<i>NJ SHBP Medical Morbidity Rates</i>

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 19. POST RETIREMENT BENEFITS, (continued)**

- Attribution period – The attribution period begins with the date of hire and ends with full benefits eligibility date.
- Per capita cost methods – The valuation reflects per capita net premium costs based on actual 2018 medical, prescription drug and dental premiums and the plan option selected. Active employees are assumed to “opt-in” in the plan at retirement. The age specific cost was derived based on per person costs at the average age of the active population (46) and scaled to each age based on the medical cost aging factors. At age 65, Medicare becomes the primary payor of medical benefits and consequentially, per capita plan costs are offset by Medicare payments. Thus, post 65 costs were decreased using the assumption that Medicare picks up 66.7% of medical costs.
- Retiree contributions – NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation and for conservatism, we have assumed that future retiree contributions percentage rates will not increase. Thus, we assumed that a future retiree will contribute his/her current employee contribution as reported by the County increased annually by the rate of medical trend. 2018 employer contributions for retiree benefits as reported by the County are \$46.411 million.
- Actuarial valuation method – Entry Age Normal Funding Method based on a level percentage of salary. 2018 salaries were reported as \$146.100 million.

**Results of Valuation**

- *Total OPEB Liability*

The Total OPEB Liability (“TOL”) is the actuarial accrued liability. As of December 31, 2018, it is \$1,566,960,567 based upon a discount rate of 4.10% per annum and the plan provisions in effect on December 31, 2018. This liability is broken out as follows:

(1) Actives	\$ 468,769,136
(2) Retirees	\$1,098,191,431
(3) Total	\$1,566,960,567

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 19. POST RETIREMENT BENEFITS, (continued)**

- *Net OPEB Liability*

The Net OPEB Liability (“NOL”) as of December 31, 2018 is \$1,566,960,567 based upon a discount rate of 4.10% annum and the plan provisions in effect on December 31, 2018. There are no plan assets to offset the liability. This liability is broken out as follows:

(1) TOL	\$1,566,960,567
(2) Fiduciary Net Position (Assets)	\$ 0
(3) NOL	\$1,566,960,567

- *Adjustment from Net OPEB Obligation to Net OPEB Liability*

On December 31, 2018, there is a one time adjustment of \$1,354,786,344 due to the change in accounting standards from GASB 45 to GASB 75.

- *Total OPEB Expense*

The Total OPEB Expense (“TOE”) is the measure of annual cost based on the actuarial funding method utilized. It is comprised of the “Service Cost” (aka “normal cost”) which is the portion of future liabilities attributable to the measurement year, plus interest on the NOL during the year. As of the measurement date, the plan had no assets to offset any portion of the NOL.

The TOE as of December 31, 2018 is \$82,407,044 based upon a discount rate of 4.10% per annum and the plan provisions in effect on December 31, 2018.

- *Impact of 1% Change in Discount Rate*

Actuarial measurements are sensitive to changes in actuarial assumptions and where actual experience differs from assumptions. If the discount rate were to increase by 1% per annum, the TOL as of December 31, 2018 would decrease to \$1,407,989,476 and if it were to decrease by 1%, the TOL would increase to \$1,761,524,753.

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 19. POST RETIREMENT BENEFITS, (continued)**

• *Impact of 1% Change in Trend Rate*

Actuarial measurements are sensitive to changes in actuarial assumptions and where actual experience differs from assumptions. If medical trend were to increase by 1% per annum, the TOL as of December 31, 2018 would increase to \$1,740,830,139 and if it were to decrease by 1%, the TOL would decrease to \$1,424,121,005.

**Net OPEB Liability as of 12/31/2018**

Net OPEB Liability as of January 1, 2018	\$1,530,964,236
Service Cost	19,778,031
Interest on Total OPEB Liability - over measurement period	62,629,013
Benefit Payments	-46,410,713
Benefit Changes (if any)	0
Experience Changes	0
Assumption Changes	0
Investment Gain or Loss	0
Projected Investment Income	0
Employee Contributions	0
Administrative Expense	0
Other Changes	0
Net OPEB Liability December 31, 2018	<b>\$1,566,960,567</b>



**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 19. POST RETIREMENT BENEFITS, (continued)**

**Total OPEB Expense Calculation as of 12/31/2018**

Service Cost	\$19,778,031
Interest on Total OPEB Liability - over measurement period	62,629,013
Benefit Changes (if any)	0
Recognition of Experience Changes Over Future Service	0
Recognition of Assumption Changes	0
Recognition of Investment Gain or Loss	0
Projected Investment Income	0
Employee Contributions	0
Administrative Expense	0
Other Changes	0
<b>Total OPEB Expense recognized</b>	<b>\$82,407,044</b>

**Interest on Total OPEB Liability**

	Amount (a)	Time Period* (b)	Interest* (c)	Calculation (a)x(b)x(c)
Beginning of Year Total OPEB Liability	\$1,530,964,236	1.0	0.041	\$62,769,534
Service Cost (positive number)	19,778,031	1.0	0.041	810,899
Benefit Payments (negative number)	46,410,713	0.5	0.041	951,420
Employee Refunds (if any) (negative number)	0	0.5	0.041	0
<b>Interest on Total OPEB Liability</b>				<b>\$62,629,013</b>

\*A half year is used because benefits and employee refunds occur throughout the year.

**COUNTY OF PASSAIC, N.J.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**(continued)**

**NOTE 19. POST RETIREMENT BENEFITS, (continued)**

**Adjustment from Net OPEB Obligation to Net OPEB Liability**

Net OPEB Obligation (NOO Under GASB 45) as of December 31, 2017	\$176,177,892
Net OPEB Liability (NOL Under GASB 75) as of January 1, 2018	1,530,964,236
<b>Adjustment</b>	<b>\$1,354,786,344</b>

**NOTE 20. SUBSEQUENT EVENTS**

The County has evaluated subsequent events through April 1, 2019, 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

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 Lazzara	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	
Michael Glovin, Esq.	Acting County Counsel	(B)
Richard Cahill	Finance Director	
Richard H. Berdnik	Sheriff	
Honorable Bernice Toledo	Surrogate	
Danielle Ireland-Imhof	County Clerk	(B)

(A) Passaic County Self-Insurance Fund.

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

COUNTY OF PASSAIC

Supplementary Data

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

	<u>Year 2018</u>		<u>Year 2017</u>	
<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Fund Balance Utilized	\$ 19,000,000	3.71 %	\$ 18,000,000	3.69 %
Miscellaneous - From Other Than				
Tax Levies	144,935,850	28.34	128,683,462	26.38
Collection of Current Tax Levy	<u>347,570,634</u>	<u>67.95</u>	<u>341,186,221</u>	<u>69.93</u>
Total Income	<u>511,506,484</u>	<u>100.00 %</u>	<u>487,869,683</u>	<u>100.00 %</u>
 <u>EXPENDITURES</u>				
Budget	475,994,534	99.97	462,003,056	99.39
Other	<u>141,011</u>	<u>0.03</u>	<u>2,826,633</u>	<u>0.61</u>
Total Expenditures	<u>476,135,545</u>	<u>100.00 %</u>	<u>464,829,689</u>	<u>100.00 %</u>
 Fund Balance, January 1	<u>50,056,246</u>		<u>45,016,252</u>	
	85,427,185		68,056,246	
Utilized as Budget Revenue	<u>19,000,000</u>		<u>18,000,000</u>	
Fund Balance, December 31	\$ <u>66,427,185</u>		\$ <u>50,056,246</u>	

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

		<u>County Tax Base</u>				
		Assessed Valuation of Real Property	Assessed Valuation of Personal Property	Net Valuation Taxable	Equalized Valuation of Real and Personal Property	Tax Rate Per \$100.00
2018	\$	35,236,616,300	41,167,235	35,277,783,535	47,753,773,929	0.7387
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

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>
2018	\$	347,570,634	347,570,634	100.00%
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%

Comparative Schedule of Fund Balance

	<u>Year</u>		<u>Dec. 31</u>	<u>Utilized in budget of succeeding year</u>
Current Fund	2018	\$	66,427,185	19,000,000
	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

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COUNTY OF PASSAIC

Schedule of Cash and Investments

Current Fund

Year Ended December 31, 2018

	<u>Checking</u>	<u>Investments</u>
Balance, December 31, 2017	\$ 83,248,588	4,000,000
Increased by Receipts:		
2018 Tax Levy	347,570,634	
Federal and State Grants Receivable	44,959,404	
Revenue Accounts Receivable	79,490,988	
Non-Budget Revenues	2,347,275	
Petty Cash	15,650	
Schedule of Interfunds	8,546,013	
Prepaid Revenues	49,172	
Miscellaneous Reserves	115,693	
Unappropriated Reserves for Grants	18,378	
Interest Earned on Investments		88,457
Transfer Investments		10,000,000
	<hr/>	<hr/>
	483,113,207	10,088,457
	<hr/>	<hr/>
	566,361,795	14,088,457
Decreased by Disbursements:		
2018 Budget Appropriation	375,996,216	
2017 Appropriation Reserves	22,287,865	
Schedule of Interfunds	8,561,765	
Accounts Payable	2,319,167	
Federal & State Grant Commitments Payable	9,559,289	
Reserve for Federal & State Grants Appropriated	25,752,660	
Petty Cash	15,650	
Miscellaneous Reserves	51,327	
Refunds	141,011	
Transfer Investments	10,000,000	
	<hr/>	<hr/>
	454,684,950	
	<hr/>	<hr/>
Balance, December 31, 2018	\$ <u>111,676,845</u>	<u>14,088,457</u>

COUNTY OF PASSAIC

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2018

<u>Office</u>	Balance December 31, <u>2017</u>	Balance December 31, <u>2018</u>
County Courts	\$ <u>675</u>	<u>675</u>

Schedule of Cash - Petty Cash

Current Fund

Year Ended December 31, 2018

<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, 2018**

<u>Grant</u>	Balance, December 31, <u>2017</u>	2018 Budget Revenue <u>Realized</u>	Revenue Realized by <u>40A:4-87</u>	<u>Received</u>	Canceled/ <u>Adjusted</u>	Balance, December 31, <u>2018</u>
USF 2018	\$ 461,565			461,565		
USF 2019			468,809			468,809
Weatherization LIHEAP 2017	231,319			231,319		
Weatherization LIHEAP 2018			233,419	63,039		170,380
LIHEAP Assistance 2017	661,750			661,750		
LIHEAP Assistance 2018	721,935			721,935		
Heating Improvement (HIP) 2017	771,759			690,818		80,941
Heating Improvement (HIP) 2018			360,135	154,461		205,674
Weatherization DOE 2018	314,098			314,098		
Weatherization DOE 2019			361,947	86,315		275,632
Preakness Gero-Psych Program	169,105			169,105		
Preakness Gero-Psych Program			338,210	253,657		84,553
WIOA Adult 16/17	1,008,457			874,720		133,737
WIOA Adult 17/18	1,654,646			443,787		1,210,859
WIOA Adult 18/19			1,615,456	2,435		1,613,021
WIOA Youth 16/17	474,261			474,261		
WIOA Youth 17/18	1,789,667			1,433,718		355,949
WIOA Youth 18/19			1,782,067	192,668		1,589,399
WIOA Dislocated Worker 16/17	1,106,687			1,072,304		34,383
WIOA Dislocated Worker 17/18	1,532,764			432,198		1,100,566
WIOA Dislocated Worker 18/19			1,370,514	116,075		1,254,439
Workforce Learning Link Program 17/18	278,557			278,557		
Workforce Learning Link Program 18/19			259,000	60,797		198,203
TANF 16/17	495,903			2,338	493,565	
TANF 17/18	3,332,928			2,781,901		551,027
TANF 18/19			4,758,174	993,793		3,764,381
GA/SNAP 16/17	87,060			1,410	85,650	
GA/SNAP 17/18	600,959			591,353		9,606
GA/SNAP 18/19			2,302,439	621,943		1,680,496
SNAP 2017	612,042			581,118		30,924
Workfirst-Abaded 1997	89,402					89,402
SmartSteps 17/18	8,025			8,025		
SmartSteps 18/19			4,815			4,815
Alcohol/Drug Abuse Grant FY16	187,578			141,869	544	45,165
Alcohol/Drug Abuse Grant FY17	746,406			741,003		5,403
Alcohol/Drug Abuse Grant FY18		756,147		116,739		639,408
Municipal Alliance 2016	378,140			336,955		41,185
Municipal Alliance 2017	512,024			83,909		428,115
Municipal Alliance 2018			512,024			512,024
L.E.O.T.E.F 2017			36,396	36,396		
PHLP LINC'S Agencies 2017	15					15
PHLP LINC'S Agencies 2018	399,996			385,379		14,617
PHLP LINC'S Agencies 2019			526,569	114,513		412,056
CEHA Grant 2018		173,030		131,170		41,860
CEHA Grant 2019			174,980			174,980
Right to Know Program	11,410			11,410		
Right to Know Program			15,213	3,803		11,410
Clean Communities Grant 2018			76,918	76,918		
Radon Awareness Program 2017	2,000			2,000		
Radon Awareness Program 2018			2,000			2,000
Mosquito ID & Control 2016	405					405
Passaic County Film Festival 2018	2,200			2,200		
Passaic County Film Festival 2019			2,400			2,400
NJBDA Innovation Planning Challenge			100,000			100,000
CDBG-DR PROGRAM	1,426,925			747,431		679,494
PC Summer Concert Series	900			900		
PC Summer Concert Series			1,700	1,700		
Dey Mansion		100,000				100,000
NJHT Monument Restoration			27,000	21,600		5,400
Lambert Castle			50,000			50,000

## COUNTY OF PASSAIC

## Schedule of Federal and State Grants Receivable

## Federal and State Grant Fund

Year Ended December 31, 2018

<u>Grant</u>	Balance, December 31, 2017	2018 Budget Revenue <u>Realized</u>	Revenue Realized by <u>40A:4-87</u>	<u>Received</u>	Canceled/ <u>Adjusted</u> 128,127	Balance, December 31, 2018
Green Acres 2006	562,500					434,373
Green Acres 2011	1,125,000					1,125,000
Green Acres 2012	660,000					660,000
NJ Historic Communities			10,500	10,500		
Humanities Grant			19,000	17,300		1,700
PC Youth Glof Program			11,000	11,000		
Aging Area Nutrition FY17	130,811			130,811		
Aging Area Nutrition FY18		2,762,922	771,287	3,479,817		54,392
Aging Administration FY17	102,424			102,429		(5)
Aging Administration FY18		1,756,686	556,307	2,312,993		
Casino Revenue 2017	318,539			318,539		
Casino Revenue 2018		1,841,561		1,522,852		318,709
Senior Farmers Market Nutrition Prgm 2017	1,000			1,000		
Senior Farmers Market Nutrition Prgm 2018			1,000	1,000		
2017 State Health Ins. Program	16,000			16,000		
2018 State Health Ins. Program			32,000	16,000		16,000
2013 FTA Section 5310	101,025			97,592		3,433
2014 FTA Section 5310			125,000			125,000
2015 FTA Section 5310			120,000			120,000
State Community Partnership 2016	518					518
State Community Partnership 2017	389,161			354,846		34,315
State Community Partnership 2018		500,656		128,866		371,790
Social Services for the Homeless	13,042					13,042
Social Services for the Homeless	1,502,400		309,688	1,684,508	30,000	97,580
Social Services for the Homeless			2,069,900	430,482		1,639,418
Human Services 13Bern	2,949					2,949
Human Services 17Bern	350,746			345,712		5,034
Substance User Navigator			150,000	150,000		
Substance User Navigator			200,000	99,996		100,004
Dis. Of Child Behavioral Hlth Serv. 2018			48,970	48,970		
Transportation & TIP	265,538					265,538
Transportation & TIP	21,091					21,091
Transportation & TIP	404,913			305,002		99,911
Transportation & TIP			404,914	233,905		171,009
Passaic County Housing First	92,851					92,851
Passaic County Housing First	816,669			(14,398)		831,067
Passaic County Housing First	731,784					731,784
HUD-EVA'S Project	308,345					308,345
Collaborative II	380,413					380,413
Passaic County Housing First	248,288					248,288
New Passaic County Housing First	38,728					38,728
HUD-St. Paul's	117,949					117,949
HUD-St. Joseph	186,660					186,660
Paterson Park Apartments	420,361					420,361
C.S.B.G NON-DISCETIONARY 2017	168,324		70,225	238,549		
C.S.B.G NON-DISCETIONARY 2018			301,801	66,944		234,857
Juvenile Accountability Block Grant 2014	641			(2,960)		3,601
Juvenile Detention Alternative Innovations	124,000			106,623		17,377
Juvenile Detention Alternative Innovations		124,000		37,722		86,278
Birch Street Apartments	238,479					238,479
Family Court Services 2015	5,183			5,183		
Family Court Services 2017	244,350			234,731		9,619
Family Court Services 2018		278,149		103,578		174,571
JARC 12/13	109,585					109,585
JARC 2014	35,564					35,564
JARC NJ 3SFY2017	263,123			200,000		63,123
JARC 5			200,000			200,000
Plan Conformance	70,000					70,000
Pat Transit Facility Pedestrian Safety	250,000		35,000	213,750		71,250
Transfer of Development Rights	50,000					50,000
Great Falls Circulation Study	7,048					7,048

**COUNTY OF PASSAIC**  
**Schedule of Federal and State Grants Receivable**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2018**

<u>Grant</u>	Balance, December 31, 2017	2018 Budget Revenue <u>Realized</u>	Revenue Realized by <u>40A:4-87</u>	<u>Received</u>	Canceled/ <u>Adjusted</u>	Balance, December 31, 2018
PC Green Infrastructure - NJIT	209,850			207,907		1,943
SSP Bus Rapid Transit			315,000	63,000		252,000
Subregional Transportation Planning	457					457
Subregional Transportation Planning	1,541					1,541
Subregional Transportation Planning	1,602					1,602
Subregional Transportation Planning	132,048			130,648		1,400
Subregional Transportation Planning			165,060	33,012		132,048
Community Development Block Grant	46,808					46,808
Community Development Block Grant	734			735		(1)
Community Development Block Grant	32,766			25,331		7,435
Community Development Block Grant	48,441			36,594		11,847
Community Development Block Grant	41,065					41,065
Community Development Block Grant	334,127			91,204		242,923
Community Development Block Grant	592,342			457,735		134,607
Community Development Block Grant	788,211			242,165		546,046
Community Development Block Grant			849,041	333		848,708
Community Development Block Grant	14,305					14,305
Emergency Management Agency Assistance						
Hazard Mitigation Grant	40,959		55,000	55,000		40,959
UASI - Local Share	133,535					133,535
UASI - Local Share	329,266			259,177	70,000	89
UASI - Local Share	585,358			411,728		173,630
UASI - Local Share	300,000					300,000
UASI - Local Share			375,000			375,000
County EOC Generator Project	100,223					100,223
Victim Witness Advocacy	270,000			265,981		4,019
Sexual Assault Nurse Examiner SART/FNE	23,550					23,550
Sexual Assault Nurse Examiner SART/FNE	95,250			71,031		24,219
Sexual Assault Nurse Examiner SART/FNE			117,312	77,738		39,574
Justice Assistance Program	26,534			26,534		
Victim Witness Advocacy	10,538		70,397	80,474		461
Insurance Fraud	131,230			131,230		
Insurance Fraud			250,000	216,788		33,212
Stop Violence Against Women Act	682			682		
Cnty Gang, Gun & Narcotic Task Force	84,958			84,958		
Cnty Gang, Gun & Narcotic Task Force	167,818			167,818		
Victim Witness Advocacy	407,809			400,212		7,597
Homeland Security Grant FY15	119,247			119,247		
Homeland Security Grant	290,666			170,618		120,048
Homeland Security (SHSP-Local Share)	345,473			42,117		303,356
Click it or Ticket	275				275	
Click it or Ticket			5,500	5,500		
Pedestrian Safety Grant	15,000			13,929		1,071
Pedestrian Safety Grant			50,000			50,000
MAT 18-02			200,000	200,000		
Drive Sober or Get Pulled Over	900				900	
Drive Sober or Get Pulled Over	440				440	
U Drive U Text U Pay	70				70	
U Drive U Text U Pay			40,000	39,738		262
FEMA Generator Grant	438,908					438,908
REN Eva's Village Apartmets	59,081			12,175		46,906
Eva's Villiage Homeless Housing	51,913					51,913
Eva's Villiage Homeless Housing	36,981					36,981

## COUNTY OF PASSAIC

## Schedule of Federal and State Grants Receivable

## Federal and State Grant Fund

Year Ended December 31, 2018

Grant	Balance, December 31, 2017	2018 Budget Revenue Realized	Revenue Realized by 40A:4-87	Received	Canceled/ Adjusted	Balance, December 31, 2018
Eva's Villiage Homeless Housing	29,868					29,868
Eva's Villiage Homeless Housing	244,672			181,606		63,066
Eva's Villiage Homeless Housing	118,815					118,815
Eva's Villiage Homeless Housing			287,084	143,372		143,712
HUD - Scattered Sites	4,667					4,667
HUD - St. Joe's CDC	10,600					10,600
St. Joe's CDC	9,151					9,151
St. Joe's CDC	3,434					3,434
St. Joe's CDC	13,187			6,800		6,387
HUD - St. Paul's CDC	47,736					47,736
St. Paul's CDC	4,667					4,667
St. Paul's CDC	12,508					12,508
St. Paul's CDC	21,300			17,577		3,723
NJ-511-PC Housing First	217,643					217,643
PC Housing First 2011	127,171					127,171
PC Housing First 2011	856,422			471,652		384,770
PC Housing First PILOT			1,177,615	329,688		847,927
PC Housing First Bonus	119,283					119,283
PC Housing First Bonus 2011	78,729			58,664		20,065
PC Housing First Bonus 2011	78,729					78,729
PC Housing First Bonus 2011			84,633	19,403		65,230
Housing First PILOT Project	7,741					7,741
Housing First PILOT 2007	40,436					40,436
Housing First PILOT	66,228					66,228
Housing First PILOT	225,897					225,897
Housing First 2008	110,400					110,400
Housing First 2008	85,008					85,008
Housing First 2008	134,499			31,982		102,517
CoC Planning Grant	119,137					119,137
CoC Planning Grant	8,977					8,977
CoC Planning Grant	110,995			51,715		59,280
CoC Planning Grant			119,137			119,137
PC Housing First 2009	8,815					8,815
PC Housing First 2009	595,405			474,179		121,226
PC Housing First 2009			660,742	260,713		400,029
PC Housing First Collaborative II 2009	123,924					123,924
County Aid - Road Resurfacing 2016			54,908			54,908
County Aid - Road Resurfacing 2018			7,747,724	5,174,854		2,572,870
2016 Warwick Turnpike	160,000					160,000
2016 Fairfield Road Bridge	284,490					284,490
2016-17 Local Safety Prog - Center Rumble	889,172			655,820		233,352
2016-17 Local Safety Prog - High Friction	5,165,876			1,846,214		3,319,662
Fairlawn Avenue Bridge	13,300,000			356,626		12,943,374
2015 Spruce Street Bridge	2,500,000		700,000			3,200,000
Morris Canal Greenway Browertown Rd	741,000					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
LSP Allwood Rd/Clifton Ave			2,663,400			2,663,400
LSP Market Street			3,560,400			3,560,400
Spruce Street Gateway			1,200,000			1,200,000
LBFN Scour			550,000			550,000
Kingsland Ave			2,245,960			2,245,960
	<u>\$ 66,609,433</u>	<u>8,293,151</u>	<u>44,360,690</u>	<u>44,959,404</u>	<u>2,184,571</u>	<u>72,119,299</u>
Grant	\$	5,315,838	44,248,878			
Match		2,977,313	111,812			
	\$	<u>8,293,151</u>	<u>44,360,690</u>			

## COUNTY OF PASSAIC

## Schedule of Revenue Accounts Receivable

## Current Fund

Year Ended December 31, 2018

	Balance, December 31, <u>2017</u>	Accrued <u>2018</u>	<u>Collected</u>	Balance, December 31, <u>2018</u>
Miscellaneous Revenues:				
County Clerk	\$	1,286,872	1,286,872	
Clerk - Registry Division		3,850,096	3,850,096	
Surrogate		319,919	319,919	
Sheriff		4,367,201	4,367,201	
Interest on Investments and Deposits		2,638,724	2,638,724	
Road Opening Permits		572,383	572,383	
Rental Income		362,846	362,846	
State Aid - College County Bonds		2,351,487	2,351,487	
Division of Youth and Family Services		3,685,316	3,685,316	
Welfare - Supplemental Security Income		1,637,955	1,637,955	
Added and Omitted Taxes	740,414	1,311,600	1,325,823	726,191
Board of Inmates at County - State		93,205	93,205	
Title IV D Parent Locator Program		1,079,296	1,079,296	
Fringe Benefits		13,391,919	13,391,919	
Indirect Costs - Grants		2,081,483	2,081,483	
Preakness Hospital-Medicaid Reimbursements		32,840,059	32,840,059	
Maintenance in Lieu of Rent-Martin Luther King-Soc Serv.		69,272	69,272	
State School Building Aid (Chapter 12)		1,413,441	1,413,441	
Park Fees		2,111,932	2,111,932	
Site Plan Fees		94,482	94,482	
Radio Tower Rental		97,701	97,701	
Rental Revenue - Quarry		594,268	594,268	
Reserve for Payment of Bonds		750,000	750,000	
Due from OSTF - Courthouse Renovations		200,000	200,000	
Due from OSTF - Passaic River Front Park Project		500,000	500,000	
City of Passaic - Information Technology		7,500	7,500	
Wanaque Board of Educaiton - Information Technology		6,000	6,000	
Borough of Woodland Park - Public Health Services		68,960	68,960	
Borough of Woodland Park - Information Technology		5,000	5,000	
PCIA Tourism		100,000	100,000	
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	79,476,765	79,490,988	726,191

COUNTY OF PASSAIC

Schedule of Interfunds

Current Fund

Year Ended December 31, 2018

	Balance, December 31, <u>2017</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2018</u>
Federal and State Grant Fund	\$ 1,665,856		9,665,833	(7,999,977)
Other Trust Fund:				
Off-Duty Emp.		2,220,599	2,220,599	
Open Space Trust		6,606,537	6,606,537	
Register of Deeds		55,581	55,581	
Other Trust		1,548,170	1,548,170	
Motor Vehicle Fines Trust		34,424	34,424	
PCSD Local		36,284	36,284	
Total Other Trust Fund	\$	<u>10,501,595</u>	<u>10,501,595</u>	
Health Insurance Trust Fund		6,265,167	6,265,167	
Confiscated Trust Fund		2,907,717	2,907,717	
Worker's Comp Trust Fund		2,160,560	2,160,560	
Liability Trust Fund		8,558,739	8,558,739	
HUD Trust Fund		647,068	647,068	
General Capital Fund		64,410,832	64,410,832	
Payroll Agency Account		136,038	193,285	(57,247)
	<u>1,665,856</u>	<u>95,587,716</u>	<u>105,310,796</u>	<u>(8,057,224)</u>
Due from	1,665,856	47,025,928	48,691,784	
Due (to)		<u>48,561,788</u>	<u>56,619,012</u>	<u>(8,057,224)</u>
	\$	<u>1,665,856</u>	<u>95,587,716</u>	<u>105,310,796</u>
			8,546,013	
		8,561,765		
Reimbursement for Expenses Paid		86,955,243	78,648,223	
Budgeted Revenue		70,708		
Federal and State Grants			9,665,833	
Appropriation Reserves			8,450,727	
		\$	<u>95,587,716</u>	<u>105,310,796</u>



COUNTY OF PASSAIC  
 Schedule of Appropriation Reserves  
 Current Fund  
 Year Ended December 31, 2018

	Balance, Dec. 31, <u>2017</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>Salaries and Wages:</b>				
Board of Freeholders	\$ 26,701	26,702		26,702
County Administrator	45,503	5,502		5,502
Finance Department	31,679	21,680	(859)	22,539
County Counsel	65,218	218		218
County Adjuster	91,555	6,555		6,555
Clerk of the Board	33,477	(1,523)	(6,250)	4,727
Personnel	17,917	17,917		17,917
County Clerk	280,161	100,161		100,161
County Register	101,069	101,069		101,069
Prosecutor's Office	1,092,424	342,424	(6,084)	348,508
Purchasing Department	74,142	74,142	29,110	45,032
Buildings and Grounds	411,746	261,746	213,713	48,033
Surrogate	138,771	138,771	6,544	132,227
Sheriff's Office	1,121,536	921,536	405,474	516,062
Weights and Measures	55,083	55,083		55,083
Board of Taxation	12,777	12,777		12,777
Board of Elections	2,352	2,352		2,352
Superintendent of Elections	4,693	4,693	4,693	
County Emergency Management	47,120	47,120		47,120
Planning Board (NJS 40:273)	12,130	12,130	(4,627)	16,757
Economic Development	87	87		87
Roads and Bridges Department:				
Roads	71,198	71,198	70,625	573
Mosquito	20,289	20,289		20,289
Engineering	2,450	2,450		2,450
Jail and Workhouse:				
Jail	19,796	19,796	15,682	4,114
Patrol	3,691,685	2,291,685	313,360	1,978,325
Mental Health Board (30:9A-3)	4,310	4,310	4,300	10
Addiction Program Contractual				
Department of Youth Services	11,297	11,297		11,297
Preakness Hospital	813,253	688,253	345,374	342,879
Camp Hope (40:23-6 1 to 16)	11,428	11,428		11,428
Div. of Senior Services, Disabilities, & Vets Affaris, Etc.	47,844	47,844	47,700	144
County Health Dept. Chapter 329 PL 1975	7,618	7,618	(66,835)	74,453
Office of County Superintendent of Schools	7,460	7,460		7,460
County Extensive Services	171	171		171
Park and Recreational Department:				
Parks	342,474	79,474	45,033	34,441
Golf Course	131,937	31,937		31,937
Cultural and Historical Affairs	1,995	1,995		1,995
Sick Leave Payout	24,562	224,562	224,562	
Para-Transit	14,459	14,459	6,046	8,413
Police Academy	60,985	60,985		60,985
Salary and Wage Adjustment	82,181	245,181	245,181	
<b>Other Expenses:</b>				
Board of Freeholders	20,355	20,772	1,627	19,145
County Administrator	1,872	133,757	119,252	14,525
Finance Department:				
Other Expenses	30,531	80,087	64,523	15,564
Postage	1,717	4,849	4,134	715
Audit	500	105,500	105,000	500
Payroll Processing	33,094	51,533	24,094	27,439
MIS Department (Finance Department)	9,892	85,180	73,355	11,825
County Counsel:				
Other Expenses	17,722	23,585	6,278	17,307
Ethics	10,000	10,000		10,000
County Adjuster	1,387	27,549	18,617	8,932
Clerk of the Board	13,048	15,164	3,695	11,469
State and National Association of County Officials	2	2		2
Personnel	5,749	25,465	15,027	10,438
County Clerk:				
Other Expenses	36,186	40,407	4,038	36,369
Elections	12,544	54,655	19,080	35,575

COUNTY OF PASSAIC  
 Schedule of Appropriation Reserves  
 Current Fund  
 Year Ended December 31, 2018

	Balance, Dec. 31, 2017	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
County Register	28,590	54,895	20,670	34,225
Photostat	5,572	13,945	6,150	7,795
Prosecutors Office	33,711	156,225	111,126	45,099
Countywide Police Radio	4,237	44,945	38,921	6,024
Purchasing Department:				
Other Expenses	8,233	19,977	7,440	12,537
Bulk Purchasing	87,539	122,619	33,940	88,679
Building and Grounds:				
Other Expenses	191,329	353,292	197,609	155,683
Parking	2,580	2,580	350	2,230
Preakness Health Center	43,398	52,169	11,392	40,777
Welfare Board	7,578	14,117	6,794	7,323
Surrogate	2,991	35,267	33,744	1,523
Insurances: Group Hospitalization, Medical:				
Surgical, Major Medical for Employees	6,734,927	6,770,298	6,516,837	253,461
Group Life Insurance for Employees	28,000	28,000		28,000
Surety Bond Premium	1,257	1,257		1,257
Worker's Compensation		1,038,000	1,038,000	
Disability Insurance		4,350,000	4,350,000	
Other Insurance	87,311	1,311		1,311
Drug Plan	5,134,707	784,707	784,707	
Dental Plan	789,208	789,208	789,208	
Sheriff's Office	36,601	185,843	141,218	44,625
Weights and Measures	4,944	5,309	366	4,943
Board of Taxation	145	2,568	2,553	15
Medical Examiner:				
Other Expenses - Contractual State of NJ	284,049	459,049	450,389	8,660
Indigent Burials	30,085	30,085	2,163	27,922
Board of Elections	78,890	103,126	38,437	64,689
Superintendent of Elections	84,519	120,442	75,485	44,957
County Emergency Management	8,439	13,515	4,250	9,265
Planning Board (NJS 40:273)	6,928	11,934	7,221	4,713
Economic Development	34	261	227	34
Construction Board of Appeals	3,600	3,600	750	2,850
Roads and Bridges Department:				
Roads	64,344	532,993	508,208	24,785
Mosquito	12,701	14,452	1,308	13,144
Engineering	7,530	9,160	405	8,755
Jail and Workhouse:				
Other Expenses	379,624	1,301,120	939,327	361,793
Medical	286,695	1,057,079	1,052,374	4,705
Re-Entry Program	27,968	49,286	16,914	32,372
Health & Human Services - Disabled Children		9,000	9,000	
Mental Health Program		551,255	153,106	398,149
Welfare Board Administration		2,417,927	69,588	2,348,339
SSI		7,782		7,782
AFDC		312,506		312,506
Addiction Program Contractual	10,731	63,647	51,886	11,761
Maintenance of Patients in State Institutions:				
Mentally Diseased and Mentally Retarded	21,578	1,721,578	1,721,555	23
New Jersey Bureau of Children's Services	114,684	114,684		114,684
Department of Youth Services:				
Shared Services Essex County	36,372	401,480	8,115	393,365
Education	121,459	230,402	9,345	221,057
Shelter Beds		43,558	20,553	23,005
Medical	601	106,465		106,465
Other Expenses	3,642	4,062	1,296	2,766
Preakness Hospital	97,563	1,360,303	1,136,390	223,913
Camp Hope (40:23-6. 1 to 16)	2,943	12,747	8,305	4,442
Div. of Senior Services, Disabilities, & Vets Affairs, Etc.	1,740	3,551	2,531	1,020
County Health Dept. Ch 329 PL 1975	4,903	11,225	6,200	5,025
Office of County Superintendent of Schools	9,132	12,519	3,010	9,509
County Extensive Services	40,545	41,925	39,169	2,756
Reimbursement for Residents Attending Out of				

**COUNTY OF PASSAIC**  
**Schedule of Appropriation Reserves**  
**Current Fund**  
**Year Ended December 31, 2018**

	Balance, Dec. 31, <u>2017</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
County Two Year College (NJS18:A:64A-23)	27,559	31,736	12,747	18,989
Parks and Recreational Department:				
Parks	19,142	66,714	49,083	17,631
Golf Course	18,322	76,468	53,912	22,556
Cultural and Historical Affairs	1,168	5,059	4,015	1,044
Equipment, Office, Car, Other		529	529	
Matching Funds for Grants (4C's) (NJS 40:23)	216,988	988		.988
Aid to Child Care Committee		846	846	
Aid to Women's Haven NJS 30:14-11		15,750	15,750	
Aid to D.I.A.L. (40:23-811)		9,895	9,895	
Para-Transit	31,451	40,000	1,532	38,468
Police Academy	13,708	60,155	48,311	11,844
Aid to Health & Welfare Councils (NJS 40-23-8.28)		58,031	58,031	
Utilities:				
Gasoline	185,749	299,361	79,823	219,538
Telephone and Telegraph	108,818	153,728	45,294	108,434
Natural Gas & Electric	16,506	1,800,114	685,538	1,114,576
Street Lighting	24,227	112,676	112,676	
Heating Oil	40,000	40,000	2,848	37,152
Water	36,248	306,113	181,709	124,404
Garbage	101,854	123,652	31,865	91,787
Debt Service Fees	20,499	20,500	979	19,521
Aid to Housing First	87,132	87,132	87,132	
Acquisition of Various Equipment				
Statutory Charges:				
Social Security System (O.A.S.I.)	419,061	146,833	57,247	89,586
Unemployment Compensation				
County Pension Fund				
Statutory FICA Match - PCBSS		172,227	126,270	45,957
Defined Benefit Program	45,333	5,333	2,108	3,225
Contingent	50,000	50,000		50,000
	<u>\$ 25,666,054</u>	<u>36,315,129</u>	<u>24,448,114</u>	<u>11,867,015</u>
Appropriation Reserves \$	25,666,053			
Reserve for Encumbrances	<u>10,649,076</u>			
	<u>\$ 36,315,129</u>			
Transfer to Accounts Payable \$		1,981,903		
Reserve for Salary and Wage Adjustment		245,181		
Budget Reimbursements		(66,835)		
Cash Disbursements		<u>22,287,865</u>		
		<u>\$ 24,448,114</u>		

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COUNTY OF PASSAIC  
Schedule of Accounts Payable  
Current Fund  
Year Ended December 31, 2018

Balance, December 31, 2017	\$ 2,736,008
Increased by:	
Transfers from Appropriation Reserves	<u>1,981,903</u>
	4,717,911
Decreased by:	
Payments	<u>2,319,167</u>
Balance, December 31, 2018	<u>\$ 2,398,744</u>

COUNTY OF PASSAIC

Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2018

	<u>Total</u>	<u>Budget Appropriations</u>	<u>Reserve for Federal and State Grant Funds</u>
Balance, December 31, 2017	\$ 10,649,076	10,649,076	_____
Increased by:			
Charges to 2018 Budget Appropriations	6,653,844	6,653,844	
Charges to Reserve for Federal and State Grants Appropriated	<u>11,819,676</u>	_____	<u>11,819,676</u>
	<u>18,473,520</u>	<u>6,653,844</u>	<u>11,819,676</u>
	29,122,596	17,302,920	11,819,676
Decreased by:			
Encumbrances Transferred to Appropriation Reserves	10,649,076	10,649,076	
Encumbrances Transferred to Federal and State Grant Fund	<u>11,819,676</u>	_____	<u>11,819,676</u>
	<u>22,468,752</u>	<u>10,649,076</u>	<u>11,819,676</u>
Balance, December 31, 2018	\$ <u>6,653,844</u>	<u>6,653,844</u>	_____

**COUNTY OF PASSAIC**  
**Schedule of Commitments Payable**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2018**

Balance, December 31, 2017	\$ 9,559,289
Increased by:	
Transfer from Current Fund - Encumbrances Payable	<u>11,819,676</u>
	21,378,965
Decreased by:	
Payments	<u>9,559,289</u>
Balance, December 31, 2018	<u><u>\$ 11,819,676</u></u>

## COUNTY OF PASSAIC

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2018

Grant	Balance, Dec. 31, 2017	Transferred From 2018 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled	Balance, Dec. 31, 2018
		Budget	Appropriation By 40A.4-87				
USF 2017	\$ 356				356		
USF 2018	294,858				294,845		13
USF 2019			468,809		190,668		278,141
Weatherization LIHEAP 2015	42					(42)	
Weatherization LIHEAP 2017	127,836				127,836		
Weatherization LIHEAP 2018			233,419		111,426	42	122,035
LIHEAP Assistance 2018	721,935				721,935		
Heating Improvement (HIP) 2017	619,806				565,649		54,157
Heating Improvement (HIP) 2018			360,135		259,010		101,125
Weatherization DOE 2018	309,338				309,338		
Weatherization DOE 2019			361,947		135,600		226,347
Preakness Gero-Psych Program			338,210				338,210
WIOA Adult 16/17	766,576				632,839		133,737
WIOA Adult 17/18	1,654,675				548,920		1,105,755
WIOA Adult 18/19			1,615,456		5,012		1,610,444
WIOA Youth 16/17	403,413				403,413		
WIOA Youth 17/18	1,779,109				1,463,705		315,404
WIOA Youth 18/19			1,782,067		266,764		1,515,303
WIOA Dislocated Worker 16/17	944,927				910,544		34,383
WIOA Dislocated Worker 17/18	1,532,783				642,540		890,243
WIOA Dislocated Worker 18/19			1,370,514		16,477		1,354,037
Workforce Learning Link Program 17/18	262,877				262,874		3
Workforce Learning Link Program 18/19			259,000		70,233		188,767
WFNJ TANF 16/17	518,589				25,024	(493,565)	
WFNJ TANF 17/18	2,899,452				2,326,128		573,324
WFNJ TANF 18/19			4,758,174		1,234,179		3,523,995
WFNJ GA/SNAP 16/17	13,461				(72,189)	(85,650)	
WFNJ GA/SNAP 17/18	410,880				409,702		1,178
WFNJ GA/SNAP 18/19			2,302,439		767,230		1,535,209
SNAP 2017	556,477				525,555		30,922
SmartSteps 17/18	8,025				8,025		
SmartSteps 18/19			4,815				4,815
Alcohol/Drug Abuse Grant FY16'	46,092					(544)	45,548
Alcohol/Drug Abuse Grant FY17'	4,049				(1,355)		5,404
Alcohol/Drug Abuse Grant FY18'		756,147			750,264		5,883
Municipal Alliance 2016	21,929				(19,254)		41,183
Municipal Alliance 2017	61,064				24,565		36,499
Municipal Alliance 2018			512,024		458,797		53,227
L.E.O.T.E.F 2012	6,412				6,412		
L.E.O.T.E.F 2013	14,133				14,133		
L.E.O.T.E.F 2014	43,795				12,955		30,840
L.E.O.T.E.F 2015	24,386						24,386
L.E.O.T.E.F 2016	45,033						45,033
L.E.O.T.E.F 2017			36,396				36,396
Community Svc. Block Grant PHLP LINC'S	17						17
Community Svc. Block Grant PHLP LINC'S	264,346				249,730		14,616
Community Svc. Block Grant PHLP LINC'S			526,569		231,656		294,913
CEHA Gant 2018		173,030			173,030		
CEHA Gant 2019			174,980		6,000		168,980
MRC Cap Bldg Non-Competitive	3,500				410		3,090
Right to Know 2018			15,213		15,213		
MRC Challenge Award 2016	5,315				350		4,965
MRC Challenge Award 2017	13,000						13,000
MRC Competitive Award	1,484				1,376		108



## COUNTY OF PASSAIC

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2018

Grant	Balance, Dec. 31, 2017	Transferred From 2018 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled	Balance, Dec. 31, 2018
		Budget	Appropriation By 40A:4-87				
Clean Communities 2015	406						406
Clean Communities 2016	4,478				4,478		
Clean Communities 2017	80,299				64,509		15,790
Clean Communities 2018			76,918		53,306		23,612
Recycling Enhancement Act 2013	270,219				270,219		
Recycling Enhancement Act 2014	381,275				381,275		
Recycling Enhancement Act 2015	133,299				133,299		
Radon Awareness Program 2018			2,000		1,998		2
Mosquito ID & Control 2016	405						405
Passaic County Film Festival 2018	2,200				2,200		
Passaic County Film Festival 2019			2,400				2,400
NJEDA Innovation Planning Challenge CDBG-DR Program	8,873		100,000		266		100,000
PC Summer Concert Series	500						500
PC Summer Concert Series			1,700		1,700		
Dey Mansion Garden Restoration		100,000			100,000		
NJHT Monument Restoration			16,200	10,800	27,000		
Lambert Castle Preservation			50,000				50,000
Green Acres 2006	562,500				18,600	(128,127)	415,773
Green Acres 2011	1,125,000						1,125,000
Green Acres 2012	660,000						660,000
NJ Historic Comm. HC-PRO-2019-035			7,500	3,000			10,500
Humanities Action Grant			17,000	2,000	10,412		8,588
PC Youth Golf Program	51,712		11,000		5,249		57,463
Aging Area Nutrition FY 2015	925,475						925,475
Aging Area Nutrition FY 2016	964,650				(3)		964,653
Aging Area Nutrition FY 2017	1,729,148				862,228		866,920
Aging Area Nutrition FY 2018		1,262,922	771,287	1,500,000	1,786,268		1,747,941
Aging Administration 2016	37,237				(687)		37,924
Aging Administration 2017	817,709				449,998		367,711
Aging Administration 2018		1,356,686	556,307	400,000	1,401,203		911,790
Casino Revenue 2016	124,334						124,334
Casino Revenue 2017	324,129				185,786		138,343
Casino Revenue 2018		764,248		1,077,313	1,766,613		74,948
Senior Farmers Market Nutrition Program 2018			1,000		1,000		
State Health Insurance Program 2017	16,000				16,000		
State Health Insurance Program 2018			32,000		16,000		16,000
2013 FTA Section 5310	50,019				46,660		3,359
2014 FTA Section 5310			125,000		75,205		49,795
2015 FTA Section 5310			120,000				120,000
State Community Partnership 2015	8,000						8,000
State Community Partnership 2016	23,559						23,559
State Community Partnership 2017	49,703				4,324		45,379
State Community Partnership 2018		500,656			414,864		85,792
Social Services for the Homeless	12,796						12,796
Social Services for the Homeless	12,669				(15,309)		27,978
Social Services for the Homeless	41,942		309,688		297,517	(30,000)	24,113
Social Services for the Homeless			2,069,900		2,053,915		15,985
Human Services 13BERN	35,590				(29)		35,619
Human Services 15BERN	66,644						66,644
Human Services 17BERN	232,730				132,814		99,916
Substance User Navigator			150,000		43,525		106,475
Substance User Navigator			200,000		78,767		121,233
Div. Of Child Behavioral Hlth Serv. 2016	14,730						14,730
Div. Of Child Behavioral Hlth Serv. 2017	25,834						25,834
Div. Of Child Behavioral Hlth Serv. 2018			48,970		48,970		

## COUNTY OF PASSAIC

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2018

Grant	Balance, Dec. 31, 2017	Transferred From 2018 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled	Balance, Dec. 31, 2018
		Budget	Appropriation By 40A:4-87				
Transportation and TIP	131,208						131,208
Transportation and TIP	25,993						25,993
Transportation and TIP	16,782				115		16,667
Transportation and TIP			404,914		388,087		16,827
Passaic County Housing First	67,330				(885)		68,215
Passaic County Housing First	597,422				(37)		597,459
Passaic County Housing First	731,781						731,781
HUD-EVA'S Project	295,056						295,056
Collaborative II	220,201				(65,157)		285,358
Passaic County Housing First Collaborative III	239,443						239,443
New Passaic County Housing First	22,819						22,819
HUD-St. Paul's	121,825						121,825
HUD-St. Joseph	186,660						186,660
HUD-Paterson Park Apartments	246,005						246,005
C.S.B.G. Non-Discretionary 2015					(2,418)		2,418
C.S.B.G. Non-Discretionary 2016					(1)		1
C.S.B.G. Non-Discretionary 2017	55,430		70,225		121,272		4,383
C.S.B.G. Non-Discretionary 2018			301,801		215,322		86,479
J.A.I.B.G. 2014	98				(580)		678
Juvenile Detention Alternative Innovation					(1,219)		1,219
Juvenile Detention Alternative Innovation		124,000			124,000		
Birch Street Apartments	238,479						238,479
Human Services 16 BERN PASP	215						215
Family Court Services 2015	17,529				(968)		18,497
Family Court Services 2016	1,773						1,773
Family Court Services 2017	2,490				(7,129)		9,619
Family Court Services 2018		278,149			238,829		39,320
JARC 12/13							
JARC 2014	89,949						89,949
JARC 2019			200,000		200,000		
NJ Highlands - Plan Conformance	70,000						70,000
Pat Transit Facility Pedestrian Safety	250,000		35,000		277,565		7,435
Transfer of Development Rights	15,009						15,009
Great Falls Circulation Study	8,598						8,598
PC Green Infrastructure - NJIT	44,388				42,635		1,753
SSP - Bus Rapid Transit Market Study			252,000	63,000	782		314,218
Subregional Transportation Planning	316				(1,300)		1,616
Subregional Transportation Planning	1,785						1,785
Subregional Transportation Planning	2,057						2,057
Subregional Transportation Planning	78,221				76,691		1,530
Subregional Transportation Planning			132,048	33,012	10,785		154,275
Community Development Block Grant 2012	3,450						3,450
Community Development Block Grant 2013	3				3		
Community Development Block Grant 2014	34,117				(6,351)		40,468
Community Development Block Grant 2015	48,828						48,828
Community Development Block Grant 2016	2,817				(16,947)		19,764
Community Development Block Grant 2017	189,272				96,609		92,663
Community Development Block Grant 2018			849,041		718,012		131,029
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	291,793				221,729	(70,000)	64
UASI - Local Share	145,630				22,756		122,874
UASI - Local Share	300,000						300,000
UASI - Local Share			375,000				375,000

## COUNTY OF PASSAIC

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2018

Grant	Balance, Dec. 31, 2017	Transferred From 2018 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled	Balance, Dec. 31, 2018
		Budget	Appropriation By 40A:4-87				
County EOC Generator Project	100,223				71,770		28,453
Victim Witness Advocacy	181,434				107,562		73,872
Sexual Assault Nurse Examiner SAST/SANE	23,551						23,551
Sexual Assault Nurse Examiner SAST/SANE	33,947						33,947
Sexual Assault Nurse Examiner SAST/SANE			117,312		67,973		49,339
Justice Assistance Program	26,534				26,534		
Victim Witness Advocacy	462		70,397		70,397		462
Insurance Fraud			250,000		250,000		
Body Armor P.C.P.O 2015	9						9
Body Armor P.C.P.O 2016	263				(395)		658
Body Armor P.C.P.O 2017	6,606						6,606
Child Advocacy Center Competetive Grant	646				428		218
County Gang, Gun & Narcotic Task Force	167,818				167,818		
Victim Witness Advocacy	407,809				285,517		122,292
Multi Jursidictional NARC Task Force 2014	50,045						50,045
Homeland Security Grant FY 16	138,338				36,941		101,397
Homeland Security (SHSP-Local Share)	345,473				163,610		181,863
Child Advocacy Center Upgrades Grant	826				794		32
Body Armor P.C.S.D	44,690				44,690		
Click It or Ticket 2017	275					(275)	
Click It or Ticket 2018			5,500				5,500
Pedestrian Safety Grant 2017	15,000						15,000
Pedestrian Safety Grant 2018			50,000				50,000
Medical Assisted Treatment			200,000		19,661		180,339
Drive Sober or Get Pulled Over	900					(900)	
Drive Sober or Get Pulled Over	440					(440)	
U drive U Text U Pay	70					(70)	
U drive U Text U Pay			40,000				40,000
FEMA Generator Grant	438,908						438,908
REN Eva's Village Apartments	47,510						47,510
Eva's Village Homeless Housing	1,957						1,957
Eva's Village Homeless Housing	66,377						66,377
Eva's Village Homeless Housing	27,493				(115)		27,608
Eva's Village Homeless Housing	211,360				117,879		93,481
Eva's Village Homeless Housing	50,091				42,444		7,647
Eva's Village Homeless Housing			287,084		195,000		92,084
HUD - Scatterd Sites	2,723						2,723
HUD - St. Joe's CDC	9,025						9,025
HUD - St. Joe's CDC	14,487						14,487
HUD - St. Joe's CDC	29,274						29,274
HUD - St. Joe's CDC	8,042				426		7,616
HUD - St. Paul's CDC	44,522						44,522
HUD - St. Paul's CDC	12,603						12,603
HUD - St. Paul's CDC	28,585						28,585
HUD - St. Paul's CDC	9,750				(2,123)		11,873
NJ-511-PC Housing First	309,300				(14,255)		323,555
PC Housing First 2011	168,790				(6,208)		174,998
PC Housing First 2011	351,706				163,785		187,921
PC Housing First PILOT			1,177,615		740,940		436,675
PC Housing First Bonus	200,766						200,766
PC Housing First Bonus 2011	59,271				523		58,748
PC Housing First Bonus 2011	36,762				17,541		19,221
PC Housing First Bonus			84,633		38,093		46,540

## COUNTY OF PASSAIC

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2018

Grant	Balance, Dec. 31, 2017	Transferred From 2018 Budget Appropriations		Cash Match	Expended	Adjusted/ Canceled	Balance, Dec. 31, 2018
		Budget	Appropriation By 40A:4-87				
Housing First PILOT Project	19,643						19,643
Housing First PILOT Project 2007	52,527				(52,196)		104,723
Housing First PILOT	209,674						209,674
Housing First PILOT	165,277						165,277
Housing First 2008	196,488						196,488
Housing First 2008	75,199				(3,717)		78,916
Housing First 2008	145,844				3,947		141,897
CoC Planning Grant	119,137				1,905		117,232
CoC Planning Grant	27,313						27,313
CoC Planning Grant	7,371						7,371
CoC Planning Grant	64,851				34,148		30,703
CoC Planning Grant			119,137				119,137
PC Housing First 2009	20,111				13,672		6,439
PC Housing First 2009	155,803				60,841		94,962
PC Housing First 2009			660,742		326,259		334,483
PC Housing First Collaborative II 2009	159,466				21,874		137,592
County Aid - Road Resurfacing 2016			54,908				54,908
County Aid - Road Resurfacing 2018			7,747,724		6,124,378		1,623,346
2016-17 Local Safety Prog - Center Rumble	170,178				(101,265)		271,443
2016-17 Local Safety Prog - High Friction	2,707,208						2,707,208
Fairlawn Avenue Bridge	13,300,000						13,300,000
2015 Spruce Street Bridge	2,500,000		700,000				3,200,000
Morris Canal Greenway Browertown Rd	741,000						741,000
Garret Mountain Improvements	1,375,000					(1,375,000)	700,000
Peckman River Crossing Project	700,000						600,000
Weasel Brook Park Improvements	600,000						600,000
LSP - Allwood Rd/Clifton Ave			2,663,400				2,663,400
2017-18 Local Safety Prog - Market Street			3,560,400				3,560,400
2018 TAP Spruce Street Gateway Phase I			1,200,000				1,200,000
2011 LBFN- Scour Countermeasures			550,000				550,000
Kingsland Avenue Bridge			2,245,960				2,245,960
	<u>\$ 55,384,288</u>	<u>5,315,838</u>	<u>44,248,878</u>	<u>3,089,125</u>	<u>37,572,336</u>	<u>(2,184,571)</u>	<u>68,281,222</u>
					Cash Disbursed	\$ 25,752,660	
					Encumbrances Payable	<u>11,819,676</u>	
						<u>\$ 37,572,336</u>	

COUNTY OF PASSAIC  
Schedule of Prepaid Revenues  
Current Fund  
Year Ended December 31, 2018

Balance, December 31, 2017	\$ 51,376
Increased by:	
Cash - Accrued Interest from State of New Jersey	\$ <u>49,172</u>
	100,548
Decreased by:	
Applied	<u>51,376</u>
Balance, December 31, 2018	\$ <u><u>49,172</u></u>

COUNTY OF PASSAIC

Schedule of Miscellaneous Reserves

Current Fund

Year Ended December 31, 2018

	Balance, December 31, <u>2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance, Dec. 31, <u>2018</u>
Office on Aging - Deferred Revenue	\$ 763,974	74,128	51,327	786,775
Salary and Wage Adjustment	846,744	245,180		1,091,924
NJ DOT Advance Funds Interest	11,493	41,566		53,059
	<u>\$ 1,622,211</u>	<u>360,874</u>	<u>51,327</u>	<u>1,931,758</u>
Cash		\$ 115,693	51,327	
Transfer from Appropriation Reserves		<u>245,181</u>		
		<u>\$ 360,874</u>	<u>51,327</u>	

COUNTY OF PASSAIC

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2018

<u>Grant</u>	<u>Cash Received</u>	<u>Balance, Dec. 31, 2018</u>
Emergency Management Performance Grant EMAA	\$ <u>18,378</u>	<u>18,378</u>
	\$ <u><u>18,378</u></u>	<u><u>18,378</u></u>

COUNTY OF PASSAIC

Schedule of Interfunds

Federal and State Grants Fund

Year Ended December 31, 2018

	Balance, December 31, <u>2017</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2018</u>
Current Fund	\$ (1,665,856)	9,665,833	_____	7,999,977
	<u>(1,665,856)</u>	<u>9,665,833</u>	<u>_____</u>	<u>7,999,977</u>
Due from		7,999,977		7,999,977
Due (to)	<u>(1,665,856)</u>	<u>1,665,856</u>	_____	_____
	<u>\$ (1,665,856)</u>	<u>9,665,833</u>	<u>_____</u>	<u>7,999,977</u>
Reimbursement for expenses	\$ _____	<u>9,665,833</u>	_____	
		<u>\$ 9,665,833</u>	<u>_____</u>	



## COUNTY OF PASSAIC

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2018

	Other Trust <u>Fund</u>	Confiscated Trust <u>Fund</u>	Self- Insurance Trust <u>Fund</u>	Community Development Trust <u>Fund</u>
Balance - December 31, 2017	\$ 39,268,365	2,581,223	24,805,260	6,401,962
Increase by Receipts:				
Various Trust Deposits	130,341			
Interest	211,627	87,770	441,602	55,936
Reserve for Dedicated Trusts	10,849,422			
Outside Duty Accounts Receivable				
Reserve for Open Space Trust	4,841,217			
Interfunds	591,453		16,969,965	
Receipts from Confiscated Funds		2,161,252		
Reserve for Workmen's Compensation			170,966	
Reserve for Health Benefits			1,543,521	
Reserve for Liability Insurance			55,584	
Prior Year Void Checks			66,416	
Housing Voucher Program				9,472,725
Total Receipts	<u>16,624,060</u>	<u>2,249,022</u>	<u>19,248,054</u>	<u>9,528,661</u>
	<u>55,892,425</u>	<u>4,830,245</u>	<u>44,053,314</u>	<u>15,930,623</u>
Decreased by Disbursements:				
Various Trust Deposits	308,903			
Reserve for Dedicated Revenues	10,870,462			
Open Space Trust Expenditures	7,488,553			
Interfunds			4,194,239	
Adjudicated Confiscations		2,345,474		
Reserve for Workmen's Compensation			3,795,551	
Reserve for Liability Insurance			4,569,664	
Housing Voucher Program				9,598,012
Total Disbursements	<u>18,667,918</u>	<u>2,345,474</u>	<u>12,559,454</u>	<u>9,598,012</u>
Balance - December 31, 2018	\$ <u>37,224,507</u>	<u>2,484,771</u>	<u>31,493,860</u>	<u>6,332,611</u>

COUNTY OF PASSAIC  
Schedule of Various Trust Deposits  
Year Ended December 31, 2018

Balance - December 31, 2017	\$ 1,065,284
Increased by:	
Cash Deposits	<u>130,341</u>
	1,195,625
Decreased by:	
Payments	<u>308,903</u>
Balance - December 31, 2018	<u><u>\$ 886,722</u></u>

COUNTY OF PASSAIC

Schedule of Reserve for Dedicated Trusts

Year Ended December 31, 2018

	Balance December 31, <u>2017</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2018</u>
Homelessness Trust Fund	\$ 458,695	122,337	134,662	446,370
Off-Duty Police Escrow		1,693,444	1,620,447	72,997
Off-Duty Police Outside Employment	185,048	2,288,668	2,360,724	112,992
Off-Duty Police Vehicle Fee	339,117	405,512	464,082	280,547
Off-Duty Police PBA Admin Fee	27,456	208,121	177,233	58,344
Unutilized Escrow to be Refunded		15		15
Register of Deeds	1,643,649	150,694	48,765	1,745,578
Weights and Measure Fines	1,323,154	178,803	233,749	1,268,208
Tax Appeal Fees	948,744	89,973	90,880	947,837
County Clerk	551,667	47,211	37,094	561,784
County Sheriff	70,902	49,962	34,499	86,365
Surrogate	93,232	25,776	18,238	100,770
Forensic Lab Fees	293,880	7,951		301,831
Parks - Fines	299	33		332
Human Services	8,838			8,838
Parks - Lambert Castle	19,680	25,000		44,680
Passaic County Corr. Enh. Dist.	850,080	151,687	61,912	939,855
502 Pat-Ham Tpk Sidewalks	20,000			20,000
County Retirement Plan	575,735	8,078	6,750	577,063
Accumulated Absences	774,927	224,561		999,488
Snow Removal	783,671	132,572	38,459	877,784
Unemployment Comp. Ins.	731,357	126,577	269,919	588,015
Motor Vehicle Fines	2,317,015	2,847,953	3,100,000	2,064,968
Sheriff's Confiscated Funds - Local	543,047	102,883	45,918	600,012
Sheriff's Confiscated Funds - Treasury	57,412	540	48,875	9,077
Sheriff's Confiscated Funds - Justice	1,809,632	678,848	695,837	1,792,643
Municipal Confiscated Funds - Local	1,703,566	560,409	208,457	2,055,518
Municipal Confiscated Funds - Federal	1,704,835	685,244	1,047,123	1,342,956
Prosecutor's Confiscated Funds - Local	5,054,000	435,512	317,403	5,172,109
Prosecutor's Confiscated Funds - Treasury	199,926	3,774	6,843	196,857
Prosecutor's Confiscated Funds - Justice	1,030,852	44,787	61,417	1,014,222
Para Transit	239,761	67,815	32,967	274,609
	<u>\$ 24,360,177</u>	<u>11,364,740</u>	<u>11,162,253</u>	<u>24,562,664</u>
		Cash \$ 10,849,422	10,870,462	
		Accounts Receivable 7,441		
		Interfunds 407,877	191,791	
		Contra 100,000	100,000	
		<u>\$ 11,364,740</u>	<u>11,162,253</u>	

COUNTY OF PASSAIC

Schedule of Accounts Receivable - PCSD Off Duty

Year Ended December 31, 2017

Balance - December 31, 2017		\$	<u>374,070</u>
Increased by:			
Billings			<u>7,441</u>
			381,511
Decreased by:			
Dedicated Reserves Receipts	\$	316,942	
Cancelled		<u>57,128</u>	
			<u>374,070</u>
Balance - December 31, 2018		\$	<u><u>7,441</u></u>

COUNTY OF PASSAIC

Schedule of Reserve for Open Space Trust Expenditures

Year Ended December 31, 2018

	Balance December 31, 2017	Increased	Decreased	Reallocated	Balance December 31, 2018
Reserve for Unallocated General Funds	2,535,587	2,526,422		(2,365,684)	2,696,325
Reserve for Unallocated Municipal/Non-Profit Funds	2,431,579	2,527,719		(2,421,026)	2,538,272
Reserve for Budgeted Projects	9,249,808		7,488,553	4,786,710	6,547,965
	<u>\$ 14,216,974</u>	<u>5,054,141</u>	<u>7,488,553</u>		<u>11,782,562</u>
		Levy \$ 4,822,135			
		Added and Omitted Payments 19,082	7,488,553		
		Reimbursements 1,297			
		Interest on Investments 211,627			
		<u>\$ 5,054,141</u>	<u>7,488,553</u>		

COUNTY OF PASSAIC

Schedule of Reserve for Confiscated Trust Fund

Year Ended December 31, 2018

	Balance December 31, <u>2017</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2018</u>
Reserve for Interest - Prosecutor	\$ 41,297	87,770		129,067
Reserve for All Confiscated Funds	2,515,521	1,147,418	1,349,566	2,313,373
Adjudicated to Distribute	<u>24,405</u>	<u>1,013,834</u>	<u>995,908</u>	<u>42,331</u>
	<u>\$ 2,581,223</u>	<u>2,249,022</u>	<u>2,345,474</u>	<u>2,484,771</u>

COUNTY OF PASSAIC

Schedule of Reserve for Workmen's Compensation

Year Ended December 31, 2018

Balance - December 31, 2017		\$ 5,456,202
Increased by:		
Miscellaneous Contributions and Reimbursements	\$ 170,966	
Transfer from Appropriation Reserves	2,160,560	
Prior Year Void Checks	66,416	
Interest Income	<u>76,916</u>	
		<u>2,474,858</u>
		7,931,060
Decreased by:		
Payment of Claims		<u>3,795,551</u>
Balance - December 31, 2018		<u>\$ 4,135,509</u>

**Exhibit B-8**

**COUNTY OF PASSAIC**  
**Schedule of Reserve for Health Benefit Funds**  
**Year Ended December 31, 2018**

Balance - December 31, 2017		\$ 13,912,500
Increased by:		
Interest Income	\$ 284,532	
Interfund	175,741	
Transfer from Appropriation Reserves	6,089,425	
Unexpended Medical/RX Funds	<u>1,543,521</u>	
		<u>8,093,219</u>
Balance - December 31, 2018		\$ <u><u>22,005,719</u></u>

**Exhibit B-9**

**Schedule of Reserve for Liability Insurance**  
**Year Ended December 31, 2018**

Balance - December 31, 2017		\$ 5,436,558
Increased by:		
Miscellaneous Contributions and Reimbursements	\$ 55,584	
Transfer from Appropriation Reserves	4,350,000	
Interest Income	<u>80,154</u>	
		<u>4,485,738</u>
		9,922,296
Decreased by:		
Payment of Claims		<u>4,569,664</u>
Balance - December 31, 2018		\$ <u><u>5,352,632</u></u>



COUNTY OF PASSAIC  
Reserve for Housing Voucher Program  
Year Ended December 31, 2018

Balance - December 31, 2017		\$ 6,401,962
Increased by:		
Grant Revenues	\$ 9,316,202	
Other Income	156,523	
Interest Income	<u>55,936</u>	
		<u>9,528,661</u>
		15,930,623
Decreased by:		
Expenditures		<u>9,598,012</u>
Balance - December 31, 2018		<u>\$ 6,332,611</u>

COUNTY OF PASSAIC

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2018

	Balance December 31, <u>2017</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2018</u>
Due from/(to) Current Fund:				
Other Trust Fund				
Homelessness Trust	\$	134,662	134,662	
Off-Duty Emp.		1,867,133	1,867,133	
Open Space Trust		6,277,753	6,277,753	
Register of Deeds		55,582	55,582	
Other Trust		1,291,539	1,291,539	
Motor Vehicle Dedicated Trust		34,424	34,424	
PCSD Local		45,918	45,918	
PCSD Treasury		48,875	48,875	
PCSD Justice		695,837	695,837	
PCSD Municipal		1,255,575	1,255,575	
PCPO Local		317,914	317,914	
PCPO Treasury		6,843	6,843	
PCPO Justice		61,417	61,417	
Para Transit		32,967	32,967	
Confiscated Trust Fund		335,732	335,732	
Self Insurance Trust Fund:				
Worker's Compensation		2,160,560	2,160,560	
Health Benefits Fund		6,265,167	6,265,167	
Liability Insurance		8,544,238	8,544,238	
HUD Trust Fund		646,426	646,426	
		<u>30,078,562</u>	<u>30,078,562</u>	
Total Due from/(to) Current Fund		<u>30,078,562</u>	<u>30,078,562</u>	
	\$	<u><u>30,078,562</u></u>	<u><u>30,078,562</u></u>	
Cash Receipts	\$		17,561,418	
Budget Appropriations		25,000		
Reimbursement for Expenses Paid		12,877,204	12,460,015	
Cancellation of Receivable			57,129	
Transfer from Appropriation Reserves		12,982,119		
Cash Disbursements		<u>4,194,239</u>		
	\$	<u><u>30,078,562</u></u>	<u><u>30,078,562</u></u>	

COUNTY OF PASSAIC

Schedule of Cash

General Capital Fund

Year Ended December 31, 2018

Balance - December 31, 2017		\$	56,813,732
Increased by Receipts:			
Bond Anticipation Notes	\$	35,303,785	
Schedule of Interfunds		125,125	
Bond Sale		3,200,000	
Interest Earnings		814,759	
Fund Balance		<u>1,255,063</u>	
			<u>40,698,732</u>
			97,512,464
Decreased by Disbursements:			
Schedule of Interfunds		27,620,829	
Reserve for Salt Shed - West Milford		296,619	
Bond Anticipation Notes - Capital Cash		195,000	
Fund Balance		<u>96,000</u>	
			<u>28,208,448</u>
Balance - December 31, 2018		\$	<u><u>69,304,016</u></u>

## COUNTY OF PASSAIC

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2018

Fund Balance		\$	6,705,523
Grants Receivable			(51,381,804)
Commitments payable			39,312,130
Capital Improvement Fund			58,666
Reserve for Payment of Bonds and Notes			16,061,593
Reserve for Capital Acquisition			11,055,323
Reserve for Grants Receivable			6,843,904
Improvement Authorizations:			
Ordinance			
<u>Number</u>	<u>Improvement Description</u>		
04-12	Imp & Renovation to 435 Haamburg Turnpike		37,000
07-06	Various Capital Improvments		607,564
07-12	Acquisition of Various Equipment		(46,850)
08-01	Various Building and Grounds Improvements		(410,000)
08-03	Various Capital Improvements		198,511
09-04	Various Park & Recreation Improvements		17,244
09-06	Building & Grounds Improvements		776,121
09-09	Various Capital Improvements - PCTI		(337,924)
10-04	County Park Improvements		1,380
10-06	Various Capital Improvments		8,909
10-07	Refunding Bonds - GI 2003, 32mil		(95,561)
10-08	Various Capital Improvement Funds		303,653
11-03	Various Capital Improvements		633,329
11-04	Various Capital Improvements		(118,359)
12-05	Improvement of the Passaic County Technical School		8,419
12-06	Various Capital Improvements		(113,938)
12-07	Various Capital Improvements		523,264
13-05	Various Bridge/Drain/Road Impvts.		(761,336)
13-07	Various Capital Improvements		15,876
13-08	Improvement of the Passaic County Vocational School District		(41,181)
13-10	Various Capital Improvements		(393,024)
14-04	Improvement of the Passaic County Vocational School District		517,447
14-07	Improvement of the Passaic County Vocational School District		240,005
15-03	PCTI Improvements		976,358
15-05	PCCC Improvements - Chp. 12		2,114,484
15-06	Renovations to Courthouse Complex - Historic Preservation Trust		(1,775,000)

## COUNTY OF PASSAIC

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2018

15-07/16-06	Various Capital Improvements	21,216,620
16-02	PCCC Improvements - Chp. 12	2,943,309
16-04	Various Capital Improvements	4,188,719
16-05	PCTI Building & Grounds Improvements	158,433
16-09	PCTI-STEM Academy	2,473,416
17-01	RiverFront Park Imp	9,232,575
17-02	PCCC Improvements	2,943,380
17-03	PCCC Capital Improvements	(351,681)
17-04	Various Capital Improvements	(2,474,006)
17-07	Garret Mountain Reservation Improvements	65,597
18-01	Improvements to PCCC	3,139,917
18-02	Improvements to PCCC	(600)
18-03	Various Capital Improvements	(4,405,096)
18-04	DPW Building Project (Nike Base)	(2,470,000)
18-05	Acquisition of Victoria Square Property	580,000
18-08	ESIP Refunding	521,707
		<u>\$ 69,304,016</u>

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COUNTY OF PASSAIC

Schedule of Receivables

General Capital Fund

Year Ended December 31, 2018

Grantor	Project	Ord. No.	Balance Dec. 31, 2017	Awarded in 2018	Decreased	Balance Dec. 31, 2018
Federal Grants:						
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	1,450,000		1,450,000	-
			3,450,000		3,450,000	
State Grants:						
N.J. Department of Transportation	County Road Improvement Project	09-05	3,634,975		3,634,975	-
N.J. Department of Transportation	Pennington Ave Culvert	10-08	150,000		150,000	-
County Aid	Mooresstown 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		115,833	512,864
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	295,514		3,400	292,114
N.J. Department of Transportation	Bridge Replacement, Rehab, Repairs	11-03	1,000,000			1,000,000
DOT Future Needs	Resurfacing Various Roads	12-03	6,314,420		6,314,420	-
N.J. Department of Transportation	West Brook Road/Wanaque Reservoir, PC 491	12-07	11,277,998		7,996,077	3,281,921
N.J. Department of Transportation	Two Bridges Road/West Belt	12-07	3,259,833		7,751	3,252,082
N.J. Department of Transportation	Clinton Road Bridge	12-07	75,615		75,615	-
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, 2018

Grantor	Project	Ord. No.	Balance Dec. 31, 2017	Awarded in 2018	Decreased	Balance Dec. 31, 2018
N.J. Department of Fish & Wildlife	Haledon Avenue(Green Street) Improvements	13-05	100,000	-	100,000	-
N.J. Open Space	Parks & Recreation Improvements	13-07	250,000	-	250,000	-
N.J. Green Acres	Parks & Recreation Improvements	13-07	400,000	-	90,100	309,900
N.J. Department of Transportation	Various Road Improvements	14-08	72,832	-	72,832	-
N.J. Department of Transportation	Various Road Improvements	15-07	35,671,312	-	15,997	35,671,312
N.J. Dept. of Environment Protection	Haledon Avenue(Green Street) Improvements	15-07	305,319	-	-	289,322
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>71,703,660</u>	<u>-</u>	<u>20,321,856</u>	<u>51,381,804</u>
			\$ <u>75,153,660</u>	<u>-</u>	<u>23,771,856</u>	<u>51,381,804</u>
				Interfunds \$ 665,668		
				Reallocated 115,833		
				Cancelled 22,990,355		
					\$ <u>23,771,856</u>	



**COUNTY OF PASSAIC**  
**Schedule of Deferred Charges to Future**  
**Taxation - Funded**  
**General Capital Fund**  
**Year Ended December 31, 2018**

Balance - December 31, 2017		\$ 327,378,538
Increased by:		
Serial Bonds Issued	\$ 14,530,000	
Capital Leases Issued	<u>25,200,000</u>	
		<u>39,730,000</u>
		367,108,538
Decreased by:		
2018 Budget Appropriations to Pay Bonds	\$ 26,428,000	
2018 Budget Appropriations to Pay Loans	45,979	
2018 Budget Appropriations to Pay Capital Leases	<u>3,070,000</u>	
		<u>29,543,979</u>
Balance - December 31, 2018		<u>\$ 337,564,559</u>

COUNTY OF PASSAIC

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2018

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	2018 Authorizations	Reduced	Assessment Confirmed	Balance Dec. 31, 2018	Analysis of Balance - Dec. 31, 2018		
							Financed by Bond	Anticipation Notes	Expenditures
00-14	General Improvements: Supplemental - Redecking of McBride Bridge Turnpike to Finchman Ave	\$ 238,000		238,000					
04-12	Acquisition of Property for a Salt Dome Imp & Renovations to 435 Harburg Turnpike	182,429		480,000					
04-23	Intersection Improvements	141,849		141,849					
06-06	Bridge Replacements and/or Repairs	648,822		648,822					
07-06	Various Capital Improvements	995,000				995,000	995,000		
07-11	Intersection Improvement Projects	67,568		67,568					
07-12	Acquisition of Various Equipment	946,850		900,000		46,850		46,850	
08-01	Various Building and Grounds Improvements	2,410,000		2,000,000		410,000		410,000	
08-02	Various Roadway Imp & Acq. of Equipment	1,696,252		252		1,696,000	1,696,000		
09-08	Various Capital Improvements - PCCC	2,278,988		2,278,988					
09-09	Various Capital Improvements - PCTI	337,924				337,924		337,924	
10-07	Refunding Bonds - GI 2003, 32mil	1,041,865		946,304		95,561		95,561	2,565,833
11-03	Various Capital Improvements	2,565,833				2,565,833			
11-04	Various Capital Improvements	970,609		852,250		118,359		118,359	
12-04	Improvement of Passaic County Community College	2,338,508				2,338,508	2,338,508		
12-05	Improvement of the Passaic County Technical Institute	1,958,616		1,200,000		758,616		758,616	
12-06	Various Capital Improvements	1,631,466		1,517,528		113,938		113,938	
12-07	Various Capital Improvements	10,068,234		3,064,999		7,003,235	5,000,000		2,003,235
13-05	Various Bridge/Drain/Road Impvts.	4,794,106		1,500,000		3,294,106		761,336	2,532,770
13-06	Improvement of Passaic County Community College	1,868,110		1,868,110			1,172,000		95,127
13-07	Various Capital Improvements	2,672,000		400,000		136,308		41,181	601,300
13-08	Improvement of the Passaic County Vocational School District	536,308		2,600,001		994,324		393,024	
13-10	Various Capital Improvements	3,594,325		980,840					
14-02	Improvement of Passaic County Community College	980,840				1,958,616		1,958,616	
14-04	Improvement of the Passaic County Vocational School District	1,958,616				24,730,000		24,730,000	
14-06	Self Insurance Funding	24,732,142		2,142		9,315,000		9,315,000	
14-08	Various Capital Improvements	1,206,500		1,206,500					
14-10	Police Radio Communications System	580,806		580,806					
15-02	Acquisition of Golf & Utility Carts	979,308				979,308		979,308	
15-03	PCTI Improvements	1,896,985				1,896,985		1,896,985	
15-04	PCCC Improvements	1,975,000		200,000		1,775,000		1,775,000	
15-06	Court House Complex								

**COUNTY OF PASSAIC**  
**Schedule of Deferred Charges to Future Taxation - Unfunded**  
**General Capital Fund**  
**Year Ended December 31, 2018**

Ordinance Number	Improvement Description	Balance	2018	Assessment	Balance	Analysis of Balance - Dec. 31, 2018	
		Dec. 31, 2017	Authorizations	Confirmed	Dec. 31, 2018	Financed by	Unexpended
			Reduced			Anticipation	Improvement
						Notes	Authorization
15-07/16-06	Various Capital Improvements	8,930,000			8,930,000	8,930,000	
16-03	PCCC Improvements	2,476,632			2,476,632	2,476,632	
16-04	Various Capital Improvements	9,611,960	199,317		9,412,643	9,412,643	
16-05	PCTI Improvements	979,308			979,308	979,308	
16-08	Acquisition of Office Condominium	2,500,000			2,500,000	2,500,000	
16-11	9-1-1 Emergency System	1,045,000			1,045,000	1,045,000	
17-01	RiverFront Park Imp	4,000,000	1,000,000		3,000,000	3,000,000	1,700,694
17-03	PCCC Capital Improvements	2,052,375			2,052,375		5,955,154
17-04	Various Capital Improvements	8,429,160			8,429,160		
18-01	Improvements to PCCC		3,200,000				
18-02	Improvements to PCCC		1,714,790				1,714,190
18-03	Various Capital Improvements		9,500,000				4,405,096
18-04	DPW Building Project (Nike Base)		17,000,000				2,470,000
18-08	ESIP Refunding		12,300,000			12,300,000	
		\$ 128,113,294	43,714,790		127,541,379	90,725,000	23,021,823
			44,286,705				

County College Bonds	3,200,000
General Serial Bonds	22,000,000
Capital Leases	14,530,000
County Budget - Open Space Trust Fund	700,000
Open Space Trust Fund	500,000
Budget Appropriations - Bond Anticipation Notes	1,158,785
Budget Appropriations - Deferred Charges Unfunded	2,000,000
Cancelled by Resolution	197,970
	\$ 44,286,705

COUNTY OF PASSAIC

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2018

Improvement Authorizations Unfunded		\$	42,461,191
Less: Unexpended Proceeds of Bond Anticipation Notes Issued			
<u>Ordinance No.</u>			
07-06	\$	607,564	
12-07		523,264	
13-07		15,876	
14-04		517,447	
15-03		976,358	
15-07/16-06		8,930,000	
16-04		4,188,719	
16-05		158,433	
17-01		3,000,000	
18-08		<u>521,707</u>	
			<u>19,439,368</u>
			\$ <u><u>23,021,823</u></u>

COUNTY OF PASSAIC

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2018

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2017		2018 Authorizations	Cancelled	Paid or Charged	Balance Dec. 31, 2018	
			Funded	Unfunded				Funded	Unfunded
		\$							
		\$							
	General Improvements:								
04-12	Equipment Preakness Hospital	600,000		63,142		63,142	(37,000)	37,000	
04-19	Imp & Renovations to 435 Hamburg Turnpike					165	(165)		
05-07	Various Bridge Improvements	2,903,400	4,748				4,748		
06-07	Parks & Recreation General Improvements					3,252	(3,252)		
07-06	Traffic Safety	2,500,000					8,542		
07-08	Various Capital Improvements	3,773,000		616,106		41,218	(41,218)		607,564
07-10	2007 Road Improvement Projects					295	(295)		
07-12	Traffic Safety	1,523,000		46,990			46,990		
07-13	Acquisition of Various Equipments	4,300,000				28,229	(28,229)		
08-03	Various Capital Improvements	10,800,000	215,361			1,980	14,870	198,511	
09-04	Various Park & Recreation Improvements		1,176				(16,068)	17,244	
09-06	Building & Grounds Improvements	7,400,000	1,242,855			4,105	462,629	776,121	
09-09	Various Capital Improvements - PCTI	2,937,924		7,544			7,544		
10-04	County Park Improvements	3,000,000	371				(1,009)	1,380	
10-06	Various Capital Improvements	4,730,000					(8,909)	8,909	
10-08	Various Capital Improvement Funds	16,304,250	2,044,315			668,220	1,072,442	303,653	
11-03	Various Capital Improvements	27,920,000	1,001,756	2,565,833			368,427	633,329	2,565,833
11-04	Various Capital Improvements	11,470,000		97,009		52,250	44,759	8,419	758,616
12-05	Improvement of the Passaic County Technical Institute	1,938,616		793,365			26,330		
12-06	Various Capital Improvements	12,428,000		88,387		17,527	70,860		2,526,499
12-07	Various Capital Improvements	28,853,000		2,625,786		65,000	34,287		2,532,770
13-05	Various Bridge/Drain/Road Imprvts.	6,700,000		3,023,989			491,219		15,876
13-07	Various Capital Improvements	3,100,000		337,897			322,021		
13-08	Improvement of the Passaic County Voc School District	951,308		95,427			300		95,127
13-10	Various Capital Improvements	8,500,000		688,447			87,147		601,300

**COUNTY OF PASSAIC**  
**Schedule of Improvement Authorizations**  
**General Capital Fund**

Year Ended December 31, 2018

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2017		2018 Authorizations		Cancelled	Paid or Charged	Balance Dec. 31, 2018	
			Funded	Unfunded	Funded	Unfunded			Funded	Unfunded
14-03	Improvement of Passaic County Community College	4,250,000	1,028,371	570,211			1,028,371	240,005	517,447	
14-04	Improvement of the Passaic County Technical Institute	1,958,616	240,005				52,764			
14-07	Improvement of the Passaic County Technical Institute	8,155,622		4,661,754		3,522,832	1,138,922			
14-08	Various Capital Improvements	29,461,708		20,849			20,849			
14-10	Police Radio Communication System	1,270,000		12,223			12,223			
15-02	Acquisition of Golf & Utility Carts	625,000		976,858			500		976,358	
15-03	PCTI Improvements	979,308					612,349			
15-05	PCCC Chapter 12	3,200,000	2,726,833				5,609,754		8,930,000	
15-07/16-06	Various Capital Improvements	51,324,505	17,896,374	8,930,000			2,943,309			
16-02	PCCC Improvements - Chp. 12	3,000,000	2,943,309							
16-03	PCCC Improvements	2,476,632		609,975			609,975		4,188,719	
16-04	Various Capital Improvements	32,295,800		6,545,283			2,356,564		158,433	
16-05	PCTI Building & Grounds Improvements	979,308	470,128				311,695			
16-09	PCTI-STEM Academy	30,000,000	16,354,784				13,881,368		2,473,416	
16-11	9-1-1 Emergency System	1,100,000		169,239			169,239			
17-01	Riverfront Park Imp	10,000,000	5,999,525	4,000,000			766,950		3,000,000	
17-02	PCCC Improvements	3,000,000	2,943,380							
17-03	PCCC Capital Improvements	2,032,375								
17-04	Various Capital Improvements	8,872,800		2,049,675			348,981		1,700,694	
17-07	Garret Mountain Reservation Improvements	2,750,000	16,555	6,538,537			(49,042)		5,955,154	
17-08	Renovations of Courthouse Annex	3,700,000	321,000				321,000			
18-01	Improvements to PCCC	3,200,000			3,200,000		60,083		3,139,917	
18-02	Improvements to PCCC	1,714,790			1,714,790		600		1,714,190	
18-03	Various Capital Improvements	10,000,000			10,000,000		4,905,096		5,094,904	
18-04	DPW Building Project (Nike Base)	17,000,000			17,000,000		17,000,000			
18-05	Acquisition of Victoria Square Property	580,000			580,000				580,000	
18-08	ESIP Refunding	12,300,000			12,300,000		11,778,293		521,707	
			\$ 54,980,718	46,604,654	44,794,790	4,468,215	64,446,887		35,003,869	42,461,191

Capital Improvement Fund	\$ 500,000
Capital Fund Balance	580,000
Capital Lease	17,000,000
Def. Charges to Future Taxation	26,714,790
	\$ 44,794,790

Interfunds \$	25,134,757
Commitments Payable	39,312,130
	\$ 64,446,887

**COUNTY OF PASSAIC**  
**Schedule of Commitments Payable**  
**General Capital Fund**  
**Year Ended December 31, 2018**

Balance - December 31, 2017	\$	40,541,351
Increased by:		
Charges to Improvement Authorizations		<u>39,312,130</u>
		79,853,481
Decreased by:		
Cancelled	\$	356,144
Schedule of Interfunds		<u>40,185,207</u>
		<u>40,541,351</u>
Balance - December 31, 2018	\$	<u><u>39,312,130</u></u>

**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2018**

Balance - December 31, 2017	\$	<u>58,666</u>
Increased by:		
2018 Budget Appropriations		<u>500,000</u>
		558,666
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>500,000</u>
Balance - December 31, 2018	\$	<u><u>58,666</u></u>

## COUNTY OF PASSAIC

## Schedule of Reserve for Payment of Bonds and Notes

## General Capital Fund

Year Ended December 31, 2018

	<u>Ordinance</u>	<u>Balance Dec. 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
Reserve for Payment of Bonds:					
Acquisition of Property - Ball Tract	05-15	\$ 605,655		605,655	
Bridge, Road, & Traffic Safety	09-05	100,311	1,017,631	100,311	1,017,631
Various Capital Improvements	10-08		664,633		664,633
<b>Total Reserve for Payment of Bonds</b>		<u>705,966</u>	<u>1,682,264</u>	<u>705,966</u>	<u>1,682,264</u>
Reserve for Payment of Bond Anticipation Notes:					
Various Capital Improvements	08-03	5,018,299		3,278,918	1,739,381
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	495,244			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	8,642,346		11,069,579
<b>Total Reserve for Payment of Bond Anticipation Notes</b>		<u>9,415,993</u>	<u>8,642,346</u>	<u>3,679,010</u>	<u>14,379,329</u>
<b>Total Reserve for Payment of Bonds and Notes</b>		<u>\$ 10,121,959</u>	<u>10,324,610</u>	<u>4,384,976</u>	<u>16,061,593</u>
Schedule of Interfunds \$ 1,682,263					
Cancelled to Capital Surplus 3,634,976					
Budget 750,000					
Transfer from Reserve for Grants Receivable <u>8,642,347</u>					
Interfunds \$ <u>10,324,610</u> <u>4,384,976</u>					



COUNTY OF PASSAIC

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2018

	Balance, December 31, <u>2017</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2018</u>
Current Fund	\$ _____	67,009,848	67,009,848	_____
		<u>67,009,848</u>	<u>67,009,848</u>	<u>_____</u>
Due from		995,409	995,409	
Due (to)		<u>66,014,439</u>	<u>66,014,439</u>	_____
	\$ _____	<u>67,009,848</u>	<u>67,009,848</u>	<u>_____</u>

Receipts	\$	125,125
Improvement Authorizations		25,134,757
Commitments Payable		40,185,207
Grants Receivable	23,656,023	
Reserve for Payment of Bonds and Notes	1,682,264	
Reserve for Capital Acquisiton	11,055,323	
Reimbursement for Expenditures	495,409	
Capital Improvement Fund	500,000	
Deferred Charges Unfunded-Budget	2,000,000	
Budget Revenue		750,000
Interest on Investments		814,759
Disbursements	<u>27,620,829</u>	<u>_____</u>
	\$ <u>67,009,848</u>	<u>67,009,848</u>

**COUNTY OF PASSAIC**  
**Schedule of Reserve for Salt Shed - West Milford**  
**General Capital Fund**  
**Year Ended December 31, 2018**

Balance - December 31, 2017	\$ <u>296,619</u>
Decreased by:	
Paid to Borough of West Milford	\$ <u><u>296,619</u></u>

**Schedule of Reserve Capital Acquisition**  
**General Capital Fund**  
**Year Ended December 31, 2018**

Increased by:	
Schedule of Interfunds	\$ <u>11,055,323</u>
Balance - December 31, 2018	\$ <u><u>11,055,323</u></u>

**COUNTY OF PASSAIC**  
**Schedule of Reserve for Grants Receivable**  
**General Capital Fund**  
**Year Ended December 31, 2018**

Balance - December 31, 2017		\$ <u>22,677,866</u>
Decreased by:		
Cancelled By Resolution	\$ 7,191,615	
Transferred to Reserve for Payment of Bonds and Notes	<u>8,642,347</u>	
		<u>15,833,962</u>
Balance - December 31, 2018		\$ <u><u>6,843,904</u></u>
 <u>Analysis of Balance:</u>		
Ordinance 12-07	\$ 6,534,003	
Ordinance 13-07	<u>309,900</u>	
		<u><u>6,843,903</u></u>

**COUNTY OF PASSAIC**  
**Schedule of Bond Anticipation Notes Payable**  
**General Capital Fund**  
**Year Ended December 31, 2018**

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance	
						Dec. 31, 2017	Dec. 31, 2018
						Increased	Decreased
11-04	Various Capital Improvements	12/14/14	12/5/18	12/4/19	2.00%	800,000	800,000
12-06	Various Capital Improvements	12/14/15	12/5/18	12/4/19	2.00%	1,500,000	1,500,000
12-07	Various Capital Improvements	12/14/15	12/5/18	12/4/19	2.00%	3,000,000	3,000,000
13-06	Improvements to PCCC	12/14/15	12/5/18	12/4/19	2.00%	1,865,000	1,865,000
13-10	Various Capital Improvements	12/14/15	12/5/18	12/4/19	2.00%	2,600,000	2,600,000
13-08	Improvements to PCCC	12/14/15	12/5/18	12/4/19	2.00%	400,000	400,000
07-12	Acquisition of Equipment	12/14/15	12/5/18	12/4/19	2.00%	900,000	900,000
08-01	Various Building and Grounds Improvements	12/14/15	12/5/18	12/4/19	2.00%	2,000,000	2,000,000
09-08	Improvements to PCCC	12/14/15	12/5/18	12/4/19	2.00%	2,278,000	2,278,000
12-05	Various Capital Improvements PCTI	12/14/15	12/5/18	12/4/19	2.00%	1,200,000	1,200,000
13-07	Various Capital Improvements	12/14/15	12/5/18	12/4/19	2.00%	1,500,000	1,500,000
14-02	Improvements to PCCC	12/14/15	12/5/18	12/4/19	2.00%	700,000	700,000
14-10	Police Radio Communication System	12/14/15	12/5/18	12/4/19	2.00%	1,206,000	1,206,000
15-02	Acquisition of Golf Carts	12/14/15	12/5/18	12/4/19	2.00%	580,806	580,806
13-05	Various Bridges/Drainage/Road Improvements	12/14/15	12/5/18	12/4/19	2.00%	1,500,000	1,500,000
06-06	Bridge, Road, & Traffic Safety	12/12/16	12/5/18	12/4/19	2.00%	648,822	648,822
08-02	Various Capital Improvements	12/12/16	12/5/18	12/4/19	2.00%	1,696,000	1,696,000
12-04	Improvements to PCCC	12/12/16	12/5/18	12/4/19	2.00%	2,338,508	2,338,508
12-07	Various Capital Improvements	12/12/16	12/5/18	12/4/19	2.00%	5,000,000	5,000,000
13-07	Various Capital Improvements	12/12/16	12/5/18	12/4/19	2.00%	1,172,000	1,172,000
14-02	Improvements to PCCC	12/12/16	12/5/18	12/4/19	2.00%	280,840	280,840
14-04	Improvements to PCTI	12/12/16	12/5/18	12/4/19	2.00%	1,958,616	1,958,616
14-08	Various Capital Improvements	12/12/16	12/5/18	12/4/19	2.00%	9,510,000	9,510,000
15-03	Improvements to PCTI	12/12/16	12/5/18	12/4/19	2.00%	979,308	979,308
15-04	Improvements to PCCC	12/12/16	12/5/18	12/4/19	2.00%	1,896,985	1,896,985
16-04	Various Capital Improvements	12/12/16	12/5/18	12/4/19	2.00%	4,034,115	4,034,115
16-08	Acquire Office Condominiums	12/12/16	12/5/18	12/4/19	2.00%	2,500,000	2,500,000
14-06	Self Insurance Funding	12/12/16	12/5/18	12/4/19	2.00%	24,730,000	24,730,000

COUNTY OF PASSAIC

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2018

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2017	Increased	Decreased	Balance Dec. 31, 2018
08-02	Various Capital Improvements	12/12/16	12/5/18	12/4/19	3.00%		1,696,000		1,696,000
12-04	Improvement of Passaic County Community College	12/12/16	12/5/18	12/4/19	3.00%		2,338,508		2,338,508
12-07	Various Capital Improvements	12/12/16	12/5/18	12/4/19	3.00%		5,000,000		5,000,000
13-07	Various Capital Improvements PCTI	12/12/16	12/5/18	12/4/19	3.00%		1,172,000		1,172,000
14-04	Various Capital Improvements	12/12/16	12/5/18	12/4/19	3.00%		1,958,616		1,958,616
14-08	Various Capital Improvements PCTI	12/12/16	12/5/18	12/4/19	3.00%		9,315,000		9,315,000
15-03	Various Capital Improvements PCTI	12/12/16	12/5/18	12/4/19	3.00%		979,308		979,308
15-04	Improvement of Passaic County Community College	12/12/16	12/5/18	12/4/19	3.00%		1,896,985		1,896,985
16-04	Various Capital Improvements	12/12/16	12/5/18	12/4/19	3.00%		3,834,798		3,834,798
16-08	Acquire Office Condominium	12/12/16	12/5/18	12/4/19	3.00%		2,500,000		2,500,000
07-06	Various Capital Improvements	12/5/18	12/5/18	12/4/19	3.00%		995,000		995,000
15-07	Various Capital Improvements	12/5/18	12/5/18	12/4/19	3.00%		8,930,000		8,930,000
16-03	Improvement of Passaic County Community College	12/5/18	12/5/18	12/4/19	3.00%		2,476,632		2,476,632
16-04	Various Capital Improvements	12/5/18	12/5/18	12/4/19	3.00%		5,577,845		5,577,845
16-05	Various Capital Improvements PCTI	12/5/18	12/5/18	12/4/19	3.00%		979,308		979,308
16-10	911 Emergency System	12/5/18	12/5/18	12/4/19	3.00%		1,045,000		1,045,000
17-04	Various Capital Improvements	12/5/18	12/5/18	12/4/19	3.00%		3,000,000		3,000,000
18-08	ESIP	12/5/18	12/5/18	12/4/19	3.00%		12,300,000		12,300,000
14-06	Self Insurance Funding	12/12/16	12/5/18	12/4/19	3.25%		24,730,000		24,730,000
						\$ 78,775,000	90,725,000	78,775,000	90,725,000

Issue for Cash  
Renewed  
Serial Bonds  
Budget  
Paid with Capital Cash

35,303,785	
55,421,215	55,421,215
	22,000,000
	1,158,785
	195,000
\$ 90,725,000	\$ 90,725,000
	78,775,000

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2018

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2018		Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Year	Amount					
General Obligation Refunding Bonds of 1998 (Term Bonds) - Series B	09/01/98	30,700,000	2019	2,400,000	6.770%	7,200,000		2,300,000	4,900,000
			2020	2,500,000	6.770%				
General Obligation Refunding Bonds of 1998 (Term Bonds) - Series A	09/01/98	665,000	2019	220,000	6.770%	665,000		220,000	445,000
			2020	225,000	6.770%				
Pension Refunding Bonds, Series 2003	02/15/03	6,560,000	2019	35,000	5.750%	165,000		25,000	140,000
			2020	45,000	5.750%				
			2021	60,000	5.750%				
County College Bonds (A)	11/15/06	3,050,000				300,000		300,000	
County College Bonds (B)	11/15/06	3,050,000				300,000		300,000	
County College Bonds (A)	11/01/07	5,950,000	2019	625,000	4.000%	1,240,000		615,000	625,000
			2019	625,000	4.000%				
General Obligation Bonds	04/01/10	19,671,000	2019	1,750,000	3.500%	15,446,000		1,500,000	13,946,000
			2020	2,000,000	4.000%				
			2021	2,250,000	4.000%				
			2022	2,500,000	4.000%				
			2023	2,650,000	4.000%				
2024	2,796,000	4.000%							
Vocational School Bonds	04/01/10	945,000	2019	100,000	3.500%	230,000		130,000	100,000

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2018

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2018			Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Year	Amount	Rate					
County College Bonds	04/01/10	2,130,000	2019	230,000	3.500%	870,000			650,000	
			2020	240,000	4.000%					
			2021	180,000	4.000%					
Recovery Zone Economic Development Bonds	07/28/10	4,389,000	2019	244,000	5.010%	2,970,000			2,737,000	
			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	2019	120,000	3.000%	512,000		115,000	397,000	
			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, 2018

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Year	Amount	Rate					
County College Bonds	08/01/10	1,176,000	2019	120,000	3.000%	511,000		115,000	396,000	
			2020	125,000	3.000%					
			2021	151,000	3.000%					
General Obligation Refunding Bonds	05/01/11	26,415,000	2019	735,000	4.750%	1,490,000		755,000	735,000	
General Obligation Refunding Bonds	02/01/12	11,695,000	2019	2,225,000	4.000%	4,350,000		2,125,000	2,225,000	
General Obligation Bonds	04/01/12	23,155,000	2019	1,550,000	3.000%	17,155,000		1,500,000	15,655,000	
			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, 2018

PURPOSE	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding				Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Year	Amount	Rate	Rate					
General Obligation Bonds - Taxable Bonds	04/01/12	13,570,000	2019	1,600,000	3.000%	8,020,000				6,570,000	
			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	2019	445,000	3.000%	2,305,000				1,875,000	
			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	2019	445,000	3.000%	2,305,000				1,875,000	
			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	2019	580,000	4.000%	2,290,000				1,705,000	
			2020	575,000	4.000%						
			2021	550,000	4.000%						
General Obligation Refunding Bonds	05/15/13	17,650,000	2019	1,455,000	4.000%	16,215,000				14,855,000	
			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, 2018

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Year	Amount					
College Bond - Series 2014A	06/15/14	2,875,000	2019	195,000	5.000%	2,335,000			2,145,000
			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%				
College Bond - Series 2012B	06/15/14	2,875,000	2019	195,000	5.000%	2,335,000			2,145,000
			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	2019	965,000	2.000%	19,306,000			18,341,000
			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, 2018

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Year	Amount					
County Vocational School Bonds, Series 2014A	12/04/14	979,000	2019	40,000	2.000%	859,000		40,000	819,000
			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	2019	650,000	2.000%	1,250,000		600,000	650,000
General Obligation Bonds, Series 2014B	12/04/14	3,940,000	2019	375,000	2.500%	3,040,000		350,000	2,690,000
			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, 2018

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Year	Amount					
General Obligation Refunding Bonds	02/01/15	36,570,000	2019	2,810,000	5.000%	36,570,000			33,835,000
			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	2019	435,000	5.000%	815,000		380,000	435,000
County College Refunding Bonds	02/01/15	2,305,000	2019	770,000	5.000%	2,305,000		745,000	1,560,000
			2020	790,000	5.000%				
County College Bonds, Series 2015A	07/01/15	1,600,000	2019	130,000	3.000%	1,380,000		125,000	1,255,000
			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, 2018

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2018		Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Year	Amount					
County College Bonds, Series 2015B	07/01/15	1,600,000	2019	130,000	3.000%	1,380,000		125,000	1,255,000
			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	2019	785,000	3.000%	10,160,000		755,000	9,405,000
			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, 2018

PURPOSE	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Year	Amount					
County Vocational School Bonds	12/14/15	2,000,000	2019	100,000	3.000%	1,800,000		100,000	1,700,000
			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	2019	125,000	2.000%	1,395,000		115,000	1,280,000
			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, 2018

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Year	Amount					
County College Bonds, Series 2015B	07/01/16	1,500,000	2019	125,000	2.000%	1,395,000		115,000	1,280,000
			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%	22,885,000		1,030,000	21,855,000
			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, 2018

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Year	Amount					
County Vocational School Bonds	12/01/16	8,150,000	2019	425,000	3.000%	7,800,000		400,000	7,400,000
			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	2019	235,000	3.000%	2,290,000		220,000	2,070,000
			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	2019	115,000	2.000%	1,500,000		105,000	1,395,000
			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, 2018

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Year	Amount					
County College Bonds	07/01/17	1,500,000	2019	115,000	2.000%	1,500,000			1,395,000
			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				
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, 2018

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Year	Amount					
County Vocational School Bonds	12/01/17	36,000,000	2019	1,295,000	2.000%	36,000,000			34,755,000
			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	1,555,000	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%				1,245,000	

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2018

PURPOSE	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Year	Amount					
County Vocational School Bonds	12/01/17	1,015,000	2019	70,000	2.000%	1,015,000			950,000
			2020	75,000	2.000%				
			2021	80,000	2.000%				
			2022	85,000	3.000%				
			2023	90,000	3.000%				
			2024	95,000	3.000%				
			2025	100,000	4.000%				
			2026	115,000	4.000%				
			2027	120,000	4.000%				
2028	120,000	3.000%		65,000					
County College Bonds, Series 2018A	06/27/18		2019	105,000	3.000%		1,600,000		1,600,000
			2020	115,000	3.000%				
			2021	125,000	3.000%				
			2022	130,000	3.000%				
			2023	160,000	4.000%				
			2024	175,000	3.000%				
			2025	190,000	3.000%				
			2026	190,000	4.000%				
			2027	200,000	4.000%				
2028	210,000	4.000%							
County College Bonds, Series 2018B	06/27/18		2019	105,000	3.000%		1,600,000		1,600,000
			2020	115,000	3.000%				
			2021	125,000	3.000%				
			2022	130,000	3.000%				
			2023	160,000	4.000%				
			2024	175,000	3.000%				
			2025	190,000	3.000%				
			2026	190,000	4.000%				
			2027	200,000	4.000%				
2028	210,000	4.000%							

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2018

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2018	Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
General Improvement Bonds, Series 2018A	12/01/18		2019	800,000	2.000%	15,557,000		15,557,000
			2020	820,000	2.250%			
			2021	840,000	2.500%			
			2022	860,000	2.750%			
			2023	880,000	4.000%			
			2024	900,000	4.000%			
			2025	925,000	4.000%			
			2026	950,000	4.000%			
			2027	975,000	4.000%			
			2028	1,200,000	3.000%			
			2029	1,225,000	3.000%			
			2030	1,250,000	3.125%			
			2031	1,275,000	3.250%			
			2032	1,300,000	3.375%			
2033	1,357,000	3.500%						
County Vocational School Bonds, Series 2018B	12/01/18		2019	110,000	2.000%	1,600,000		1,600,000
			2020	125,000	2.250%			
			2021	140,000	2.500%			
			2022	150,000	2.750%			
			2023	155,000	4.000%			
			2024	165,000	4.000%			
			2025	175,000	4.000%			
			2026	185,000	4.000%			
			2027	190,000	4.000%			
			2028	205,000	3.000%			

COUNTY OF PASSAIC

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2018

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Year	Amount					
County College Bonds, Series 2018C	12/01/18		2019	275,000	2.000%		4,843,000		4,843,000
			2020	285,000	2.250%				
			2021	295,000	2.500%				
			2022	305,000	2.750%				
			2023	320,000	4.000%				
			2024	340,000	4.000%				
			2025	360,000	4.000%				
			2026	380,000	4.000%				
			2027	400,000	4.000%				
			2028	425,000	3.000%				
			2029	450,000	3.000%				
			2030	475,000	3.125%				
			2031	533,000	3.250%				
						\$ 252,479,000	25,200,000	26,428,000	251,251,000

Bond Anticipation Notes  
New Issues

22,000,000  
3,200,000  
\$ 25,200,000

COUNTY OF PASSAIC

Schedule of New Jersey Green Trust Loans Payable

General Capital Fund

Year Ended December 31, 2018

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance December 31, 2017	Decreased	Balance December 31, 2018
			Date	Amount				
Lambert Castle Grounds Project	02/28/08	\$ 564,657	02/28/19	23,335	2.000%	189,538	45,979	143,559
			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%			
						\$ 189,538	45,979	143,559

COUNTY OF PASSAIC

Schedule of Capital Leases Payable

General Capital Fund

Year Ended December 31, 2018

Purpose	Date of Issue	Amount of Original Issue	Maturities of Capital Leases Outstanding		Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Date	Amount					
Refunding -Preakness Healthcare Center Expansion	05/01/19	\$ 57,425,000	05/01/19	1,890,000	3.000%	52,875,000			50,770,000
	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, 2018

Purpose	Date of Issue	Amount of Original Issue	Maturities of Capital Leases Outstanding Dec. 31, 2018		Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Date	Amount					
Refunding -Preakness Healthcare Center Expansion	05/20/15	\$ 19,550,000	05/01/19	685,000	5.000%	18,920,000		655,000	18,265,000
			05/01/20	725,000	5.000%				
			05/01/21	760,000	5.000%				
			05/01/22	795,000	5.000%				
			05/01/23	840,000	5.000%				
			05/01/24	880,000	5.000%				
			05/01/25	925,000	5.000%				
			05/01/26	960,000	5.000%				
			05/01/27	990,000	3.000%				
			05/01/28	1,025,000	3.125%				
			05/01/29	1,060,000	3.250%				
			05/01/30	1,095,000	3.250%				
			05/01/31	1,140,000	3.750%				
			05/01/32	1,180,000	3.750%				
			05/01/33	1,230,000	3.750%				
			05/01/34	1,275,000	3.750%				
		05/01/35	1,325,000	3.750%					
		05/01/36	1,375,000	3.750%					



COUNTY OF PASSAIC

Schedule of Capital Leases Payable

General Capital Fund

Year Ended December 31, 2018

Purpose	Date of Issue	Amount of Original Issue	Maturities of Capital Leases Outstanding Dec. 31, 2018		Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Date	Amount					
Refunding - Prosecutor Building	05/20/15	\$ 3,510,000	05/01/19	320,000	5.000%	2,915,000		310,000	2,605,000
			05/01/20	335,000	5.000%				
			05/01/21	355,000	5.000%				
			05/01/22	370,000	5.000%				
			05/01/23	390,000	5.000%				
			05/01/24	405,000	5.000%				
			05/01/25	430,000	3.000%				
PCIA - DPW Project	07/18/18	\$ 14,530,000	05/01/19	815,000	5.000%		14,530,000		14,530,000
			05/01/20	700,000	5.000%				
			05/01/21	735,000	5.000%				
			05/01/22	770,000	5.000%				
			05/01/23	810,000	5.000%				
			05/01/24	850,000	5.000%				
			05/01/25	895,000	5.000%				
			05/01/26	940,000	5.000%				
			05/01/27	985,000	5.000%				
				1,035,000	5.000%				
				1,085,000	5.000%				
				1,140,000	5.000%				
				1,195,000	5.000%				
			1,255,000	5.000%					
			1,320,000	5.000%					
						\$ 74,710,000	14,530,000	3,070,000	86,170,000

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

**General Capital Fund**

**Year Ended December 31, 2018**

Ordinance Number		Balance Dec. 31, 2017	Increased	Decreased	Balance Dec. 31, 2018
General Improvements:					
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	182,429		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	995,000		995,000	
07-11	Intersection Improvement Projects	67,568		67,568	
07-12	Acquisition of Various Equipment	46,850			46,850
08-01	Various Building and Grounds Improvements	410,000			410,000
08-02	Various Roadway Imp & Acq. of Equipment	252		252	
09-08	Various Capital Improvements - PCCC	988		988	
09-09	Various Capital Improvements - PCTI	337,924			337,924
10-07	Refunding Bonds - GI 2003, 32mil	1,041,865		946,304	95,561
11-03	Various Capital Improvements	2,565,833			2,565,833
11-04	Various Capital Improvements	170,609		52,250	118,359
12-05	Improvement of the Passaic County Technical Institute	758,616			758,616
12-06	Various Capital Improvements	131,466		17,528	113,938
12-07/14-09	Various Capital Improvements	2,068,234		65,000	2,003,234
13-05	Various Bridge/Drain/Road Impvts.	3,294,106			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	
14-10	Police Radio Communications System	500		500	
15-06	Trust	1,975,000		200,000	1,775,000
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	
16-10	9-1-1 Emergency System	1,045,000		1,045,000	
17-01	Construction of Riverfront Park	4,000,000		1,000,000	3,000,000
17-03	Improvements to PCCC	2,052,375			2,052,375
17-04	Various Capital Improvements	8,429,160		3,000,000	5,429,160
18-01	Improvements to PCCC		3,200,000	3,200,000	
18-02	Improvements to PCCC		1,714,790		1,714,790
18-03	Various Capital Improvements		9,500,000		9,500,000
18-04	DPW Building Project (Nike Base)		17,000,000	14,530,000	2,470,000
18-08	ESIP Refunding		12,300,000	12,300,000	
		<u>\$ 49,533,294</u>	<u>43,714,790</u>	<u>56,431,705</u>	<u>36,816,379</u>
			Refunding 12,300,000		
			Authorized 31,414,790		
			<u>43,714,790</u>		
			Cancelled by Resolution	197,920	
			Bonds Issued	3,200,000	
			Capital Lease	14,530,000	
			Bond Anticipation Notes	35,303,785	
			Budget Appropriation	2,000,000	
			Open Space Trust Fund	500,000	
			Budget Appropriation-OSTF	700,000	
				<u>\$ 56,431,705</u>	

**COUNTY OF PASSAIC**

**STATE OF NEW JERSEY**

**\* \* \* \* \***

**PART II**

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

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2018**

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# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the County of Passaic in the State of New Jersey as of and for the year ended December 31, 2018 and the related notes to the financial statements, and have issued our report thereon dated April 1, 2019, 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. Wielkatz*

Steven D. Wielkatz  
Registered Municipal Accountant  
No. 413

*Ferraioli, Wielkatz, Cerullo & Cova, P.A.*

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

April 1, 2019



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

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY 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, 2018. 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, 2018.

### **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 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. Wielkotz*

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

*Ferraioli, Wielkotz, Cerullo & Cova, P.A.*

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

April 1, 2019

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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/Cancelled	Cumulative Total Expenditures
<u>Federal and State Grant Fund</u>									
U.S. Dept. of Agriculture: Farmer's Market Nutrition Program Farmer's Market Nutrition Program	10-576 10-576	DFHS17WMDN005 DFHS16WMDN006	10-147-WTC-L-0 10-147-WTC-L-0	2017 2018	1,000 1,000	1,000 2,000	1,000 1,000		1,000 1,000
U.S. Dept. of Housing & Urban Development: Community Development Block Grant Community Development Block Grant Community Development Block Grant Community Development Block Grant Community Development Block Grant Community Development Block Grant Community Development Block Grant Community Development Block Grant Community Development Block Grant Community Development Block Grant Community Development Block Grant Community Development Block Grant	14-238 14-238 14-238 14-238 14-238 14-238 14-238 14-238 14-238 14-238 14-238 14-238	B09UC340112 B10UC340112 B11UC340112 B12UC340112 B13UC340112 B14UC340112 B15UC340112 B16UC340112 B17UC340112 B18UC340112 B19UC340112		2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2013	874,892 946,150 950,250 805,450 902,187 866,001 822,008 810,869 788,241 849,041 11,854,865		1,399 25,331 38,380 91,204 470,248 250,737 8,193 751,661 1,637,153		874,892 946,150 950,250 802,000 857,140 819,182 578,318 691,105 251,478 8,193 11,175,602 17,253,310
HUD - Eva's Project 36508	14-235		NU-39-CS-11-002	2010	471,360				176,304 176,304
Passaic County Housing First Passaic County Housing First Passaic County Housing First - Collaborative II Passaic County Housing First - Collaborative III Passaic County Housing First - 2009 Collaborative II Passaic County Housing First-New Passaic County Housing First Passaic County Housing First PILOT Passaic County Housing First - Bonus Passaic County Housing First - Bonus Passaic County Housing First PILOT 2007 Passaic County Housing First PILOT 2007 Passaic County Housing First PILOT Passaic County Housing First - 2008 Passaic County Housing First - 2008 Passaic County Housing First - 2009 Passaic County Housing First - 2009 Passaic County Housing First - 2009 Passaic County Housing First PILOT Passaic County Housing First PILOT	14-238 14-238 14-238 14-238 14-238 14-238 14-238 14-238 14-238 14-238 14-238 14-238 14-238 14-238 14-238 14-238 14-238 14-238 14-238 14-238			2009 2011/16 2011/16 2011/16 2016/17 2012/17 2013/18 2013/18 2014 2013 2016 2014/15 2015/16 2016/17 2015 2015/16 2016/17 2016 2016 2017 2018 2017 2018	1,411,200 221,400 1,101,420 369,480 362,951 235,260 1,107,720 1,192,497 327,953 221,424 78,729 317,621 311,969 1,095,487 258,007 252,703 267,391 81,260 614,482 660,742 329,213 1,177,615		17,490 (14,398) 58,664 471,652	163,861 476 4,098 16,755 218,179 183,770 354,948	679,419 153,186 816,062 129,872 220,973 212,440 510,261 868,942 308,310 20,658 19,767 212,898 101,395 581,439 61,519 167,880 124,172 74,729 502,343 183,770 354,948

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	Cumulative Total Expenditures
Passaic County Housing First - Bonus	14.238			2017	78,729	19,403	28,205		57,424
Passaic County Housing First - Bonus	14.238			2018	84,633	19,403	20,886		20,886
Passaic County Housing First - 2011	14.238			2016	404,509		20,886		210,386
Passaic County Housing First - 2011	14.238			2011	186,600				64,775
HUD - St. Paul's	14.238			2011	186,600				
HUD - St. Joseph	14.238			2011	342,240				103,761
HUD - Birch Street Apartments	14.238			2012	806,760				560,755
HUD - Paterson Park Apartments	14.238			2013	121,824	12,175			74,314
REN - Eva's Village Apartments	14.238			2014	120,953				104,598
Eva's Village Homeless Housing Project	14.238			2015	116,895				50,518
Eva's Village Homeless Housing Project	14.238			2015	314,495				86,888
Eva's Village Homeless Housing Project	14.238			2016	266,732	181,606	133,663		164,598
Eva's Village Homeless Housing Project	14.238			2017	118,815		49,268		111,168
Eva's Village Homeless Housing Project	14.238			2018	287,084	143,372			
Scattered Sites Homeless Housing Project	14.238			2014	47,110				44,387
HUD - St. Joe's CDC	14.238			2014	47,110				38,085
St. Joe's CDC	14.238			2015	45,531				31,044
St. Joe's CDC	14.238			2015	44,595				15,321
St. Joe's CDC	14.238			2016	47,187	6,800			39,145
St. Paul's CDC	14.238			2014	47,736				3,214
St. Paul's CDC	14.238			2015	45,531				32,928
St. Paul's CDC	14.238			2015	44,595				16,010
St. Paul's CDC	14.238			2016	47,187	17,577	77		33,695
					1,993,414	1,505,525			8,169,285
Continuum of Care Program	14.267	NJ0329L2F11202		2015	32,741				5,428
Continuum of Care Program	14.267	NJ0330L2F11202		2016	35,907				28,536
Continuum of Care Program	14.267	NJ0387L2F11201		2017	110,995	51,715	34,148		80,292
Continuum of Care Program	14.267	NJ0387L2F11201		2018	119,137		1,905		1,905
Continuum of Care Program	14.267	NJ0566L2F11700		2019	119,137	51,715	36,053		116,161
Federal Office of Justice Programs Passed Through N.J. State Law Enforcement Planning Agency:	16.523		066-1500-100-121	2013	26,639	(2,960)			28,921
Juvenile Crime Reduction						(2,960)			28,921

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	Cumulative Total Expenditures
Juvenile Justice - Partnership	16.540		066-1500-100-007	2015	474,568				466,568
Juvenile Justice - Partnership	16.540		066-1500-100-007	2016	900,656	354,847	58,362		477,097
Juvenile Justice - Partnership	16.540		066-1500-100-007	2017	500,656	128,866	295,615		447,610
Juvenile Justice - Partnership	16.540		066-1500-100-007	2018	500,656	483,713	353,977		295,615
									1,686,890
SART/SANE Program	16.575	VS-46-14	066-1020-100-142	2016	109,729				86,178
SART/SANE Program	16.575		066-1020-100-142	2017	95,250	71,031	67,973		61,303
SART/SANE Program	16.575		066-1020-100-142	2018	117,312	148,769	67,973		67,973
									215,454
STOP Violence Against Women Act Formula Grant	16.588	13VAWA-77	066-1020-100-246	2017	32,572	682			32,572
Victim Witness Advocacy	16.582		066-1020-100-246	2015	400,000	265,981	108,755		324,672
Victim Witness Advocacy	16.582		066-1020-100-246	2016	352,758	80,474	70,397		352,296
Victim Witness Advocacy	16.582		066-1020-100-246	2017	407,809	400,212	285,514		285,514
						747,349	464,666		993,054
Multi-Juris Narc Task Force	16.738		066-1020-100-364	2014	184,139				134,094
Multi-Juris Narc Task Force	16.738		066-1020-100-364	2016	174,378	84,958	167,818		174,378
Multi-Juris Narc Task Force	16.738		066-1020-100-364	2017	167,818	167,818	167,818		167,818
Justice Assistance Program	16.738		066-1020-100-364	2017	26,534	26,534	26,534		26,534
						279,310	194,352		502,824
U.S. Dept. of Labor: Passed Through N.J.									
Dept. of Labor:									
Workforce Learning Link Program	17.258		062-4545-100-095	2017/18	333,000	278,557	262,874		332,997
Workforce Learning Link Program	17.258		062-4545-100-095	2018/19	259,000	60,797	70,233		70,233
WIA - Adult	17.258		062-4545-100-095	2016/17	1,671,380	874,720	632,839		1,537,643
WIA - Adult	17.258		062-4545-100-095	2017/18	1,654,646	443,787	548,920		548,920
WIA - Youth	17.258		062-4545-100-095	2018/19	1,615,456	2,435	5,012		5,012
WIA - Youth	17.258		062-4545-100-095	2018/17	1,832,249	474,261	403,413		1,832,249
WIA - Youth	17.259		062-4545-100-095	2017/18	1,878,579	1,433,718	1,463,706		1,563,176
WIA - Youth	17.259		062-4545-100-095	2018/19	1,782,067	192,668	266,764		266,764
WIA - Dislocated Worker	17.278		062-4545-100-105	2016/17	1,691,989	1,072,304	910,544		1,657,606
WIA - Dislocated Worker	17.278		062-4545-100-105	2017/18	1,532,764	432,198	642,540		642,540
WIA - Dislocated Worker	17.278		062-4545-100-105	2018/19	1,370,514	116,075	16,477		16,477
						5,381,520	5,223,322		8,473,617
U.S. Dept. of Transportation									
Great Falls Circulation Study	20.205			2014	300,000				291,402
Subregional Studies Program-Bus Rapid Transit	20.205			2019/20	315,000	63,000	782		782
						63,000	782		292,184

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	Cumulative Total Expenditures
Subregional Transportation Planning	20.505	N/A	N/A	FY14	123,019				121,403
Subregional Transportation Planning	20.505	N/A	N/A	FY15	132,048				130,263
Subregional Transportation Planning	20.505	N/A	N/A	FY16	132,048				129,991
Subregional Transportation Planning	20.505	N/A	N/A	FY17	130,648	130,648	77,050		163,493
Subregional Transportation Planning	20.505	N/A	N/A	FY18	165,060	33,012	10,785		10,785
Subregional Transportation Planning	20.505	N/A	N/A	2017/18	300,000	207,907	184,419		298,247
Green Infrastructure Plan	20.505	N/A	N/A	2017/18		371,567	272,254		854,182
FTA JARC	20.516	N/A	N/A	2012	109,585				109,585
FTA JARC	20.516	N/A	N/A	2012/13	530,000				440,051
FTA JARC NJ SFY 2017	20.516	N/A	N/A	2017	350,000	200,000	137,533		340,767
NJ JARC 5 SFY 2019	20.516	N/A	N/A	2018/19	200,000		30,899		30,899
2013 FTA Section 5310	20.513	N/A	N/A	2014	180,867	97,593	50,025		177,508
2014 FTA Section 5310	20.513	N/A	N/A	2017/18	125,000		75,205		75,205
2015 FTA Section 5310	20.513	N/A	N/A	2018/19	120,000	297,593	293,662		1,174,015
Drive Sober or Get Pulled Over	20.601			2015	5,000	900		(900)	4,100
Drive Sober or Get Pulled Over	20.601			2017	5,500	440		(440)	5,060
						1,340		(1,340)	9,160
Click it or Ticket	20.602			2017	5,500	275		(275)	5,225
Click it or Ticket	20.602			2018	5,500	5,500		(275)	5,225
						5,775		(275)	5,225
Pedestrian Safety Grant	20.616			2017	15,000	13,929			
Pedestrian Safety Grant	20.616			2018/19	50,000				
						13,929			
U.S. Dept. of Energy Passed Through N.J. Dept. of Community Affairs: Weatherization Assistance Program	81.042	DE-EE0007936	100-022-8050-160	2017/18	377,779	314,098	309,932		377,779
Weatherization Assistance Program	81.042		100-022-8050-160	2018/19	361,947	86,315	124,035		124,035
						400,413	433,967		501,814
Juvenile Detention Alternative Innovations	84.411		100-066-1500-237	2016	123,633				122,414
Juvenile Detention Alternative Innovations	84.411		100-066-1500-237	2017	124,000	106,623	37,491		106,603
Juvenile Detention Alternative Innovations	84.411		100-066-1500-237	2018	124,000	37,722	50,726		50,726
						144,345	88,217		219,743

## 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	Cumulative Total Expenditures
U.S. Dept. of Health and Human Services Passed Through N.J. Dept. of Services: Prestress Geropsych Program Prestress Geropsych Program	93.005		054-7700-100-029	2017	338,210	169,105			338,210
	93.005		054-7700-100-029	2018	338,210	253,657			338,210
						422,762			
MRC Competitive Award	93.008			2013	7,000		1,376		5,516
	93.008			2015	3,500		410		
MRC Capacity Building Award	93.008			2016	15,000		350		9,685
MRC Challenge	93.008			2017	13,000				
							2,136		15,201
Aging Area Nutrition Grant	93.044		046-4275-100-061	2015	1,593,556				668,081
	93.044		046-4275-100-061	2016	1,840,529				875,876
	93.044		046-4275-100-061	2017	3,473,607	130,811	953,601		2,606,687
	93.044		046-4275-100-061	2018	3,554,209	3,479,817	1,654,252		1,634,252
	93.045		046-4275-100-228	2016	1,966,215				1,928,921
	93.045		046-4275-100-228	2017	2,239,627	102,429	571,685		1,871,916
	93.045		046-4275-100-228	2018	2,312,993	2,312,993	1,332,498		1,332,498
						3,713,057	4,492,036		10,918,231
Community Services Block Grant (PHLP)	93.069		046-4230-100-361	2016	511,586				511,569
	93.069		046-4230-100-361	2017	526,569	385,379	312,067		511,953
	93.069		046-4230-100-361	2018	526,569	114,513	166,542		166,542
					499,892	478,609			1,190,064
Human Services	93.558		046-4275-100-371	2013	350,746				315,127
	93.558		046-4275-100-371	2015	350,746				284,102
	93.558		046-4275-100-371	2017	350,746	345,712	131,699		249,423
	93.558		054-7545-100-005	2016	48,997				48,782
	93.558		100-054-7550-308	2014	404,914				273,706
	93.558		100-054-7550-308	2015	404,914				378,921
	93.558		100-054-7550-308	2016	607,371	305,002	41,597		520,626
	93.558		100-054-7550-308	2017	404,914	233,905	302,441		302,441
	93.558		100-054-7550-308	2018	404,914	884,619	475,737		2,373,128
Weatherization LIHEAP Weatherization	93.568		100-022-8050-182	2015-16	635,191			(42)	635,149
	93.568		100-022-8050-182	2017	764,202	231,319	129,219		893,421
	93.568		100-022-8050-182	2018	233,419	63,039	108,430	42	108,430
	93.568		100-022-8050-182	2017	662,752	661,750			661,750
	93.568		100-022-8050-182	2018	721,935	721,935	721,779		721,779
	93.568		100-022-8050-182	2017	1,050,488	690,818	601,340		994,083
	93.568		100-022-8050-182	2017	360,135	154,461	205,552		205,552
	93.568		100-022-8050-182	2018	360,135	2,523,322	1,766,300		4,220,144

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.L.N. Number	Passed Through Grantor's Number	Grant Period	Total Grant Award	Revenue Realized	Grant Expenditures	Adjustments/ Canceled	Cumulative Total Expenditures
Community Services Block Grant	93.569		022-8050-100-184	2015	301,386				298,968
Community Services Block Grant	93.569		022-8050-100-184	2016	319,796	238,548	189,776		319,795
Community Services Block Grant	93.569		022-8050-100-184	2017	230,881	66,944	72,148		296,723
Community Services Block Grant	93.569		022-8050-100-184	2018	301,801	305,492	261,924		72,148
									987,634
State Health Insurance Program (SHIP)	93.779	DOASI7SHF004	100-054-7530-055	2017	32,000	16,000	16,000		32,000
State Health Insurance Program (SHIP)	93.779	DOASI7SHF004	100-054-7530-055	2018	32,000	16,000	16,000		16,000
						32,000	32,000		48,000
U.S. Dept. of Homeland Security	97.008			2014	886,396				698,624
Urban Area Security Initiative (UASI) Projects - Local	97.008			2015	698,396	259,177	242,057		628,132
Urban Area Security Initiative (UASI) Projects - Local	97.008			2016	657,500	411,728	44,894		517,334
Urban Area Security Initiative (UASI) Projects - Local	97.008			2017	300,000				
Urban Area Security Initiative (UASI) Projects - Local	97.008			2018	375,000	670,905	286,951		1,844,290
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	EMN-2016-EP-00002	100-066-1200-726	2017	55,000	55,000	55,000		55,000
						55,000	55,000		55,000



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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/Cancelled	Cumulative Total Expenditures
Homeland Security Grant Program (SHSP-Local Share)	97.077	EMW-2016-SS-00052-S01		2015	365,351	119,246	84,771		365,351
Homeland Security Grant Program (SHSP-Local Share)	97.077	EMW-2017-SS-00043-S01		2016	353,237	170,618	128,828		230,537
Homeland Security Grant Program (SHSP-Local Share)	97.077			2017	345,473	42,117	102,755		102,755
						331,981	316,354		698,643
Total Federal and State Grant Fund						21,423,349	18,739,990	(1,615)	64,275,229
<b>Trust Funds</b>									
U.S. Dept. of Housing & Urban Development: Section 8 Housing Choice Voucher Program	14.871		NJ090-2FPFH-2018	2018	9,316,202	9,316,202	9,316,202		9,316,202
						9,316,202	9,316,202		9,316,202
US Department of Treasury Sheriff Federal Forfeiture Prosecutor Federal Forfeiture Total Department of Treasury	21.016 21.016			2018 2018	541 3,774	541 3,774	48,875 6,843	57,411 24,233	48,875 6,843
						4,315	55,718	81,644	55,718
US Department of Justice Sheriff Federal Forfeiture Prosecutor Federal Forfeiture Total Department of Justice	16.922 16.922			2018 2018	678,848 44,787	678,848 44,787	695,837 61,417	1,809,631 16,630	695,837 61,417
						723,635	757,254	1,826,261	757,254
Total Trust Funds						10,044,152	10,129,174	1,907,905	10,129,174
Total Federal Grant Programs						31,467,501	28,869,124	1,906,290	74,404,403

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COUNTY OF PASSAIC

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2018

Program Description	State Program / Account No.	Grant Period	Total Grant Award	Revenue Realized	Grant Expenditures	Adjustments/ Canceled	MEMO Cumulative Total Expenditures
<b>Slate Programs</b>							
Senior Citizen and Disabled Resident Transportation Assistance Program (Casino Revenue Fund)	491-078-6050-001	2016	1,885,387			*	1,761,009
Assistance Program (Casino Revenue Fund)	491-078-6050-001	2017	1,829,538	318,539	215,610	*	1,691,195
Assistance Program (Casino Revenue Fund)	491-078-6050-001	2018	1,841,561	1,522,852	1,456,254	*	1,456,254
				1,841,391	1,671,864		4,908,458
Paterson Transit Facility Pedestrian Safety Grant	15-480-078-6300-G83-7310	2015	285,000	213,750	261,178	*	261,178
				213,750	261,178		261,178
<b>Department of Health and Senior Services:</b>							
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			*	1,017,041
Social Services for the Homeless	100-054-7550-072	2017	2,614,978	1,684,508	713,038	*	2,560,864
Social Services for the Homeless	100-054-7550-072	2018	2,069,900	430,482	1,061,797	*	1,061,797
				2,114,990	4,774,835		5,671,925
Family Court Services	100-066-1500-021	2015	278,149	5,183		*	259,652
Family Court Services	100-066-1500-021	2016	278,149			*	276,376
Family Court Services	100-066-1500-021	2017	278,149	234,731	96,013	*	268,529
Family Court Services	100-066-1500-021	2018	278,149	103,578	145,394	*	317,910
				343,492	241,407		1,122,467
County Right to Know Program	100-046-4771-105	2017	15,213	11,410		*	15,213
County Right to Know Program	100-046-4771-105	2018	15,213	3,803	15,213	*	15,213
				15,213	15,213		30,426
<b>NJ Department of Community Affairs:</b>							
Universal Service Fund	100-022-8050-B15	2017	441,168		356	*	440,547
Universal Service Fund	100-022-8050-B15	2018	461,565	461,565	295,198	*	461,552
Universal Service Fund	100-022-8050-B15	2019	468,809		189,353	*	189,353
				461,565	484,907		1,091,452
<b>NJ Department of Environmental Protection:</b>							
Recycling Enhancement Act	758-042-4960-2001	2012	385,000		1,515	*	385,000
Recycling Enhancement Act	758-042-4960-2001	2013	423,500		270,941	*	421,812
Recycling Enhancement Act	758-042-4960-2001	2015	381,900		323,701	*	324,326
Recycling Enhancement Act	758-042-4960-2001	2017	508,786		249,303	*	508,786
					845,460		1,639,924

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For the Year Ended December 31, 2018

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	100-042-4820-4C8C	2017	2,000	2,000			2,000
	100-042-4820-4C8C	2018	2,000	2,000			2,000
C.E.H.A. - 2018 C.E.H.A. - 2019	495-042-4835-009	2018	173,030	131,170	173,030		173,030
	100-042-4801-463	2019	174,980	131,170	6,000		6,000
					179,030		179,030
Mosquito ID & Control Effects	100-054-7550-072	2016	27,325				26,920
							26,920
Clean Communities Clean Communities Clean Communities Clean Communities	765-042-4900-005	2015	82,859				82,453
	765-042-4900-005	2016	94,415		18,478		94,415
	765-042-4900-005	2017	80,299		40,707		40,707
	765-042-4900-005	2018	76,918	76,918			
				76,918	59,185		217,575
Green Acres 2006 Green Acres 2011 Green Acres 2012 Green Acres 2017 - Garret Mountain Improvements Weasel Brook Park Improvements, Phase II	1600-02-014	2017	750,000		18,450		205,950
	1600-02-014	2017	1,125,000				
	1600-02-014	2017	750,000				90,000
	N/A	2017	1,375,000				
	N/A	2017	600,000		18,450		295,950
Dey Mansion Garden Restoration Project	N/A	2018	100,000		100,000		100,000
					100,000		100,000
New Jersey Highlands Council Transfer of Development Rights Feasibility Grant Plan Conformance	100-082-2078-033	2015	50,000				34,991
	100-082-2078-033	2009-16	70,000				34,991
Other State Agencies: Municipal Alliance Municipal Alliance Municipal Alliance	100-082-C01-044	2016	512,024	336,956	32,111		470,842
	100-082-C01-044	2017	512,024	83,909	430,950		475,525
	100-082-C01-044	2018	512,024	420,865	54,405		54,405
					517,466		1,000,772
Body Armor Replacement Fund P.C.P.O. Body Armor Replacement Fund P.C.P.O. Body Armor Replacement Fund P.C.P.O. Body Armor Replacement Fund P.C.S.D. Body Armor Replacement Fund P.C.S.D. Body Armor Replacement Fund P.C.S.D. Body Armor Replacement Fund P.C.S.D. Body Armor Replacement Fund P.C.S.D. Body Armor Replacement Fund P.C.S.D.	718-066-1020-001	2015	7,151				7,142
	718-066-1020-001	2016	6,595		3,224		5,938
	718-066-1020-001	2017	6,606				
	718-066-1020-001	2013	61,921				61,631
	718-066-1020-001	2014	45,038				44,818
	718-066-1020-001	2015	44,955				44,630
	718-066-1020-001	2016	43,807				43,253
	718-066-1020-001	2017	44,690		44,101		44,101
					47,325		251,513

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Program Description	State Program / Account No.	Grant Period	Total Grant Award	Revenue Realized	Grant Expenditures	Adjustments/ Canceled	MEMO Cumulative Total Expenditures
U Drive U Text U Pay	DD-18-45-01-04	2018	40,000	39,738			
Comprehensive Alcoholism & Drug Abuse Grant	100-046-4219-024	2016	737,782	141,869			691,690
Comprehensive Alcoholism & Drug Abuse Grant	100-046-4219-024	2017	746,406	741,003	359,247		741,002
Comprehensive Alcoholism & Drug Abuse Grant	100-046-4219-024	2018	756,147	116,739	594,987		594,987
				999,611	954,234		2,027,679
Work First NJ - TANF	7550-150-158010-64	FY16/17	3,853,467	2,338	25,024		3,359,902
Work First NJ - TANF	7550-150-158010-64	FY17/18	4,093,976	2,781,901	2,326,128		3,520,652
Work First NJ - TANF	7550-150-158010-64	FY18/19	4,758,174	993,793	1,234,179		1,234,179
Work First NJ - GA/SNAP	7550-150-158010-65	FY16/17	1,832,660	1,410	(72,189)		1,747,010
Work First NJ - GA/SNAP	7550-150-158010-65	FY17/18	818,371	591,353	409,702		817,193
Work First NJ - GA/SNAP	7550-150-158010-65	FY18/19	2,302,439	621,943	767,230		767,230
Work First NJ - SNAP	7550-150-158010-66	2017	828,640	581,118	525,555		797,718
Work First NJ - Smart Steps	7550-150-158010-66	FY17/18	8,025	8,025	8,025		8,025
Work First NJ - Smart Steps	7550-150-158010-66	FY18/19	4,815				
Work First - ABABD	7550-150-158010-67	1997	89,402	5,581,881	5,223,654		12,251,909
Child Behavioral Health Services	100-016-1620-014	2016	158,456				143,726
Child Behavioral Health Services	100-016-1620-014	2017	158,456				132,622
Child Behavioral Health Services	100-016-1620-014	2018	48,970	48,970	48,970		48,970
				48,970	48,970		325,318
Child Advocacy Center Competitive Grant	17-100-016-1610-131	2017	83,390		17,022		83,172
Child Advocacy Center Upgrades	17-100-016-1610-131	2017	132,591		94,870		131,859
					111,892		215,011
Substance Use Navigator	162-007	2017	150,000	150,000	43,525		
Substance Use Navigator	162-007	2018	200,000	99,996	78,767		
				249,996	122,292		
Insurance Fraud Reimbursement Program	100-1020-066-102	2017	250,000	131,230			250,000
Insurance Fraud Reimbursement Program	100-1020-066-102	2018	250,000	216,788	250,000		250,000
				348,018	250,000		500,000
L.E.O.T.E.F.	1020-100-066-1020-314-TCJS-6120	2012	58,170		6,412		58,170
L.E.O.T.E.F.	1020-100-066-1020-314-TCJS-6120	2013	14,133		14,133		14,133
L.E.O.T.E.F.	1020-100-066-1020-314-TCJS-6120	2014	43,795		11,476		11,476
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				
L.E.O.T.E.F.	1020-100-066-1020-314-TCJS-6120	2017	36,396	36,396			
				36,396	32,021		83,779

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Program Description	State Program / Account No.	Grant Period 2018	Total Grant Award	Revenue Realized	Grant Expenditures	Adjustments/ Canceled	MEMO Cumulative Total Expenditures
NJEDA Innovation Planning Challenge Grant	N/A		100,000				
NJHT Monument Restoration Grant	N/A	2018	27,000	10,800	27,000		27,000
Lambert Castle Preservation Grant	N/A	19/20	50,000	10,800	27,000		27,000
NJ Historic Commission HC-PRO-2019-035	N/A	18/19	10,500	10,500			
Humanities Action Grant	N/A	18/19	19,000	17,300			
Medical Assisted Treatment	7025-100-026-7025-318-GPAO-6110	2018	200,000	200,000	17,525		17,525
Department of Transportation							
Warwick Turnpike	N/A	2016	640,000			*	640,000
County Aid - Road Resurfacing	N/A	2016	54,908			*	3,055,118
County Aid - Road Resurfacing	480-078-6320-AMN-8010	2017	3,649,000		1,600,382		1,931,672
County Aid - Road Resurfacing	N/A	2018	7,747,724	5,174,854	1,931,672	*	1,000,000
Fairfield Road Bridge	N/A	2016	1,000,000			*	
Fairlawn Ave Bridge	N/A	2016	13,300,000	356,626		*	
Spruce Street Bridge	480-078-6320-ALN-6010	2015	3,200,000			*	
Morris Canal Greenway Browertown Road	N/A	2016	741,000			*	
Peckman River Crossing Project	N/A	2017	700,000			*	
Spruce Street Gateway	N/A	2018	1,200,000				
2011 LBFN - Scour Countermeasures	480-078-6320-AKW-6020	2018	550,000				
Kingsland Avenue Bridge	N/A	2018	2,245,960	5,531,480	3,532,054	*	6,626,790
Total Federal and State Grant Fund			18,696,044	18,696,044	16,535,962	*	38,909,592

COUNTY OF PASSAIC

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2018

Program Description	State Program / Account No.	Grant Period	Total Grant Award	Revenue Realized	Grant Expenditures	Adjustments/ Canceled	MEMO	
							Total Expenditures	Cumulative Total Expenditures
<b>General Capital Fund:</b>								
State Department of Transportation:								
2006 Various Road Improvements	6320-480-078-6320-496	09-05	5,024,000			3,634,975 *	5,024,000	
Moorestown Road	6320-480-078-6320-496	10-08	200,000			17,608 *		
Black Oak Ridge Road/Jackson Avenue Signal Replacement	6320-480-078-6320-496	10-08	320,000			294,856 *	320,000	
Fairlawn Avenue Bridge	6320-480-078-6320-496	10-08	600,000				600,000	
Two Bridges Road/West Belt	6320-480-078-6320-496	10-08	1,686,900			115,833 *		
West Brook Road/Wanaque Reservoir, PC 491	6320-480-078-6320-496	10-08	300,000	3,400	754,255		234,071	
Eighth Street Bridge Rehabilitation	6320-480-078-6320-496	10-08	2,019,230				2,015,850	
Bridge Replacement, Retab, Repairs	6320-480-078-6320-496	11-03	1,000,000				2,625	
Resurfacing Various Roads	6320-480-078-6320-496	12-03	9,557,420			6,314,420 *	9,557,420	
West Brook Road/Wanaque Reservoir, PC 491	6320-480-078-6320-496	12-07	9,700,000		2,558,207	7,996,077 *	5,638,149	
Two Bridges Road/West Belt	6320-480-078-6320-496	12-07	3,800,000			7,751 *	3,800,000	
Clinton Road Bridge	6320-480-078-6320-496	12-07	1,000,000			75,615 *	924,385	
Various Road Improvements	6320-480-078-6320-496	14-08	7,100,000			(3,042,509) *	4,890,419	
Various Road Improvements	6320-480-078-6320-496	15-07	35,184,000		6,063,116		7,259,314	
Haledon Avenue(Green Street) Improvements	6320-480-078-6320-496	15-07	329,365		268,088	15,997 *	306,423	
Resurfacing Various Roads	6320-480-078-6320-496	15-07	4,110,800		45,467			
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					
Green Acres/Open Space:								
Parks & Recreation Improvements	6320-480-078-6320-496	13-07	250,000		37,171	250,000 *	250,000	
Parks & Recreation Improvements	6320-480-078-6320-496	13-07	650,000			90,100 *	650,000	
<b>Total General Capital Fund</b>				3,400	9,689,133	15,430,623 *	44,404,153	
<b>Total State Programs</b>				18,699,444	26,225,095	15,430,623 *	83,313,745	
<b>Local Programs:</b>								
<b>Federal and State Grant Fund</b>								
County Aid								
Passaic County Film Festival - 2018	N/A	2018	2,200	2,200	2,200			2,200
Passaic County Film Festival - 2019	N/A	2019	2,400					
Passaic County Summer Concert Series 2017	N/A	2017	1,800	900				1,300
Passaic County Summer Concert Series 2018	N/A	2018	1,700	1,700	1,700			1,700
Passaic County Youth Golf Program	N/A	2014-15	111,000	11,000	5,249			53,537
Local Safety Program - Center Rumble Strips	N/A	2016	889,172	666,618	25,525			617,729
Local Safety Program - High Friction Surface Treatment	N/A	2016	5,461,715	1,846,214				2,064,005
Local Safety Program - Allwood Rd/Clifton Ave	N/A	2018	2,663,400					
Local Safety Program - Market Street	N/A	2018	3,560,400					
<b>Total Federal and State Grant Fund</b>				2,528,632	34,674			2,740,471

COUNTY OF PASSAIC

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2018

Program Description	State Program / Account No.	Grant Period	Total Grant Award	Revenue Realized	Grant Expenditures	Adjustments/ Canceled	MEMO
							Cumulative Total Expenditures
<u>General Capital Fund</u>							
Passaic County Open Space Trust	N/A	12-06	165,000		101,356		165,000
Golf Course Improvements	N/A	14-08	2,425,708		7,714		2,350,837
Various Park Improvements	N/A	14-08	2,000,000		798,460		1,485,465
Various Facility Improvements	N/A	15-07	87,000		87,000		87,000
Dey Mansion Rehabilitation and Rea House	N/A	15-07	350,000		44,146		349,765
Weasel Brook Park Improvements							
Borough of Wanaque - Amending Ordinance 2009-05	N/A	13-04	3,522,738		1,844,932		3,522,738
County Aid - Road Resurfacing	N/A	16-04	4,110,800		201,655		3,839,256
Total General Capital Fund					3,085,263		11,800,061
Total Local Programs				2,528,632	3,119,937		14,540,532
Total State and Local Programs				21,228,076	29,345,032	15,430,623	97,854,277



**COUNTY OF PASSAIC  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**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	\$18,739,950	\$16,535,962	\$34,674	\$35,310,586
Trust Funds	10,129,174			10,129,174
General Capital Fund	<u>9,689,133</u>	<u>3,085,263</u>	<u>12,774,396</u>	<u>12,774,396</u>
	<u>\$28,869,124</u>	<u>\$26,225,095</u>	<u>\$3,119,937</u>	<u>\$58,214,156</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, 2018, 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>\$143,559</u>

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

*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: \$ 866,074

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes  X  no

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

Internal Control over compliance:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance \_\_\_\_\_ yes  X  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871 (A)	Section 8 Housing Choice Vouchers
17.258, 17.259, 17.278 (A)	WIA Cluster - Workforce Learning Adult, Youth Dislocated Worker
16.582 (B)	Victim Witness Advocacy
20.513, 20.516 (B)	Transit Services Program Cluster - FTA, JARC, FTA Section 5310

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, 2018**  
**(continued)**

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

**State Awards Section**

Dollar threshold used to determine type A programs: \$ 786,753

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
758-042-4960-2001 (A)	Recycling Enhancement Act
100-082-C01-044 (B)	Municipal Alliance
100-022-8050-B13 (B)	Universal Service Fund

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, 2018**  
**(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, 2018**  
**(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, 2018**

**GENERAL COMMENTS**

**Contracts and Agreements**

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

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

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

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

**COUNTY OF PASSAIC  
GENERAL COMMENTS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(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:

Groceries & canned goods for County Depts. & through County Co-op	New 4WD Articulated Wheel Loader for Roads Dept.
Supply crockery, culinary, kitchen supplies & equipment to County Depts. & some through County Co-op; SB-18-005	Weasel Brook Park Site Remediation Project.
Zuccaro, Inc. for the Paterson Transit Facility Pedestrian Safety Project	Fire Alarm & Carbon Monoxide Maint. & Inspection Services for Preakness Healthcare Center
Security Equipment	Traffic Signal at N. 8th Street & Planten Avenue Project in Prospect Park
Highlands Preserve Timber Pedestrian Truss Bridge in W. Milford	New generator for the County Parks Dept. Fuel Depot & Maint. Building
Weasel Book Park Improvements-Phase II	Network switches for Preakness Healthcare Center
Election voting authority books	Purchase of 2 2019 Chevy Colorado Hot Shot Delivery Vehicles for Senior Services
Hardware supplies for County Depts. & Institutions	Auto body shop materials for Sheriff's Dept.; \$15,198.00
Goffle Brook Park Athletic Field Improvement Project	Repairs of Lakeside Ave. Bridge Over Pompton Lake & Rehab of Lakeside Ave Culvert Over Acid Brook Project
Replacement of Grove Street Culvert over the Weasel Brook Structure #1600-068 in Clifton	Fertilizer chemical materials for the County Golf Course
Air-cooled chillers & service/repair of HVAC	Passaic County Road Materials, District #1
County Weatherization Program-Boiler Replacement	Snow Plowing for County Roads, District #2
2018 Roadway Resurfacing Program	Medical & dental supplies
John W. Rea House Rehabilitation & Restoration Project	Snow Plowing for County Roads, District #1
Electrical supplies	Bulk purchase of natural gas as a commodity
Yamaha Drive Golf Carts for County Golf Course	Bulk purchase of electricity as a commodity
Outdoor dining furniture for County Preakness Golf Course	Winter Products, Line Item #1-Rock Salt
Supply milk, dairy products & prepared salads	Purchase of durable medical equipment, physical therapy equipment, parts & supplies
Replacement of Marshall Hill Road Culvert over Tributary to Belchers Creek	Roof Replacement at the Passaic County Courthouse Project
Flooring & Accessories for County Preakness Center	Medical & dental supplies
Oliver trays & polyester film for Meals-on-Wheels	Janitorial supplies
Rental uniforms for various County Dept.'s	Foam recycling system equipped w/various accessories



**COUNTY OF PASSAIC  
GENERAL COMMENTS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(continued)**

Designated asbestos abatement  
018 Dodge Durango for the Sheriff's Dept.  
Weatherization Program-Residential Windows/Doors  
Repairs & Installation w/Other Energy Conservation  
Measures  
Various Lavatory/Shower Parts for the Sheriff's Dept.  
Repair & Roof Replacement Project - Passaic County  
Courthouse  
Restoration & Rehabilitation of the John W. Rea House  
in Hawthorne  
Repairs of Lakeside Ave. Bridge Structure &  
Rehabilitation of Lakeside Ave. Culvert Structure  
Dey Mansion Site Improvements Project  
White & dry goods  
Scour Countermeasures at Various Passaic County  
Bridges Project  
GPS monitoring bracelets for Sheriff's Dept.  
Fertilizer chemical materials  
Purchase of solar charged battery operated security  
cameras

Hand car wash services for the Sheriff's Dept. Vehicles  
Installation of a New Generator for County Parks Dept.  
Fuel Depot & Maint. Building  
Road Materials District #2  
Meat products & provisions for CY19  
Television advertising by the Sheriff's Dept.  
Rehab of Little Pond Spillway Project  
Motor pumps, inspection-overhaul, rewind & repair &  
qualify  
Steel bid work shop for Sheriff's Dept.  
Garret Mt. Deer Fence Project  
Replacement of Terrace Ave. Culvert #1600-421 over  
Tributary to Molly Ann Brook Project  
Roof Repairs of the Board of Social Services Building  
Project  
Purchase of an Ambulance Type III Cut-a-Way Modular  
  
Purchase of an Ambulance Transit Van High Roof 2018  
or newer

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

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

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**COUNTY OF PASSAIC  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2018**

**COMMENTS**

**Expenditures: Quotes**

1. Quotes were not received for the purchase of 2018 Veteran Flags from East Coast Flag & Banner Co.

**RECOMMENDATIONS**

**Expenditures: Quotes**

1. Quotes should be received for all applicable purchases.

**COUNTY OF PASSAIC  
STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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. Wielkotz*

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

*Ferraioli, Wielkotz, Cerullo & Cura, P.A.*

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

April 1, 2019