

COUNTY OF SALEM,
STATE OF NEW JERSEY
FINANCIAL STATEMENTS AND
SUPPLEMENTAL DATA
DECEMBER 31, 2016

**COUNTY OF SALEM
STATE OF NEW JERSEY**

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STATE OF NEW JERSEY**

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STATE OF NEW JERSEY**

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INTRODUCTORY SECTION

**COUNTY OF SALEM, STATE OF NEW JERSEY
OFFICIALS IN OFFICE
DECEMBER 31, 2016**

Board of Chosen Freeholders

	<u>Term</u>	<u>Surety Bond</u>
Julie A. Acton	2016 Freeholder Director (to December 10, 2016)	
Ben H. Laury	2018 Freeholder Deputy Director	
Dale A. Cross	2017 Freeholder	
Melissa DeCastro	2018 Freeholder	
Douglass H. Painter	2017 Freeholder	
Robert J. Vanderslice	2017 Freeholder	
Lee R. Ware	2016 Freeholder	
Curtis Harker	Clerk of the Board of Freeholders	

Officials

Michael M. Mulligan, Esq.	County Counsel	
Katie B. Coleman, CFO, Treasurer	County Treasurer/ Business Administrator	\$ 568,000
Stacy Pennington	Director of Operations, Payroll & Human Resources	

County Auditor

Nightlinger, Colavita & Volpa, PA, Certified Public Accountants
Williamstown, New Jersey

Bond Counsel

Archer & Grenier, P.C.
Red Bank, New Jersey

Gilda T. Gill	County Clerk	\$ 50,000
Paul L. Reed	Deputy County Clerk	50,000
Charles M. Miller	Sheriff	50,000
Warren K. Mabey	Undersheriff	50,000
John Cuzzupe	Undersheriff	50,000
Nicki Burke	Deputy Surrogate	35,000

NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association
Certified Public Accountants*

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June 9, 2017

INDEPENDENT AUDITOR'S REPORT

The Honorable Freeholder Director and
Members of the Board of Chosen
Freeholders of the County of Salem,
State of New Jersey

Mesdames and Gentlemen:

Report on the Financial Statements

We have audited the accompanying financial statements – regulatory basis of the County of Salem, State of New Jersey (the "County"), as of and for the year ended December 31, 2016, and the related notes to 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 financial reporting provisions of 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

Auditor's Responsibility (Continued)

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 opinion.

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the U.S.

As described in Note A, these financial statements are prepared on the basis of the financial reporting provisions of 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 comply with the requirements of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Accounting Principles Generally Accepted in the U.S.

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Accounting Principles Generally Accepted in the U.S." 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 the County of Salem, State of New Jersey, as of December 31, 2016, or the changes in financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective fund balance of various funds of the County as of December 31, 2016, and the respective changes in fund balance thereof for the year then ended, in accordance with the financial reporting provisions set forth by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Report on Supplementary and Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplemental schedules as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, are presented for purposes of additional analysis are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. These schedules have 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 addition procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole, on the basis of accounting described in Note A.

The accompanying schedule of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and New Jersey Circular 15-08 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introduction section, general comments, schedule of current year findings and recommendations, summary schedule of prior year findings and statistical section as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 9, 2017, on our consideration of the County of Salem's, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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. The report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County of Salem's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.

A handwritten signature in black ink, appearing to read 'Raymond Colavita', written over a horizontal line.

Raymond Colavita, C.P.A.
Registered Municipal Accountant

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June 9, 2017

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Freeholder Director and
Members of the Board of Chosen
Freeholders of the County of Salem,
State of New Jersey

Mesdames and Gentlemen:

We have audited, in accordance with the 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 as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed Division of Local Government Services, Department of Community Affairs, State of New Jersey of the County of Salem, State of New Jersey, as of and for the year ended December 31, 2016, and the related notes to financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 9, 2017, in which we expressed an adverse opinion on the conformity of the financial statements with accounting principles generally accepted in the United States of America due to differences between those principles and accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a control deficiency, or combination of control 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 over financial reporting 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 financial reporting that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Recommendations section of the audit, labeled 2016-1.

County's Response to Finding

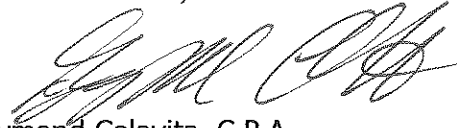
The County's response to the findings identified in our audit is described in the accompanying Schedule of Current Year Findings and Recommendations. The County's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.

A handwritten signature in black ink, appearing to read 'Raymond Colavita', is written over the printed name.

Raymond Colavita, C.P.A.
Registered Municipal Accountant

BASIC FINANCIAL STATEMENTS

EXHIBIT A
(1)

COUNTY OF SALEM
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE
STATUTORY BASIS
DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

Assets	Ref.	2016	2015
Current Fund			
Cash	A-4	\$ 4,861,527	\$ 6,751,749
		<u>4,861,527</u>	<u>6,751,749</u>
Receivables with Full Reserves:			
Taxes Receivable	A-5	42,938	83,952
Revenue Accounts Receivable	A-8	1,591,950	251,872
Due from Grant Fund	A-9	125,565	956,060
Due from Trust Fund	A-9	2	130,787
Mortgages Receivable	A-10	435,714	538,013
Refund Receivable	A-4		18,551
Total Receivables with Full Reserves		<u>2,196,169</u>	<u>1,979,235</u>
Deferred Charges:			
Special Emergency Authorization	A-6		68,674
Overexpenditure of Appropriations	A-7		716,581
Overexpenditure of Appropriation Reserves	A-7	402,438	107,925
Total Deferred Charges		<u>402,438</u>	<u>893,180</u>
Total Current Fund		<u>7,460,134</u>	<u>9,624,164</u>
<u>Federal and State Grant Fund</u>			
Grants Receivable	A-14	28,083,949	27,825,912
Total Federal and State Grant Fund		<u>28,083,949</u>	<u>27,825,912</u>
		<u>\$ 35,544,083</u>	<u>\$ 37,450,076</u>

See Notes to Financial Statements

**EXHIBIT A
(2)**

**COUNTY OF SALEM
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE
STATUTORY BASIS
DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR 2015)**

Liabilities, Reserves and Fund Balance	Ref.	2016	2015
Current Fund			
Appropriation Reserves	A-3	\$ 1,640,304	\$ 811,121
Reserve for Encumbrances	A-3	867,009	1,201,887
Due Open Space Trust	A-9		24,920
Due to Capital Fund	A-9		4,713
Accounts Payable	A-11	10,928	5,588
Reserve for Special Emergency - Hurricane S	A-13		33,160
Reserve for Reconstruction of Various County	A-13	128,803	128,803
Transportation OOA Program	A-13	4,468	3,748
Reserve for Payment of Debt - 2011 Storms	A-13		354,529
Reserve for Payment of Debt	A-13	72,738	96,903
Reserve for Repair and Reconstruction of Roads			
Bridges and Railroads	A-13	246,557	246,557
Reserve for JACC/CAP	A-13		7,220
		2,970,807	2,919,149
Reserve for Receivables		2,196,169	1,979,235
Fund Balance	A-1	2,293,158	4,725,780
Total Current Fund		7,460,134	9,624,164
<u>Federal and State Grant Fund</u>			
Due to Current Fund	A-9	125,565	956,060
Due to Capital Fund	A-15	3,037,923	
Reserve for Encumbrances	A-15	3,782,191	4,640,491
Reserve for Appropriated Grants	A-15	21,138,270	22,081,215
Reserve for Unappropriated Grants	A-16		148,146
Total Federal and State Grant Fund		28,083,949	27,825,912
		\$ 35,544,083	\$ 37,450,076

See Notes to Financial Statements

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

	Ref.	2016	2015
Revenue and Other Income Realized			
Fund Balance Utilized	A-1	\$ 3,365,558	\$ 4,415,186
Miscellaneous Revenue Anticipated	A-2	30,748,086	32,002,420
Receipts from Current Taxes	A-5	52,933,660	51,448,093
Non-Budget Revenues	A-2	360,267	2,466,366
Other Credits to Income:			
Cancellation of Grants	A-9	193,090	125,509
Interfunds Returned	A-9	961,280	
Mortgage Receivable	A-10	102,299	
Unexpended Balance of Appropriation Reserves	A-12	387,033	321,817
Refunds Receivable	A-4	18,551	19,301
Total Income		89,069,824	90,798,692
Expenditures:			
Budget Appropriations:			
Operations:			
Salaries and Wages	A-3	30,039,397	29,632,513
Other Expenses	A-3	44,757,226	46,151,322
Capital Improvements	A-3	200,000	
Debt Service	A-3	5,297,067	5,078,823
Deferred Charges and Statutory Expenditures	A-3	7,828,437	6,752,132
Judgments	A-3	14,761	119,422
Overexpenditure of Appropriation Reserves	A-7	402,438	107,925
Interfunds Advanced			1,011,269
Refund Receivable			18,551
Mortgage Receivable Transferred			538,013
Prior Year Receivable Adjustment			1,257
Total Expenditures		88,539,326	89,411,227
Excess in Revenues		530,498	1,387,465
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute Deferred			
Charges to the Budget of the Succeeding Years:			
Overexpenditure of Budget Appropriations			716,581
Overexpenditure of Appropriation Reserves	A-7	402,438	107,925
Statutory Excess to Fund Balance		932,936	2,211,971
Fund Balance - January 1	A	4,725,780	6,928,995
		5,658,716	9,140,966
Decreased by:			
Utilized as Anticipated Revenue	A-1	3,365,558	4,415,186
Fund Balance - December 31	A	\$ 2,293,158	\$ 4,725,780

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2016

Ref	Anticipated		Budget after Modification	Realized	Excess (Deficit)
	Adopted Budget	Special N.J.S. 40A: 4-87			
A-1	\$ 3,365,558	\$ -	\$ 3,365,558	\$ 3,365,558	\$ -
Fund Balance Anticipated					
Miscellaneous Revenues:					
County Clerk	453,000		453,000	453,000	
Surrogate	119,000		119,000	72,839	(46,161)
Sheriff	52,000		52,000	59,255	7,255
Office on Aging Fees	172,500		172,500	176,517	4,017
Interest on Investments and Deposits	25,002		25,002	14,037	(10,965)
Constitutional Officers Salary Reimbursement	96,200		96,200	96,200	
Refunds - Public Health Department	44,000		44,000	34,709	(9,291)
Planning Board - Development Review Fees	4,800		4,800	44,141	39,341
Due from Lower Alloways Creek Township	2,195,000		2,195,000	2,195,000	
One Stop Administrative/Rent	50,000		50,000	48,126	(1,874)
Bail Forfeiture	199,500		199,500	17,525	(181,975)
County Dispatch Service:					
Elmer Borough	10,700		10,700	10,700	
Woodstown Borough	32,000		32,000	32,000	
City of Salem	129,010		129,010	129,010	
LAC Township	39,795		39,795	39,795	
Pennsville	146,446		146,446	146,446	
Carneys Point	105,771		105,771	105,771	
Home Detention	44,000		44,000	22,950	(21,050)
Jail Miscellaneous	162,000		162,000	159,047	(2,953)
Indirect Costs	15,000		15,000	15,000	
Inmate Health/Reimbursement to Salem County	7,700		7,700	6,042	(1,658)
Jail Telephone	132,000		132,000	123,465	(8,535)
Unification Reimbursement	146,000		146,000	122,622	(23,378)
Fire School	15,000		15,000	58,250	43,250
Revolving Loan Fund	10,500		10,500	7,401	(3,099)
Meals on Wheels Rent	10,200		10,200	10,200	
State Prisoners	16,500		16,500	11,180	(5,320)
Pollution Control - Treasurer	50,000		50,000	50,000	
Prior Year Expenses	150,000		150,000	171,881	21,881
Lease for Farmland	6,495		6,495	6,596	101
Settlement	57,000		57,000	57,000	
State Aid:					
State Aid - County College Bonds (NJSA 18A:64A-22.6)208751	627,744		627,744	408,244	(219,500)
Public Health Priority Funding - 1977	55,500		55,500	62,861	7,361
Debt Service - State Aid (Type I) - Special Services School District	256,170		256,170	292,654	36,484

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2016

	Ref	Anticipated		Budget after Modification	Realized	Excess (Deficit)
		Adopted Budget	Special N.J.S. 40A: 4-87			
State Assumption of Costs of County Social & Welfare Service & Psychiatric Facilities						
Social and Welfare Service (c.66,P.L. 1990):						
Division of Youth and Family Services	A-8	\$ 1,091,632		\$ 1,091,632	\$ -	\$ (1,091,632)
Supplemental Social Security Income	A-8	180,116		180,116	145,495	(34,621)
Psychiatric Facilities (C.73,P.L. 1990):						
Maintenance of Patients in State Institution for Mental Diseases	A-8	1,401,314		1,401,314	1,401,314	
Maintenance of Patients in State Institutions for Mentally Retarded	A-8	2,575,640		2,575,640	2,575,640	
Board of County Patients in State and Other Institutions	A-8	26,000		26,000	24,261	(1,739)
Special Items of General Revenue Anticipated with Prior Written Consent of Director of						
Local Government Services - Public and Private Revenues Offset with Appropriations						
Salem County Area Plan Grant	A-14	836,952	147,476	984,428	984,428	
Alcoholic Treatment Program	A-14	233,074		233,074	233,074	
Municipal Alliance to Prevent Alcoholism and Drug Abuse	A-14		137,801	137,801	137,801	
Senior Citizen and Disabled Resident Transportation Program	A-14	351,472	186,102	537,574	537,574	
Senior Citizen and Disabled Resident Transportation Program	A-16		9,864	9,864	9,864	
PASP - Personal Assistance Services	A-14		11,114	11,114	11,114	
Prosecutor Insurance Fraud Reimbursement	A-14	226,551		226,551	226,551	
Victims of Crime Act Grant Program (VOCA)	A-14		12,433	12,433	12,433	
Juvenile Justice Commission State/Community Partnership	A-14		200,966	200,966	200,966	
Juvenile Justice Commission Family Court Services	A-14		100,261	100,261	100,261	
Local Arts Program	A-14	46,843		46,843	46,843	
Jesses Bridge	A-14	1,000,000		1,000,000	1,000,000	
Workforce Investment Board - Dislocated Worker	A-14		98,084	98,084	98,084	
Workforce Investment Board - Adult	A-14		135,893	135,893	135,893	
Workforce Investment Board - Youth	A-14		168,196	168,196	168,196	
County Environmental Health Act (CEHA)	A-14	134,182	138,189	272,371	272,371	
MIPPA Outreach & Enrollment	A-14	40,000		40,000	40,000	
Sandy	A-14	7,500		7,500	7,500	
Body Armor Replacement - Prosecutor	A-14		2,184	2,184	2,184	
Body Armor Replacement - Sheriff	A-14		17,903	17,903	17,903	
Work First New Jersey TANF	A-14		362,384	362,384	362,384	
Work First New Jersey Worker Verification	A-14		9,556	9,556	9,556	
Work First New Jersey TANF Case Management	A-14		52,269	52,269	52,269	
Work First New Jersey GAINSNAP	A-14		118,363	118,363	118,363	

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2016

	Ref	Adopted Budget	Anticipated Special N.J.S. 40A: 4-87	Budget after Modification	Realized	Excess (Deficit)
	A-14	\$	17,633	\$	17,633	\$
Work First New Jersey - GA/FS Case Management	A-14	-	1,414.00	1,414	1,414	-
Work First New Jersey - CAPV & EEI & Food Stamps	A-14	3,882		3,882	3,882	
Justice Assistance Grant - Megan's Law	A-14		46,400	46,400	46,400	
Subregional Transportation Planning Program	A-16		32,639	32,639	32,639	
Subregional Transportation Planning Program	A-14	392,245		392,245	392,245	
Eimer Shirley Road	A-14		388,942	388,942	388,942	
Title IV-D	A-14		257,797	257,797	257,797	
Public Health Preparedness & Response for Bioterrorism	A-14	20,000		20,000	20,000	
Health and Wellness Foundation Rec Park	A-14		22,000	22,000	22,000	
Health and Wellness	A-14		15,000	15,000	15,000	
Health and Wellness	A-14	59,346		59,346	59,346	
Victims of Crime (SART/SANE)	A-14		27,000	27,000	27,000	
State Health Insurance Assistance Program (SHIP)	A-14		2,365,000	2,365,000	2,365,000	
NJ Dept of Transportation - County Aid - ATP	A-14		36,125	36,125	36,125	
2015 Federal Aid Program	A-14		500	500	500	
NJ Dept. of Health - Seniors Farmers Market Nutrition	A-14	107,783		107,783	107,783	
Multijurisdictional Task Force	A-14		154,971	154,971	154,971	
Special Child Health and Early Intervention	A-14		40,914	40,914	40,914	
State Homeland Security Program (SHSP)	A-14		142,558	142,558	142,558	
Crop Insurance Education	A-14		164,233	164,233	164,233	
SCAAP	A-14		3,184	3,184	3,184	
NJ Dept of Emergency Management - RERP	A-14		148,636	148,636	148,636	
NJ Dept of Health - Right to Know	A-14		8,786	8,786	8,786	
Design Mill and Overlay	A-14		100,004	100,004	100,004	
Tiger III	A-14		1,420,000	1,420,000	1,420,000	
Small Cites - ARC Parking Lot	A-14		300,000	300,000	300,000	
HMEP Planning & Training	A-14		16,700	16,700	16,700	
OOA Contract Adjustments	A-16		5,070	5,070	5,070	
Surface Water Quality Monitoring	A-14		20,000	20,000	20,000	
One Stop / WIA	A-14		488,529	488,529	488,529	
Mosquito Identification and Control Activities	A-14		29,000	29,000	29,000	
EMAA/EMPG	A-14		55,000	55,000	55,000	
Emergency Management Agency Assist. (EMAA)	A-16		50,000	50,000	50,000	
Emergency Management Performance Grant (EMPG)	A-16		23,000	23,000	23,000	
Farmland Preservation Program	A-16		27,573	27,573	27,573	
Veterans Transportation	A-14		13,000	13,000	13,000	
Project Lifesaver	A-14		25,000	25,000	25,000	
SC Ag Development Board	A-14		45,000	45,000	45,000	

**COUNTY OF SALEM
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2016**

	Ref	Anticipated		Special N.J.S. 40A: 4-87	Budget after Modification	Realized	Excess (Deficit)
		Adopted Budget					
Special Items of General Revenue Anticipated with Prior Written Consent of Director of							
Local Government Services - Other Special Items							
Added and Omitted Taxes	A-8	\$	378,000	\$	378,000	\$ 206,995	\$ (171,005)
Salem County Area Office of Aging	A-8		58,000		58,000	58,000	
Salem County Community Bus Service - NJ Transit Contract	A-8		1,328,500		1,328,500	1,279,343	(49,157)
County Welfare Office - Social Services	A-8		127,000		127,000		(127,000)
Rent - Agriculture Building	A-8		92,925		92,925	92,925	
Board of Male Inmates in County Jail	A-8		6,995,000		6,995,000	5,879,217	(1,115,783)
Board of Federal Inmates in County Jail	A-8		585,000		585,000	927,425	342,425
Gloucester County Alternative Youth Shelter Beds	A-8		70,051		70,051	70,051	
NEXTEL-Communication Tower	A-8		18,000		18,000	18,000	
County Clerk Additional Fees	A-8		32,000		32,000	72,315	40,315
Sheriff Additional Fees	A-8		35,500		35,500	59,659	24,159
Board of Elections	A-8		6,900		6,900		(6,900)
Title IV-D	A-8		294,000		294,000	147,383	(146,617)
Lapsed Grant Funds	A-8		1,907		1,907	1,907	
BOSS Reimbursements and Administrative Fees	A-9		165,506		165,506	151,307	(14,199)
Repayment of Application Fee - ARC of Salem County	A-9		1,000		1,000	1,000	
Reserve for JACC/CAP	A-13		7,220		7,220	7,220	
Reserve for Debt Service - Retail Building	A-13		120,000		120,000	120,000	
Reserve for Debt Service - 2011 Storms	A-13		354,529		354,529	354,529	
Reserve for Special Emergency	A-13		33,160		33,160	33,160	
Total Miscellaneous Revenues	A-1		25,075,263	8,400,646	33,475,909	30,748,086	(2,727,823)
Amount to be Raised by Taxation - County Purpose Tax	A-5		52,933,660		52,933,660	52,933,660	
Budget Totals		\$	81,374,481	\$ 8,400,646	\$ 89,775,127	\$ 87,047,304	\$ (2,727,823)
Miscellaneous Revenue Not Anticipated	Ref.		A-3	A-3			
	A-1,8					360,267	
Total Revenues						\$ 87,407,571	\$

See Notes to Financial Statements

COUNTY OF SALEM
 CURRENT FUND
 STATEMENT OF MISCELLANEOUS REVENUES ANTICIPATED
 STATUTORY BASIS
 YEAR ENDED DECEMBER 31, 2016

	Ref		
Revenue Accounts Receivable	A-8	\$ 18,165,706	
Added and Omitted Taxes	A-5	206,995	
Transfers from Reserves - Current Fund	A-13	514,909	
Grant Revenues - Original Budget	A-14	3,459,830	
Grant Revenues - Added by 40A:4-87	A-14	8,252,500	
Grant Revenues - Unappropriated Reserves Anticipated	A-16	148,146	
			\$ 30,748,086
	<u>Ref.</u>		A-1, A-4

See Notes to Financial Statements

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2016

	Original Budget	Added By N.J.S. 40A: 4-87 and Transfers	Budget After Modification	Expended	Encumbered	Paid or Charged	Cancelled	Reserved
ADMINISTRATIVE AND EXECUTIVE								
Board of Chosen Freeholders								
Salaries and Wages	\$ 110,000	\$ (1,000)	\$ 109,000	\$ 105,725	\$	\$ 105,725	\$	\$ 3,275
Other Expenses	25,500		25,500	23,601	537	24,138		1,362
Purchase Department and Inventory Control								
Salaries and Wages	93,800	1,450	95,250	93,051		93,051		2,199
Other Expenses	5,850		5,850	5,639	(446)	5,193		657
Clerk of the Board								
Salaries and Wages	255,000	(9,500)	245,500	239,770		239,770		5,730
Other Expenses	3,500		3,500	2,610	597	3,207		293
Personnel/HR								
Salaries and Wages	225,000	(4,000)	221,000	215,630		215,630		5,370
Other Expenses	190,000		190,000	176,030	11,385	187,415		2,585
County Clerk								
Salaries and Wages	427,000	(2,000)	425,000	414,940		414,940		10,060
Other Expenses	15,000		15,000	8,745		8,745		6,255
Election Costs	95,000	45,000	140,000	139,360	256	139,616		384
Grant Management								
Other Expenses	12,500		12,500	12,219		12,219		281
Board of Elections								
Salaries and Wages	230,000	5,000	235,000	230,122		230,122		4,878
Other Expenses	163,500	17,700	181,200	175,389	5,631	181,020		180
Department of Finance								
County Treasurer's Office								
Salaries and Wages	205,000	(6,950)	198,050	193,328		193,328		4,722
Other Expenses	18,000	1,000	19,000	18,188	231	18,419		581
Bond Costs	30,000	(5,000)	25,000	12,500	9,300	21,800		3,200
County Auditor	135,000		135,000	125,769		125,769		9,231
Information Technology Center								
Other Expenses	51,000		51,000	611,712	1,850	613,562		(562,562)
Other Expenses - Contractor	499,000	66,400	565,400					565,400
County Adjuster's Office								
Other Expenses	9,000		9,000	6,141	94	6,235		2,765
Board of Taxation								
Salaries and Wages	130,000		130,000	126,425		126,425		3,575
Other Expenses	4,410		4,410	3,764	15	3,779		631
County Counsel								
Salaries and Wages	171,000	(5,000)	166,000	162,065		162,065		3,935
Other Expenses	12,000		12,000	9,382	1,865	11,247		753

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2016

	Original Budget	Added By N.J.S. 40A: 4-87 and Transfers	Budget After Modification	Expended	Encumbered	Paid or Charged	Cancelled	Reserved
County Surrogate								
Salaries and Wages	\$ 309,400	\$ (4,500)	\$ 304,900	\$ 297,187		\$ 297,187		\$ 7,713
Other Expenses	8,825		8,825	7,578	974	8,552		273
Engineer								
Salaries and Wages	300,050	(10,000)	290,050	283,140		283,140		6,910
Other Expenses	75,000	(35,000)	40,000	30,710	1,658	32,368		7,632
Economic Development Office								
Salaries and Wages	25,500		25,500	24,633		24,633		867
Other Expenses	56,500	(45,000)	11,500	10,585		10,585		915
Labor Counsel								
Other Expenses	90,000	30,000	120,000	117,665	2,266	119,931		69
Special Counsel/Consulting								
Other Expenses	35,000		35,000	34,965	35	35,000		
Cultural and Heritage Commission								
Salaries and Wages	25,500		25,500	24,633		24,633		867
Other Expenses	4,500		4,500	4,455		4,455		45
TOTAL GENERAL GOVERNMENT	4,046,335	38,600	4,084,935	3,947,656	36,248	3,983,904		101,031
LAND USE ADMINISTRATION								
County Planning Board								
Salaries and Wages	55,000	(3,000)	52,000	50,432		50,432		1,568
Other Expenses	12,500		12,500	5,361	6,588	11,949		551
TOTAL LAND USE ADMINISTRATION	67,500	(3,000)	64,500	55,793	6,588	62,381		2,119
CODE ENFORCEMENT AND ADMINISTRATION								
Weights and Measures								
Salaries and Wages	67,750	(1,000)	66,750	64,797		64,797		1,953
Other Expenses	150		150	43		43		107
TOTAL CODE ENFORCEMENT	67,900	(1,000)	66,900	64,840		64,840		2,060
INSURANCE								
Workmen's Compensation	831,500	(60,000)	771,500	767,416		767,416		4,084
Other Insurance Premiums	75,483	(52,000)	23,483	19,103		19,103		4,380
Self-Insurance AI/GL	1,012,489	(15,000)	997,489	996,688		996,688		801
Group Insurance Dental	255,500		255,500	221,745	5,637	227,382		28,118
Group Insurance Hospitalization	9,671,517	318,600	9,990,117	9,960,795	75	9,960,870		29,247
Post Retirement Health Benefits	195,000		195,000	192,987		192,987	2,013	
State Disability Insurance	108,000		108,000	98,834		98,834		9,166
TOTAL INSURANCE	12,149,489	191,600	12,341,089	12,257,568	5,712	12,263,280	2,013	75,796

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2016

	Original Budget	Added By N.J.S. 40A: 4-87 and Transfers	Budget After Modification	Expended	Encumbered	Paid or Charged	Cancelled	Reserved
PUBLIC SAFETY FUNCTIONS								
Department of Emergency Services								
Salaries and Wages	\$ 211,000	\$ 14,000	\$ 225,000	\$ 224,598		\$ 224,598		\$ 402
Other Expenses:								
Miscellaneous Other Expenses	43,000	(14,000)	29,000	19,224	8,418	27,642		1,358
"9-1-1"								
Salaries and Wages	2,065,000		2,065,000	1,962,896		1,962,896		57,104
Other Expenses	75,000		75,000	63,061	3,791	66,852	45,000	8,148
Sheriff's Office								
Salaries and Wages	2,765,000		2,765,000	2,705,774		2,705,774		59,226
Other Expenses	155,000		155,000	104,483	49,080	153,563		1,437
Jail								
Salaries and Wages	14,558,693		14,558,693	14,069,130		14,069,130	100,000	389,563
Other Expenses	1,470,000		1,470,000	1,215,209	251,157	1,466,366		3,634
Bail Forfeitures	35,000	(34,000)	1,000	783		783		217
Inmate Medical	750,000		750,000	683,565	63,761	747,326		2,674
Alternative Youth Shelter								
Contractual- Ranch Hope	561,816		561,816	514,998	46,818	561,816		
Prosecutor's Office								
Salaries and Wages	4,140,000	35,000	4,175,000	4,040,769		4,040,769		134,231
Other Expenses	229,000	(7,000)	222,000	214,643	5,228	219,871		2,129
County Medical Examiner								
Other Expenses	180,000		180,000	177,260	2,740	180,000		
Juvenile Detention and Domestic Relations Ct.								
Other Expenses	500,000	(200,000)	300,000	221,596	60,409	282,005		17,995
TOTAL PUBLIC SAFETY FUNCTIONS	27,738,509	(206,000)	27,532,509	26,217,989	491,402	26,709,391	145,000	678,118
PUBLIC WORKS FUNCTIONS								
Street and Road Maintenance								
Roads and Bridges								
Salaries and Wages	1,402,000	600	1,402,600	1,370,654		1,370,654		31,946
Other Expenses	170,000		170,000	151,755	13,861	165,616		4,384
Facilities Management								
Salaries and Wages	846,500	18,400	864,900	845,728		845,728		19,172
Other Expenses	300,000	(18,000)	282,000	252,507	21,050	273,557		8,443
Snow Removal	280,000		280,000	280,000		280,000		
Mosquito Extirmination Commission	165,000	(5,000)	160,000	135,653	19,472	155,125		4,875
Vehicle Maintenance	275,000		275,000	248,098	24,595	272,693		2,307
TOTAL PUBLIC WORKS FUNCTIONS	3,438,500	(4,000)	3,434,500	3,284,395	78,978	3,363,373		71,127

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2016

	Original Budget	Added By N.J.S. 40A: 4-87 and Transfers	Budget After Modification	Expended	Encumbered	Paid or Charged	Cancelled	Reserved
HEALTH AND HUMAN SERVICES								
War Veterans Burial and Grave Decorations								
Salaries and Wages	\$ 8,900	\$	8,900	\$ 7,223	\$ 1,486	\$ 8,709		\$ 191
Other Expenses								
Office on the Disabled	1,500		1,500	1,106		1,106		394
Other Expenses								
Salem Area Office on Aging								
Salaries and Wages	55,000	30,000	85,000	69,494		69,494		15,506
Other Expenses	60,000	(35,000)	25,000	14,997	4,559	19,556		5,444
County Welfare Board								
Administration	1,936,671		1,936,671	1,936,671		1,936,671		
Services	188,207		188,207	188,207		188,207		
Local: Temporary Assistance	45,420		45,420	45,420		45,420		
Assistance to Supplemental Security Income								
Receipts-State Share	180,116		180,116	180,116		180,116		
County Health Service - Interlocal Agreement								
(40:8A-1 et seq)								
Salaries and Wages	550,500	(16,000)	534,500	512,162		512,162		22,338
Other Expense:								
Nursing Services	24,000		24,000	12,643	7,681	20,324		3,676
Administrative	64,464		64,464	63,902	161	64,063		401
Environmental	10,100		10,100	5,605	3,858	9,463		637
Commission on Women								
Other Expenses	1,350		1,350	1,350		1,350		
Maintenance of Patients in State Institutions								
Mental Diseases								
State Share	1,401,314		1,401,314	1,401,314		1,401,314		
Local Share	713,432		713,432	713,432		713,432		
Maintenance of Patients in State Institutions for Mentally Retarded								
State Share	2,575,640		2,575,640	2,575,640		2,575,640		
New Jersey Division of Youth and Family Services								
State Share	1,091,632		1,091,632				1,091,632	
TOTAL HEALTH AND HUMAN SERVICES	8,908,246	(21,000)	8,887,246	7,729,282	17,745	7,747,027	1,091,632	48,587

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2016

	Original Budget	Added By N.J.S. 40A: 4-87 and Transfers	Budget After Modification	Expended	Encumbered	Paid or Charged	Cancelled	Reserved
PARKS AND RECREATION								
Parks and Playgrounds								
Other Expenses	405		\$ 405	\$ 197		\$ 197		\$ 208
TOTAL PARKS AND RECREATION	405		405	197		197		208
EDUCATION FUNCTIONS								
Free Library Services to the Aging								
Other Expenses	16,000		16,000	16,000		16,000		
Education Programs for Employees								
Salaries and Wages	7,626	(2,000)	5,626	4,980		4,980		646
Salem County Community College	1,848,857		1,848,857	1,848,857		1,848,857		
Reimbursements for Residents Attending Out of County Two Year Colleges (N.J.S. 18A:64A-23)								
County Extension Service-Farm and Home Demonstrations	170,000		170,000	78,603	78,510	157,113		12,887
Salaries and Wages	172,680		172,680	172,452		172,452		228
Other Expenses	15,000		15,000	8,075	1,817	9,892		5,108
Salem County Vocational Tech School	1,828,758		1,828,758	1,828,758		1,828,758		
Office of County Superintendent of Schools								
Salaries and Wages	104,000	(1,200)	102,800	100,264		100,264		2,536
Other Expenses	4,000	1,200	5,200	4,480	113	4,593		607
County Special Services School District								
Annual Appropriations	100,000		100,000	100,000		100,000		
TOTAL EDUCATION FUNCTIONS	4,286,921	(2,000)	4,284,921	4,162,469	80,440	4,242,909		22,012
UNCLASSIFIED								
Veteran's Service Bureau								
Salaries and Wages	46,000	(1,000)	45,000	43,778		43,778		1,222
Other Expenses	1,080		1,080	1,053		1,053		27
County Transportation								
Other Expenses	18,000		18,000	9,000	9,000	18,000		
Community Bus Service								
Salaries and Wages	590,000	3,500	593,500	579,662		579,662		13,838
Other Expenses	175,000	4,300	179,300	177,663		177,663		1,637
Utilities	2,300,000		2,300,000	1,811,478	131,975	1,943,453		356,547
TOTAL UNCLASSIFIED	3,130,080	6,800	3,136,880	2,622,634	140,975	2,763,609		373,271
SUBTOTAL OPERATIONS	63,813,885		63,813,885	60,342,823	858,088	61,200,911	1,238,645	1,374,329

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2016

	Original Budget	Added By N.J.S. 40A: 4-87 and Transfers	Budget After Modification	Expended	Encumbered	Paid or Charged	Cancelled	Reserved
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES								
Salem County Area Plan Grant	\$ 836,952	\$ 147,476	\$ 984,428	\$ 984,428		\$ 984,428		
Alcoholic Treatment Program	233,074		233,074	233,074		233,074		
Senior Citizen & Disabled Resident Transportation Program	351,472	195,966	547,438	547,438		547,438		
PASP- Personal Assistance Services		11,114	11,114	11,114		11,114		
Prosecutor Insurance Fraud Reimbursement	226,551		226,551	226,551		226,551		
Juvenile Justice Commission State/Community Partnership		200,966	200,966	200,966		200,966		
Juvenile Justice Commission Family Court Services		100,261	100,261	100,261		100,261		
Local Arts Program								
Victims of Crime (SART/SANE)	46,843		46,843	46,843		46,843		
Elmer Shirley Road	59,346		59,346	59,346		59,346		
	392,245		392,245	392,245		392,245		
Title IV-D		388,942	388,942	388,942		388,942		
Health and Wellness Foundation - Rec Park	20,000		20,000	20,000		20,000		
MIPPA Outreach & Enrollment	40,000		40,000	40,000		40,000		
County Environmental Health Act (CEHA)	134,182	138,189	272,371	272,371		272,371		
Victims of Crime Act Grant Program (VOCA)	107,783	12,433	120,216	120,216		120,216		
Justice Assistance Grant - Megan's Law	3,882		3,882	3,882		3,882		
Public Health Preparedness & Response for Bioterrorism		257,797	257,797	257,797		257,797		
Multijurisdictional Task Force		154,971	154,971	154,971		154,971		
Veterans Transportation		13,000	13,000	13,000		13,000		
Jesses Bridge								
State Homeland Security Program (SHSP)	1,000,000		1,000,000	1,000,000		1,000,000		
Sandy	7,500	142,558	142,558	142,558		142,558		
Subregional Transportation Planning Program		79,039	79,039	79,039		79,039		
NJ Dept of Health - Right to Know		8,786	8,786	8,786		8,786		
Mosquito Identification and Control Activities		29,000	29,000	29,000		29,000		
Small Cities - ARC Parking Lot		300,000	300,000	300,000		300,000		
HMEP Planning & Training		16,700	16,700	16,700		16,700		
Tiger III		1,420,000	1,420,000	1,420,000		1,420,000		
SC Mill & Overlay		100,004	100,004	100,004		100,004		
2015 Federal Aid Program		36,125	36,125	36,125		36,125		
Municipal Alliance to Prevent Alcoholism and Drug Abuse		137,801	137,801	137,801		137,801		
Special Child Health and Early Intervention		40,914	40,914	40,914		40,914		
State Health Insurance Assistance Program (SHIP)		27,000	27,000	27,000		27,000		
Senior Farmers Market Nutrition Program		500	500	500		500		
Body Armor Replacement - Prosecutor		2,184	2,184	2,184		2,184		
Body Armor Replacement - Sheriff		17,903	17,903	17,903		17,903		

**COUNTY OF SALEM
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2016**

	Original Budget	Added By N.J.S. 40A: 4-87 and Transfers	Budget After Modification	Expended	Encumbered	Paid or Charged	Cancelled	Reserved
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES								
Workforce Investment Board - Adult		135,893	\$ 135,893	\$ 135,893		\$ 135,893		
Workforce Investment Board - Youth		168,196	168,196	168,196		168,196		
Workforce Investment Board - Dislocated Worker		98,084	98,084	98,084		98,084		
One Stop / WIA		488,529	488,529	488,529		488,529		
Work First New Jersey - TANF		362,384	362,384	362,384		362,384		
Work First New Jersey - Worker Verification		9,556	9,556	9,556		9,556		
Work First New Jersey - TANF Case Management		52,269	52,269	52,269		52,269		
Work First New Jersey - GA/ISNAP		118,363	118,363	118,363		118,363		
Work First New Jersey - GA/FS Case Management		17,633	17,633	17,633		17,633		
Work First New Jersey - CAPV & EEI & Food Stamps		1,414	1,414	1,414		1,414		
NJ Dept of Emergency Management - RERP		148,636	148,636	148,636		148,636		
NJ Dept of Transportation - County Aid - ATP		2,365,000	2,365,000	2,365,000		2,365,000		
Crop Insurance Education		164,233	164,233	164,233		164,233		
USDQC - State Criminal Alien Assistance Program (SCAAP)		3,184	3,184	3,184		3,184		
FarmLand Preservation Program		27,573	27,573	27,573		27,573		
EMAA/EMPG		55,000	55,000	55,000		55,000		
Emergency Management Agency Assist. (EMAA)		50,000	50,000	50,000		50,000		
Emergency Management Performance Grant (EMPG)		23,000	23,000	23,000		23,000		
OOA Contract Adjustments		5,070	5,070	5,070		5,070		
Surface Water Quality Monitoring		20,000	20,000	20,000		20,000		
Health and Wellness Foundation - Healthy Community Development		22,000	22,000	22,000		22,000		
Project Lifesaver		25,000	25,000	25,000		25,000		
Salem County Ag Development Board		45,000	45,000	45,000		45,000		
Healthy Salem Healthy Body		15,000	15,000	15,000		15,000		
Lapsed Grant Funds	1,907		1,907	1,907		1,907		
Matching Funds	359,000		359,000	187,789		187,789		171,211
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES	3,820,737	8,400,646	12,221,383	12,050,172		12,050,172		171,211
Contingent	20,000		20,000				20,000	
TOTAL OPERATIONS INCLUDING CONTINGENT	67,654,622	8,400,646	76,055,268	72,392,995	858,088	73,251,083	1,258,645	1,545,540
<i>Detail:</i>								
Salaries and Wages	30,143,999	15,800	30,184,799	29,228,219		29,228,219	145,000	811,178
Other Expenses (including Contingent)	37,510,623	8,384,846	45,870,469	43,164,776	858,088	44,022,864	1,113,645	734,362
Capital Improvements								
Down Payment on Capital Improvements	200,000		200,000	200,000		200,000		
Total Capital Improvements	200,000		200,000	200,000		200,000		

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2016

	Original Budget	Added By N.J.S. 40A: 4-87 and Transfers	Budget After Modification	Expended	Encumbered	Paid or Charged	Cancelled	Reserved
County Debt Service:								
Payment of Bond Principal								
County College Bonds	\$ 905,000		\$ 905,000	\$ 705,000		\$ 705,000	\$ 200,000	
Vocational School Bonds	124,700		124,700	124,700		124,700		
Other Bonds	1,612,400		1,612,400	1,612,400		1,612,400		
Payment of Bond Anticipation Notes	315,000		315,000	315,000		315,000		
Interest on Bonds								
County College Bonds	153,594		153,594	129,239		129,239	24,355	
Vocational School Bonds	27,115		27,115	27,115		27,115		
Other Bonds	634,502		634,502	634,502		634,502		
Interest on Notes - Other	46,430		46,430	46,430		46,430		
Salem County Improvement Authority - Lease Payments								
County Jail	1,702,681		1,702,681	1,694,500	8,181	1,702,681		
Total County Debt Service	5,521,422		5,521,422	5,288,886	8,181	5,297,067	224,355	
Deferred Charges and Statutory Expenditures - County:								
Prior Year Bills	13,926		13,926	13,926		13,926		
Prior Year Overexpenditure	716,581		716,581	716,581		716,581		
Prior Year Overexpenditure Appropriation Reserve	107,925		107,925	107,925		107,925		
Special Emergency Authorizations - 5 Years								
(N.J.S.A. 40A:4-55 & 40A:4-55.13)	68,674		68,674	68,674		68,674		
Statutory Expenditures - Contributions to:								
Public Employee's Retirement System	1,605,524		1,605,524	1,514,416		1,514,416	80,000	11,108
Social Security System (O.A.S.I.)	2,283,038		2,283,038	2,238,036		2,238,036		45,002
Police and Fireman's Retirement System	2,947,769		2,947,769	2,918,421		2,918,421	15,000	14,348
DCRP	20,000		20,000	99		99		19,901
Unemployment Insurance	160,000		160,000	155,595		155,595		4,405
Total Deferred Charges and Statutory Expenditures - County	7,923,437		7,923,437	7,733,673		7,733,673	95,000	94,764
Judgments								
	75,000		75,000	14,021	740	14,761	60,239	
Total General Appropriations	\$ 81,374,481	\$ 8,400,646	\$ 89,775,127	\$ 85,629,575	\$ 867,009	\$ 86,496,584	\$ 1,638,239	\$ 1,640,304
	A-2	A-2			A			A
Original Budget			\$ 81,374,481					
Appropriated by N.J.S.A. 40A-87			8,400,646					
Expended						\$ 72,706,847		
Deferred Charges - Special emergency						68,674		
Deferred Charges						824,506		
Grant Appropriations						11,860,476		
Grant Matching Share						169,072		
Encumbered						867,009		
			\$ 89,775,127			\$ 86,496,584		

See Notes to Financial Statements

COUNTY OF SALEM
TRUST FUND
STATEMENT OF ASSETS, LIABILITIES AND RESERVES - STATUTORY BASIS
DECEMBER 31, 2016 AND 2015

		December 31,	
	Ref.	2016	2015
ASSETS			
Trust Other Funds:			
Cash - Treasurer	B-4	\$ 2,032,819	\$ 2,369,985
		2,032,819	2,369,985
Open Space and Farmland Preservation Trust:			
Cash - Treasurer	B-4	3,786,433	4,043,104
Investments	B-4	497,651	497,651
Taxes Receivable	B-6	847	1,771
Due from Current Fund	B-9		24,920
		4,284,931	4,567,446
Total Trust Funds		\$ 6,317,750	\$ 6,937,431
LIABILITIES AND RESERVES			
Trust Other Funds:			
Reserve for:			
Accumulated Absences Trust	B-6	\$ 150,240	\$ 261,752
Commodities Resale Program	B-6	16,407	16,382
County Auction	B-6	3,553	3,553
County Clerk	B-6	251,432	269,579
Engineering Escrow	B-6	26,672	21,852
Environmental Enforcement	B-6	376,746	329,686
First Responder Dinner	B-6	130	
Hospitalization	B-6	2	13,500
Housing Revitalization	B-6	72,192	72,109
Motor Vehicle Fines	B-6	174,403	136,233
Parvin Bequest	B-6	55,829	54,776
Payroll Agency	B-6	282,870	283,791
Performance Bond - Woods Laurel Hills	B-6	3,375	3,375
Prosecutor's Office:			
Asset Maintenance Account	B-6	6,145	7,054
Auto Law Enforcement Trust Account	B-6	6,490	6,367
County Law Enforcement Trust Account	B-6	72,015	49,073
Federal County Law Enforcement Trust Account	B-6	65,192	56,900
Municipal Law Enforcement Trust Account	B-6	32,251	45,691
Seized Assets Trust Account	B-6	15,567	68,266
Road Opening Deposits	B-6	16,198	14,129
SCAPG - Nutrition Program	B-6	16,121	164,344
SCAPG - Parvin	B-6	55,426	48,505
Self Insurance	B-6	1,446	1,444
Sheriff's Office	B-6	38,267	31,433
Surrogate Fees	B-6	72,569	63,547
Tax Appeals Filing Fees	B-6	27,706	39,042
Unemployment Claims	B-6	44	44
Veterans donation	B-6	6,953	425
Weights & Measures	B-6	106,092	98,252
Worker's Compensation	B-6	80,484	78,094
		2,032,817	2,239,198
Due to Current Fund	B-8	2	130,787
		2,032,819	2,369,985
Open Space and Farmland Preservation Trust			
Reserve for Future Use	B-7	4,284,931	4,567,446
Total Trust Funds		\$ 6,317,750	\$ 6,937,431

COUNTY OF SALEM

TRUST FUND - OPEN SPACE AND FARMLAND PRESERVATION

STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME - STATUTORY BASIS

YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Amount to be Raised by Taxation		\$ 1,011,565	\$ 1,014,878	\$ 3,313
Reserve for Open Space Trust		421,398	421,398	
Miscellaneous		6,000	4,822	(1,178)
Total Open Space Revenues	B-2	<u>\$ 1,438,963</u>	<u>\$ 1,441,098</u>	<u>\$ 2,135</u>

Analysis of Realized Revenues

Amount to be Raised by Taxation:

Accrued Revenue:

Open Space Tax Levy

\$ 1,011,565

Added and Omitted Tax Levy

3,313

B-7

\$ 1,014,878

Miscellaneous:

Receipts:

Interest on Deposits

B-3

4,822\$ 4,822

COUNTY OF SALEM
TRUST FUND - OPEN SPACE AND FARMLAND PRESERVATION
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME--REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Reserved</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>		
Debt Service:				
Payment of Bond Principal	\$ 502,900	\$ 502,900	\$ 502,900	\$ -
Interest on Bonds	261,063	261,063	261,063	
Acquisition of Farmland	675,000	675,000	538,252	136,748
	<u>\$ 1,438,963</u>	<u>\$ 1,438,963</u>	<u>\$ 1,302,215</u>	<u>\$ 136,748</u>
<u>Ref.</u>				
		B-1		
B-3,7			\$ 763,963	
B-7			538,252	
			<u>\$ 1,302,215</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

COUNTY OF SALEM
GENERAL CAPITAL FUND

STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE--REGULATORY BASIS

		December 31,	
	Ref.	2016	2015
<u>ASSETS</u>			
Cash	C-2	\$ 2,957,645	\$ 3,270,334
Dam Restoration Loan Receivable		1,300,000	1,300,000
Due from Grant Fund	C-2	3,037,923	
Due from Current Fund	C-4		4,713
Deferred Charges to Future Taxation:			
Funded	C-5	35,234,000	31,249,000
Unfunded	C-6	7,960,364	13,774,364
		<u>\$ 50,489,932</u>	<u>\$ 49,598,411</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Accrued Interest on Bond Sale	C-13	\$ 227,952	\$ 19,567
Reserve for County Aid Program		4,713	4,713
Improvement Authorizations:			
Funded	C-7	4,913,415	5,443,363
Unfunded	C-7	274,380	2,762,278
Serial Bonds Payable	C-8	33,934,000	29,949,000
Bond Anticipation Notes Payable	C-9	7,960,000	8,275,000
Dam Restoration Loan Payable	C-10	1,300,000	1,300,000
Contracts Payable	C-11	1,829,548	1,805,591
Capital Improvement Fund	C-12	3,937	3,937
General Capital Fund	C-1	41,987	34,962
		<u>\$ 50,489,932</u>	<u>\$ 49,598,411</u>

There were Bonds and Notes authorized, but not issued in the amount of \$364 for the years ended December 31, 2016 and 2015 (C-14).

The accompanying Notes to Financial Statements are an integral part of this statement.

COUNTY OF SALEM
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL SURPLUS
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	
Balance December 31, 2015	C	\$ 34,962
Increased by		
Bond Premium Received	C-2	<u>7,025</u>
Balance December 31, 2016	C	<u><u>\$ 41,987</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

EXHIBIT G

COUNTY OF SALEM
GENERAL CAPITAL FUND
STATEMENTS OF GENERAL FIXED ASSETS

	Balance December 31, 2015	Additions	Deletions	Balance December 31, 2016
ASSETS				
General Fixed Assets				
Land, Buildings and Improvements	\$ 22,110,931	\$	\$	\$ 22,110,931
Equipment and Vehicles	13,547,397	192,128		13,739,525
	<u>\$ 35,658,328</u>	<u>\$ 192,128</u>	<u>\$</u>	<u>\$ 35,850,456</u>
LIABILITIES				
Investment in General Fixed Assets	\$ 35,658,328	\$ 192,128	\$	\$ 35,850,456
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

See Notes to the Financial Statements

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity

The County of Salem (the "County") was incorporated on February 13, 1798. It is located in the southwest corner of New Jersey and covers approximately 350 square miles. The County of Gloucester is on the County's northern side and the County of Cumberland forms the eastern and southeastern border of the County.

The County's geographic makeup consists of State Parks, Fish and Wildlife Management Areas, Government Facilities and meadows or low-lying areas. Forty-eight percent is devoted to agriculture, thirteen percent is developed for residential use (approximately 9,000 acres), and commercial and industrial use (approximately 6,500 acres). The New Jersey Turnpike travels through the County.

In the County there are fifteen political subdivisions, consisting of one City, eleven Townships and three Boroughs. The population of the County according to the official 2010 census is 65,774.

The County government operates under a seven member Board of Chosen Freeholders, elected at-large by the voters of the County. A Freeholder, under old English rule, was a person who owned property outright, free of debt, and therefore was deemed to be a leading citizen, eligible for membership on the governing body. Under the present form of government, the property rule as a qualification for holding office has been abolished. Each member is elected to a term of three years. A director and deputy director are selected from their membership at the first meeting of each year. The Freeholders have both administrative and policy-making powers.

Component Units

The financial statements of the component units of the County are not presented in accordance with Governmental Accounting Standards Board Statement ("GASBS") No. 14. If the provisions of GASBS No. 14 had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the County, the primary government:

Salem County Improvement
Authority 199 East
Broadway Salem, NJ 08079

Salem Community College
460 Hollywood Avenue
Carneys Point, NJ 08069

Salem County Vocational-
Technical Schools
Salem-Woodstown Road
New Jersey 08098

Special Services School
District of the County of
Salem
328-8 North Broadway
Woodstown, Pennsville,
New Jersey 08070

Pollution Control Financing
Authority 94 Market Street
Salem, NJ 08079

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting, Measurement Focus and Basis of Presentation

The financial statements of the County contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements of Audit," the County accounts for its financial transactions through the use of separate funds, which are described as follows:

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds - The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - The General Capital Fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Budgets and Budgetary Accounting

The County of Salem must adopt an annual budget in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the Annual County Budget no later than January 26 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the county. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9.

An extension of the regulatory dates for introduction, approval and adoption of the County Budget may be granted by the Director of the Division of Local Government Services, with the permission of Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the County's financial statements.

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**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfunds

Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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. (See Exhibit A-9)

Inventories of Supplies

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 Statements of Assets, Liabilities, Reserves and Fund Balance.

General Fixed Assets

Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6 differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The County has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985, are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The County is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets.

The regulations require that General Fixed Assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

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**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Charges

The recognition of certain expenditures in the current fund is deferred to future periods. These expenditures, or deferred charges, are generally over expenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriations in budgets of succeeding years.

Fund Balance

Fund Balance included in the current fund represents amounts available for anticipation as revenue in future year's budgets, with certain restrictions.

Revenues

Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants are realized when anticipated as such in the County's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the County's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the County which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

County Taxes

Every municipality is responsible for levying, collecting and remitting county taxes for the County. Property tax revenues are collected in quarterly installments due February 1, May 1, August 1 and November 1 and are due and payable to the County of Salem by February 15, May 15, August 15 and November 15. Operations for every municipality are charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations for every municipality are charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Expenditures

Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same provisions as appropriation reserves. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is also on the cash basis.

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Appropriation Reserves

Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year lapsed appropriation reserves are recorded as income.

Long-Term Debt

Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund.

Compensated Absences and Postemployment Benefits

Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a pay-as-you-go basis. (See Notes E and F)

Cash and Cash Equivalents and Investments

Cash and cash equivalents and investments include amounts on deposit, petty cash, change funds and short-term investments with original maturities of three months or less. Investments are recorded at cost.

New Jersey municipal and county units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include state or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. The market value of the collateral must equal five percent of the average daily balance of public funds; and, if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent. All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank, Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents and Investments (Continued)

As of December 31, 2016, the County's bank balances of \$15,528,542 were exposed to custodial credit risk as follows:

Insured	\$ 250,000
Uninsured and Collateralized	637,169
Uninsured and Collateralized with Securities held by Pledging Financial Institutions	14,641,373
Total	<u>\$ 15,528,542</u>

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the County's deposits may not be returned or the County will not be able to recover collateral securities in the possession of an outside party. The County's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount covered by the Federal Deposit Insurance Corporation ("FDIC"). The Board of Chosen Freeholders approves and designates the authorized depository institution based on evaluation of solicited responses and certifications provided by financial institutions.

Concentration of Credit Risk - This is the risk associated with the amount of investments the County has with any one issuer that exceeds five percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. Government and the New Jersey Cash Management Fund are excluded from this requirement. None of the investments held by the County are exposed to this risk.

Credit Risk - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the County does not have an investment policy regarding Credit Risk; however, the County had no investments that were subject to credit risks as of December 31, 2016. The New Jersey Cash Management Fund is not rated.

Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The County has a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations. However, its practice is to hold investments to maturity.

Investments

New Jersey statutes permit the County to purchase the following types of securities:

- Bonds or other obligations of the United States or obligations guaranteed by the United States.

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

- Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association or United States Bank for Cooperatives that have a maturity date not greater than twelve months from the date of purchase.
- Bonds or other obligations of the County or bonds or other obligations of school districts that are a part of the County or are located within the County.
- Bonds or other obligations having a maturity date of not more than twelve months from the date of purchase that are approved by the New Jersey Department of Treasury, Division of Investments.

As of December 31, 2016, the County was invested in United States Treasury Bonds with a reported cost basis of \$460,931 and a fair market value of \$637,169.

B. FUND BALANCES APPROPRIATED

The following schedule details the amount of current fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets. The County replenished some of its current fund balance utilized in the 2016 budget.

<u>Year</u>	<u>Balance Dec.</u>	<u>Utilized in Budget of Succeeding</u>	<u>Percentage of Fund Balance Used</u>
2016	\$ 2,293,160	\$ 757,509	33.03%
2015	4,725,780	3,365,558	71.22%
2014	6,928,995	4,415,186	63.72%
2013	7,313,360	2,884,898	39.45%
2012	5,036,504	2,495,801	49.55%

C. PENSION PLANS

The County of Salem contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several County employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. Each plan has a board of trustees that is primarily responsible for its administration. The division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Public Employees' Retirement System - The PERS was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members.

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

C. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, 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.

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS who retired from a municipality with 25 years of service.

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 7.06% through June 30, 2016 and 7.20% thereafter of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. The current PERS rate is 12.46% of covered payroll. The County's contributions to PERS for the years ended December 31, 2016, and 2015, were \$1,813,225 and \$1,490,549 respectively, equal to the required contributions for each year. The actuarially determined contribution includes funding for cost - of - living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The total payroll for the year ended December 31, 2016 was \$31,860,432. Payroll covered by PERS was \$13,645,672 for 2016.

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

D. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Information regarding contributions made by the State of New Jersey on behalf of the County is not available. Contributions to the system for the year ended December 31, 2016 is as follows:

	<u>PERS</u>
Employees	\$ 993,501
County	1,813,255
Total	<u>\$ 2,806,756</u>

The County is billed annually for its normal contribution plus any accrued liability. These contributions were equal to the required contributions for 2016.

Police and Firemen's Retirement System - The State of New Jersey Division of Pensions and Benefits administers the Police and Firemen's Retirement System of New Jersey (Plan), a governmental cost sharing multiple-employer defined benefit pension plan that provides pensions for all individuals who become full-time policemen and firemen and who at the time of enrollment are no older than age 35.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who are 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.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the PFRS are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 10% in October, 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

C. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (Continued)

Payroll covered by PFRS was \$12,910,277 for 2016.

The County is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

		<u>PFRS</u>
Employees	\$	1,291,028
County		3,060,249
Total	\$	<u>4,351,277</u>

The County is billed annually for its normal contribution plus any accrued liability. These contributions were equal to the required contributions for 2016.

Defined Contribution Retirement Program - The DCRP is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq. The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the County's contribution amounts for each pay period are transmitted to the trustee no later than the fifth business day after the date on which the employee is paid for that pay period.

The County's contributions were as follows:

<u>Fiscal Year</u>		<u>Total Liability</u>
2016	\$	
2015		
2014		

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the County.

GASB 68 - Accounting and Financial Reporting for Pensions

Effective June 30, 2014, state and local governments participating in government pension plans are required to reflect liabilities, deferred outflows/inflows of resources and expenditures related to pension activity. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions and improve information provided by state and local governmental employers about financial support for pensions that are provided by other state entities.

Salem County does not and is not required to follow generally accepted accounting principles (GAAP) and, as such, does not follow GASB requirements with respect to the recording of pension liabilities and deferred outflows/inflows of resources on its balance sheets.

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

C. PENSION PLANS (CONTINUED)

GASB 68 - Accounting and Financial Reporting for Pensions (Continued)

As described in Note A of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions of 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 the State of New Jersey. However, N.J.A.C. 5:30-6.1[c] [2] requires the County to disclose GASB 68 information in the Notes to the Financial Statements.

Public Employees' Retirement System

Components of Net Pension Liability - At December 31, 2016, the County's proportionate share of the PERS net pension liability was \$59,945,085. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2016, to the measurement date of June 30, 2016. The County's proportion of the net pension liability was based on the County's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The County's proportion measured as of June 30, 2016, was .202%, which was an increase of .017% from its proportion measured as of June 30, 2015.

Pension Expense and Deferred Outflows/Inflows of Resources - The County's 2016 PERS pension expense, with respect to GASB 68, was \$6,317,932. The County's 2016 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,114,797	\$
Changes of assumptions	12,417,420	
Net difference between projected and actual earnings on pension plan investments	2,285,761	
Changes in proportion	3,371,059	738,420
Total	<u>\$ 19,189,037</u>	<u>\$ 738,420</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year		PERS
2016	\$	3,923,495
2017		3,923,495
2018		4,719,222
2019		4,101,009
2020		1,783,396
Total	\$	<u>18,450,617</u>

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

C. PENSION PLANS (CONTINUED)

GASB 68 - Accounting and Financial Reporting for Pensions (Continued)

Public Employees' Retirement System (Continued)

Additional Information - Collective Balances at June 30, 2015 and 2016 are as follows:

Year	6/30/2015	6/30/2016
Collective deferred outflows of resources	\$ 6,219,957	\$ 19,189,037
Collective deferred inflows of resources	1,622,155	738,420
Collective Net Pension Liability	41,604,309	59,945,085
District's Proportion	0.1853809517%	0.2024000348%

Actuarial Assumptions - The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	PERS
Measurement Date	June 30, 2016
Actuarial Valuation Date	June 30, 2015
Investment Rate of Return	7.65%
Salary Scale (Based on Age):	
Through 2026	1.65% - 4.15%
Thereafter	2.65% - 5.15%
Inflation	3.08%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement 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 plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

C. PENSION PLANS (CONTINUED)

GASB 68 - Accounting and Financial Reporting for Pensions (Continued)

Public Employees' Retirement System (Continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Allocation	Real Rate of Return
Cash	5.00%	0.87%
US Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
Total	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

C. PENSION PLANS (CONTINUED)

GASB 68 - Accounting and Financial Reporting for Pensions (Continued)

Public Employees' Retirement System (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2016, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98%) or 1-percentage-point higher (4.98%) than the current rate:

	1% Decrease (2.98%)	Current Discount (3.98%)	1% Increase (4.98%)
County's proportionate share of the net pension liability	\$ 73,455,705	\$ 59,945,085	\$ 48,790,897

Police and Firemen's Retirement System

Special Funding Situation - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State 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 local participating employers 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. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation.

The County's nonemployer contribution information for PFRS is summarized as follows:

Description	As of 6/30/2016
State Proportionate Share of Net Pension Liability Attributable to Employer	\$ 6,020,884
Nonemployer Contributions	\$ 230,702

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

C. PENSION PLANS (CONTINUED)

GASB 68 - Accounting and Financial Reporting for Pensions (Continued)

Police and Firemen's Retirement System (Continued)

Components of Net Pension Liability - At December 31, 2016, the County's proportionate share of the PFRS net pension liability was \$71,698,361. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2015, to the measurement date of June 30, 2016. The County's proportion of the net pension liability was based on the County's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The County's proportion measured as of June 30, 2016 was .375%.

Pension Expense and Deferred Outflows/Inflows of Resources - The County's 2016 PFRS pension expense, with respect to GASB 68, was \$9,275,125.

The County's 2016 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,930,812	\$ 469,993
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments	5,023,760	
Changes in proportion	6,034,675	107,165
Total	<u>\$ 20,989,247</u>	<u>\$ 577,158</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	PFRS
2016	\$ 5,092,824
2017	5,092,824
2018	6,085,884
2019	3,803,886
2020	336,671
Total	<u>\$ 20,412,089</u>

COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

C. PENSION PLANS (CONTINUED)

GASB 68 - Accounting and Financial Reporting for Pensions (Continued)

Police and Firemen's Retirement System (Continued)

Actuarial Assumptions - The collective total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016.

This actuarial valuation used the following actuarial assumptions:

	PFRS
Interest Rate	7.65%
Salary Scale (Based on Age):	
2012-2021	2.10% - 8.98%
Thereafter	3.10% - 9.98%
Inflation	3.08%

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

C. PENSION PLANS (CONTINUED)

GASB 68 - Accounting and Financial Reporting for Pensions (Continued)

Police and Firemen's Retirement System (Continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
US Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
Total	100%	

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2016, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.55%) or 1-percentage-point higher (6.55%) than the current rate:

	1% Decrease (4.55%)	Current Discount (5.55%)	1% Increase (6.55%)
Township's proportionate share of the net pension liability	\$ 100,213,610	\$ 77,719,510	\$ 59,376,925

COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

D. POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN

Plan Description - The State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey, Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. The County provides post employment health care benefits, at its cost, to various classes of employees (non union and collective bargaining units) and their spouses or surviving spouses as well as dependents. The health care benefits will be in a form consistent with that provided to all active employees of the County subject to the requirements as illustrated in Article 33 of the Personnel Agreement regarding retiree benefits. The entitlement at the minimum requires that all qualified County employees be retired through the New Jersey Division of Pensions and Benefits under the PFRS or the PERS and shall meet at least one of the following requirements: retirement on a disability pension; Retirement with 25 years or more of service credit in a state or locally-administered retirement system and at least 15 years of service with the County; retirement at age 62 or older with at least 15 years of service with the County, or retirement with 25 years or more of service credit in a state or locally-administered retirement system, provided the retiring employee was on the employment rolls of the County as of August 1, 1991.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey, Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/.

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

The State's contribution rate is based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

The County of Salem did not participate in the SHBP during 2016.

On October 1, 2013, post-retirement healthcare benefits were provided through a private plan with Amerihealth HMO, Inc. See Note E for more details.

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

D. POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN (CONT'D)

The County provides post-retirement medical health insurance benefits and prescription benefits, provided the employee qualifies for and has retired through the New Jersey Division of Pensions and Benefits under the Police and Fireman's Retirement System ("PFRS") or the Public Employees Retirement System ("PERS") and meets at least one of the following requirements:

- (a) Retirement on a disability pension; or
- (b) Retirement with 25 years or more of service credit in a state or locally-administered retirement system and at least 15 years of service with the County of Salem; or
- (c) Retirement at age 62 or older with at least 15 years of service with the County of Salem; or Adopted 1/17/07; Revised 7/17/13.
- (d) Retirement with 25 years or more of service credit in a state or locally-administered retirement system, provided the retiring employee was employed by Salem County as of August 1, 1991.

There were approximately 171 retired participants eligible at December 31, 2016,

**E. GASB STATEMENT 45 FOR ACCOUNTING AND FINANCIAL REPORTING BY EMPLOYERS FOR
POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

The required disclosure information from the plan document and the December 31, 2016, actuarial valuation is as follows:

Plan Description

- The County currently maintains an unfunded single-employer post-employment benefits plan other than for pensions.
- The Plan provides eligible retirees and their dependents with prescription drug benefits.
- The Plan does not issue stand-alone financial statements and is not included in the report of another entity.

Funding Policy

- It is the County's policy at this time to fund the Plan on a pay as you go basis.

Other Required Disclosures

- The annual required contribution and OPEB cost for 2014 was \$7,736,186, assuming a 30-year amortization of the actuarial accrued liability.
- During the year ended December 31, 2014, the County paid \$2,449,346 to the Plan, which represents the amount of benefits paid during the period.
- The actuarial valuation date was December 31, 2014.
- The unfunded actuarial and accrued liability, which includes retirees and active employees, totaled \$99,557,544 as of December 31, 2014. The County's next required actuarial valuation was calculated as of December 31, 2016, with amounts to be available in 2017.

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COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

F. GASB STATEMENT 45 FOR ACCOUNTING AND FINANCIAL REPORTING BY EMPLOYERS FOR POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions and Methods

- An assumed discount rate of 4.5% was used for purposes of developing the liabilities and annual required contribution on the basis that the Plan would not be funded.
- Health care cost trend rates were as follows:
 - Prescription ranged from 8.00% in 2014 to 5% in years 2020 and later.
 - These actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities.
 - These calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation.
 - The actuarial cost method used was the entry age method.
 - The unfunded actuarial accrued liability was amortized as a level percentage of payroll using projected salary increases of 3.00%.

G. COMPENSATED ABSENCES

Under the existing policies of the County, upon retirement, employees accruing days will be compensated for one-half of their accumulated sick days up to a maximum of \$15,000 and all of their accumulated vacation days. A maximum of ten vacation days may be carried over at the end of the year unless approval to carryover more is granted.

The County has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2016, the balance of the fund was \$150,240. It is estimated that, at December 31, 2016, accrued benefits for compensated absences for all eligible employees who have accumulated time are valued at \$2,220,500. Of this balance, \$686,312 is vested and \$1,534,188 is unvested portion of the compensated absences.

H. DEFERRED COMPENSATION SALARY ACCOUNT

The County offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the County or its creditors. Since the County does not have a fiduciary relationship with the plan, the balances and activities of the plan are not reported in the County's financial statements.

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

I. LEASE OBLIGATIONS

At December 31, 2016, the County had a lease agreement in effect for the County Jail.

Future minimum lease payments (principal and interest) under the capital lease agreement for the County Jail is as follows:

Year	Amount
2017	\$ 1,725,900
2018	1,912,375
2019	1,906,500
	<u>\$ 5,544,775</u>

J. CAPITAL DEBT

Summary of Debt

	December 31,		
	2016	2015	2014
Issued			
General:			
Serial Bonds	\$ 33,934,000	\$ 29,949,000	\$ 32,694,000
Bonds Guaranteed by the County	9,623,722	9,552,410	20,641,410
Bond Anticipation Notes	7,960,000	8,275,000	8,590,000
Loan Payable	1,300,000	1,300,000	1,300,000
Authorized but not Issued			
General:			
Bonds and Notes	364	5,499,364	5,499,364
Gross Debt	52,818,086	54,575,774	68,724,774
Deductions	13,283,722	14,181,342	25,296,446
Net Debt	<u>\$ 39,534,364</u>	<u>\$ 40,394,432</u>	<u>\$ 43,428,328</u>

Summary of Regulatory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a regulatory net debt of 0.785%.

	Gross Debt	Deductions	Net Debt
General	\$ 52,818,086	\$ 13,283,722	\$ 39,534,364

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COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

J. CAPITAL DEBT (CONTINUED)

Equalized Valuation Basis:

2014	\$	5,180,811,186
2015		5,026,313,755
2016		4,905,785,423
Average	\$	<u>5,037,636,788</u>

Net Debt \$39,534,364 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as Amended, \$5,037,636,788 = .785%.

Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

2% of Equalized Valuation Basis (County)	\$	100,752,736
Net Debt		<u>39,544,364</u>
Remaining Borrowing Power	\$	<u>61,208,372</u>

General Obligation and Refunding Bonds, Series 2016

In October 2016, the County of Salem issued Bonds in the amount of \$6,949,000, with interest between 2% and 4%. The Series 2016 Bond issue consisted of \$3,800,000 for general improvement and \$3,149,000 for improvements to the Salem County Vocational-Technical School District.

In September 2016, the County of Salem issued General Obligation Refunding Bonds, Series 2016, in the amount of \$6,035,000. These Bonds were issued for the purpose of advance refunding \$5,854,000 of outstanding principle on the County's Series 2009 Bonds, maturing March 15, 2020 through 2029 and certain costs associated with the issuance of the Bonds. The remaining bonds not refunded were \$1,320,000.

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

J. CAPITAL DEBT (CONTINUED)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

Year	Principal	Interest	Total
2017	\$ 3,100,000	\$ 1,059,255	\$ 4,159,255
2018	3,210,000	869,772	4,079,772
2019	2,909,000	758,979	3,667,979
2020	2,620,000	741,850	3,361,850
2021	2,695,000	653,397	3,348,397
2022	2,760,000	567,262	3,327,262
2023	2,590,000	473,894	3,063,894
2024	2,655,000	388,675	3,043,675
2025	2,700,000	292,600	2,992,600
2026	2,230,000	199,125	2,429,125
2027	1,785,000	146,188	1,931,188
2028	1,790,000	101,900	1,891,900
2029	1,390,000	56,944	1,446,944
2030	500,000	35,625	535,625
2031	500,000	24,375	524,375
2032	500,000	12,500	512,500
	<u>\$ 33,934,000</u>	<u>\$ 6,382,341</u>	<u>\$ 40,316,341</u>

Schedule of Annual General Debt Service for the Principal and Interest for Loans Outstanding

Year	Principal	Interest	Total
2017	\$ 31,205	\$ 13,000	\$ 44,205
2018	63,349	25,060	88,409
2019	64,622	23,787	88,409
2020	65,921	22,489	88,410
2021	67,246	21,164	88,410
2022	68,598	19,812	88,410
2023	69,976	18,433	88,409
2024	71,383	17,027	88,410
2025	72,818	15,592	88,410
2026	74,281	14,128	88,409
2027	75,775	12,635	88,410
2028	77,298	11,112	88,410
2029	78,851	9,558	88,409
2030	80,436	7,973	88,409
2031	82,053	6,357	88,410
2032	83,702	4,707	88,409
2033	85,385	3,025	88,410
2034	87,101	1,309	88,410
	<u>\$ 1,300,000</u>	<u>\$ 247,168</u>	<u>\$ 1,547,168</u>

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

K. BOND ANTICIPATION NOTES

The County issues bond anticipation notes to temporarily finance various capital projects prior to the issuance of serial bonds. The terms of the notes cannot exceed one year, but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid not later than the tenth anniversary of the original note. The State of New Jersey ("State") also prescribes that, on or before the third anniversary of the date of the original note, a payment of 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 legal installment must be paid if the notes are to be renewed beyond the fourth anniversary of the date of the original issue. At December 31, 2016, the County had bond anticipation notes totaling \$7,960,000. On June 22, 2016, the County issued \$7,960,000 Bond Anticipation Notes ("BANS") consisting of \$7,610,000, with interest at .8% Tax-Exempt BANS and \$350,000 Federally Taxable BANS, with interest of 1.3%. These notes mature on June 22, 2017.

L. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the current fund:

	Balance December 31, 2016	2017 Budget Appropriation	Balance to Succeeding Budgets
Over expenditure of Appropriation Reserve	\$ 402,438	\$ 402,438	\$ -
Total	\$ 402,438	\$ 402,438	\$ -

M. OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST

On November 5, 2002, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the County authorized the establishment of the Salem County Open Space, Recreation, Farmland and Historic Preservation Trust Fund effective January 1, 2005, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. The County proposed to levy a tax not to exceed two cents per one hundred dollars of equalized valuation.

Amounts raised by taxation are apportioned by the County Board of Taxation among the municipalities in accordance with N.J.S.A. 54:4-9 and are assessed, levied and collected in the same manner and at the same time as other County taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a Trust Fund dedicated by rider (N.J.S.A. 40A:4-39) for the purpose stated. Interest earned on the investment of these funds is credited to the Salem County Open Space, Recreation, Farmland and Historic Preservation Trust Fund.

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

N. NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE

The County has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the County is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The County is billed quarterly for amounts due to the State. The following is a summary of County contributions, reimbursements to the State for benefits paid, and the ending balance of the County's trust fund for the current and previous two years:

<u>Year</u>	<u>County Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ -	\$ -	\$ 44
2015	45,416	45,416	44
2014	95,146	95,146	44

O. RISK MANAGEMENT

The County has adopted a plan of self-insurance for workers' compensation, automobile, police professional liability, and general liability insurance. Joint Insurance Fund Policy cover individual claims in excess of \$250,000 for automobile, general liability claims, and workers' compensation claims.

At December 31, 2016, the estimated payable for the workers' compensation insurance was \$785,673, the amount that the records of the administrator of the plan show as the estimated maximum amount of potential claims reported. Such liability at this time is not known.

The estimated payable for the general liability/auto liability/police professional insurance was \$421,881 the amount that the records of the administrator of the plan show as the estimated maximum amount of potential claims reported, at December 31, 2016. Such liability at this time is not known.

The estimated payable for workers' compensation, auto liability and general liability police professional insurance do not include any provision for claims incurred but not reported.

Any additional funds required for claims in excess of the amounts reserved and recorded in trust funds below as a liability will be paid and charged to the 2016 or future budgets. At December 31, 2016, the balances of the plans were as follows:

<u>Insurance Plan</u>	<u>Amount</u>
Reserve for Workers' Compensation - Trust Fund	\$ 80,484
Reserve for Self Insurance - Trust Fund	1,446
Hospitalization - Trust Fund	2

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

P. SERVICE AGREEMENT

Salem County Improvement Authority - Solid Waste Landfill Division - In 1984, a service agreement was enacted between the County and the Salem County Utilities Authority. In 2009, the Salem County Utilities Authority was dissolved and all of its rights and obligations were transferred to the Salem County Improvement Authority.

Section 301 of the 1984 agreement provides "Charges may and shall at all times be such that the receipts of the Authority shall be sufficient to pay or provide for expenses of the operation, repair and maintenance of the system including insurance, renewals and replacements and the cost of all enlargements and alterations of the system not otherwise provided for to pay the principal of and interest on any and all bonds or other obligations of the Authority as the same become due, and to repay to the County any advances made by the County to meet any deficits of the Authority by any participant or any other municipality, authority, county, person, partnership, firm, public or private corporation, or from any other cause, and to provide and maintain such reserves or sinking funds for any of the foregoing purpose as may be required by the terms of any contract or other obligation of the Authority."

Section 401 provided "On or before January 15th next following the close of each fiscal year, the Authority shall make and deliver to the Board of Chosen Freeholders of the County, a certificate, signed by its Chairman or Vice-Chairman and its Registered Municipal Accountant, stating the receipts and expenses to the Authority for the current fiscal year and the estimated receipts and expenses to the Authority for the current fiscal year, and deficiency advances (if any) payable by the County to the Authority, for or with respect to the preceding and current fiscal year. Such deficiency advances shall be a sum of money equal to the excess (if any) of the expenses of the Authority for a fiscal year over the receipts of the Authority's such fiscal year.

Section 402 provides "On or before May 1st of each fiscal year, the County will pay to the Authority the deficiency advances (if any) stated in the certificate delivered to the Board of Chosen Freeholders pursuant to Section 401 of this Article."

In 1984, prior year advances to the Authority of \$215,000 was repaid to the County of Salem. Subsequent to 1984 through December 31, 2016, the Authority has not requested any advances resulting from deficiencies or for any other purpose.

Q. COMPARATIVE SCHEDULE OF TAX RATES

	2016	2015	2014	2013	2012
County Tax Rate	\$ 1.070	\$ 0.980	\$ 0.947	\$ 0.946	0.922
County Open Space Tax Rate	0.020	0.020	0.020	0.020	0.020

R. ASSESSED VALUATION

2016	\$ 5,057,825,714
2015	5,265,472,749
2014	5,339,001,530
2013	5,453,646,338
2012	5,585,235,635

**COUNTY OF SALEM, STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

S. COMPARISON OF TAX LEVIES AND COLLECTIONS

<u>Year</u>		<u>Tax Levy</u>		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2016	\$	52,933,660	\$	52,933,660	100%
2015		51,448,093		51,448,093	100%
2014		50,310,877		50,310,877	100%
2013		51,356,241		51,356,241	100%
2012		51,356,241		51,356,241	100%

T. LITIGATION

The County is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the County, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

U. SUBSEQUENT EVENTS

Subsequent events were evaluated through June 9, 2017, which is the date that the financial statements were available to be issued.

End of Notes to Financial Statements

SUPPLEMENTAL SCHEDULES

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

CURRENT FUND

EXHIBIT A-4

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF CURRENT CASH
STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2016

Balance - December 31, 2015	<u>Ref.</u> A		\$ 6,751,749
Increased by Receipts:			
County Taxes Receivable	A-1, A-5	\$ 52,933,660	
Collection of Added and Omitted Taxes	A-5	206,995	
Refunds Receivable	A-1	18,551	
Revenue Accounts Receivable	A-8	18,525,973	
Interfunds	A-9	17,355,777	
Mortgages Receivable	A-10	102,299	
Other Reserves	A-13	96,555	
			<u>89,239,810</u>
			95,991,559
Decreased by Disbursements:			
2016 Budget Appropriations	A-3	72,706,847	
2015 Appropriation Reserve	A-12	2,022,944	
Interfunds Advanced	A-9	16,400,112	
Accounts Payable	A-11	129	
			<u>91,130,032</u>
Balance - December 31, 2016	A		<u><u>\$ 4,861,527</u></u>

**COUNTY OF SALEM
CURRENT FUND
SCHEDULE OF TAXES LEVIED AND COLLECTED
YEAR ENDED DECEMBER 31, 2016**

Municipality	Balance December 31, 2015	2016 Tax Levy	Added and Omitted County Tax	Received	Balance December 31, 2016
Alloway Township	\$	\$ 3,040,156	\$ 10,625	\$ 3,050,781	\$
Carneys Point Township	8,904	6,386,423	26,297	6,395,327	26,297
Elmer Borough	11,228	1,147,523	3,782	1,158,751	3,782
Elsinboro Borough		1,119,717	3,058	1,122,775	
Lower Alloways Creek Township		3,231,463	3,793	3,235,256	
Mannington Township		2,259,574	2,361	2,261,935	
Oldmans Township		2,409,643	57,666	2,467,309	
Penns Grove Borough		1,450,102	658	1,450,760	
Pennsville Township	44,558	10,539,595	10,831	10,594,984	
Pilesgrove Township		4,613,263	17,258	4,630,521	
Pittsgrove Township	19,262	6,757,209	12,859	6,776,471	12,859
Quinton Township		2,098,019	1,020	2,099,039	
Salem City		1,564,314	2,284	1,566,598	
Upper Pittsgrove Township		3,389,221	11,231	3,400,452	
Woodstown Borough		2,927,438	2,258	2,929,696	
	<u>\$ 83,952</u>	<u>\$ 52,933,660</u>	<u>\$ 165,981</u>	<u>\$ 53,140,655</u>	<u>\$ 42,938</u>
	Ref. A	A-2	A-2(2)		A
County Taxes	A-4			\$ 52,933,660	
County Added/Omitted Taxes	A-4			206,995	
				<u>\$ 53,140,655</u>	

EXHIBIT A-6

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF DEFERRED CHARGES
N.J.S. 401:4-54 SPECIAL EMERGENCY
YEAR ENDED DECEMBER 31, 2016

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance December 31, 2015</u>	<u>Added in 2016</u>	<u>Raised in 2016 Budget</u>	<u>Balance December 31, 2016</u>
12/5/12	Repair and Reconstruction of Roads, Bridges and Railroads	\$ 400,000	\$ 80,000.00	\$ 68,674		\$ 68,674	\$
			<u>Ref.</u>	A		A-3	

EXHIBIT A-7

STATEMENT OF DEFERRED CHARGES
YEAR ENDED DECEMBER 31, 2016

<u>Description</u>	<u>Balance December 31, 2015</u>	<u>Added in 2016</u>	<u>Raised in 2016 Budget</u>	<u>Balance December 31, 2016</u>
Overexpenditure of Appropriations	\$ 716,581	\$	\$ 716,581	\$
Overexpenditure of Appropriation Reserves	107,925	402,438	107,925	402,438
	\$ 824,506	\$ 402,438	\$ 824,506	\$ 402,438
	<u>Ref.</u>	A	A-1,3,12	A

EXHIBIT A-8
(1)

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF REVENUES - ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016

	Ref	Balance		Accrued	Collected	Balance Dec 31, 2016
		Dec 31, 2015				
Miscellaneous Revenues Anticipated:						
Local Revenues:						
County Clerk	\$	93,446	\$	406,291	\$	453,000
Surrogate		158,426		(77,628)		72,839
Sheriff				59,255		59,255
Interest on Investments and Deposits				14,037		14,037
Office on Aging Fees				176,516		176,516
Constitutional Officers Salary Reimbursement				96,200		96,200
Refunds - Public Health Department				34,709		34,709
Planning Board - Development Review Fees				44,141		44,141
Due from Lower Alloways Creek Township				2,195,000		2,195,000
One Stop Administration/ Stop				48,126		48,126
Bail Forfeiture				17,525		17,525
Dispatch Fees:						
Elmer Borough				10,700		10,700
Woodstown Borough				32,000		32,000
City of Salem				129,010		129,010
LAC Township				39,795		39,795
Pennsville				146,446		146,446
Carneys Point				105,771		105,771
Home Detention				22,950		22,950
Jail Miscellaneous				159,048		159,048
Indirect costs				15,000		15,000
Inmate Health/Reimbursement to Salem County				6,042		6,042
Jail Telephone				129,835		123,465
Unification Reimbursement				156,413		122,622
Fire School				58,250		58,250
Revolving Loan Fund				7,401		7,401
Meals on Wheels Rent				10,200		10,200
State Prisoners				11,180		11,180
Prior Year Expenses				171,881		171,881
Lease of Farmland				6,596		6,596
Legal Settlement				57,000		57,000
Pollution Control - Treasurer				50,000		50,000
						6,370
						33,791

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF REVENUES - ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016

	Balance Dec 31, 2015	Accrued	Collected	Balance Dec 31, 2016
State Aid:				
State Aid - County College Bonds (NJSA 18A:64A-22.6)	\$	\$ 408,244	\$ 408,244	
Public Health Priority Funding - 1977		68,313	62,861	5,452
Debt Service - State Aid (Type I) - Special Services School District		292,654	292,654	
State Assumption of Costs of County Social & Welfare Serv & Psychiatric Facilities				
Social and Welfare Service (c.66,P.L. 1990):				
Supplemental Social Security Income		145,495	145,495	
Psychiatric Facilities (C.73,P.L. 1990):				
Maintenance of Patients in State Institution for Mental Diseases		1,401,314	1,401,314	
Maintenance of Patients in State Institutions for Mentally Retarded		2,575,640	2,575,640	
Board of County Patients in State and Other Institutions		24,261	24,261	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items				
Salem County Area Office of Aging		58,000	58,000	
Salem County Community Bus Service - NJ Transit Contract		1,515,496	1,279,343	236,153
County Welfare Office - Social Services		124,717		124,717
Rent - Agriculture Building		92,925	92,925	
Bd. Federal Inmates in County Jail		991,478	927,425	64,053
Inmates in County Jail		6,824,125	5,879,217	944,908
Gloucester County Alternative Youth Shelter Beds		70,051	70,051	
NEXTEL-Communication Tower		18,000	18,000	
County Clerk Additional Fees		72,315	72,315	
Sheriff Additional Fees		59,659	59,659	
Title IV-D		269,193	147,383	121,810
ARC Application Fee		1,000	1,000	
Board of Social Service Admin Fees		151,307	151,307	
Program Income		1,907	1,907	
Total Miscellaneous Revenue Anticipated	A-8 \$ 251,872	\$ 19,505,784	\$ 18,165,706	\$ 1,591,950

EXHIBIT A-8
(3)

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF REVENUES - ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016

Ref	Balance		Accrued	Collected	Balance Dec 31, 2016
	Dec 31, 2015				
Miscellaneous Revenue Not Anticipated:					
	\$	\$	68,902	\$	\$
Miscellaneous			200		200
Construction Board of Appeals		26,043	26,043		26,043
Payments In Lieu of Taxes		22,529	22,529		22,529
Insurance Recovery		58,125	58,125		58,125
Borough of Penns Grove Dispatch		253	253		253
Prosecutor Discovery		6,368	6,368		6,368
Prosecutor Restitution		713	713		713
Prosecutor County Fines		20,358	20,358		20,358
Landscaping and Paving		3,358	3,358		3,358
Vending Services		68	68		68
OPRA Fees		428	428		428
Garnishes		247	247		247
Board of Election Copies and Supplies		19,063	19,063		19,063
County Auction		25,548	25,548		25,548
Election Reimbursements		27,109	27,109		27,109
Veteran's Cemetery Plot Allowance		80,955	80,955		80,955
FEMA Reimbursements					
Total Miscellaneous Revenue Not Anticipated					
A-2		360,267	360,267		
	\$	251,872	\$	18,525,973	\$
Ref.	A		A-4		A
					1,591,950

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF INTERFUNDS
YEAR ENDED DECEMBER 31, 2016

	Ref.	Total	Grant Fund	Municipal Open Space Trust Fund	Trust Other Fund	General Capital Fund
Balance December 31, 2015	A	\$ (1,057,214)	\$ (956,060)	\$ 24,920	\$ (130,787)	\$ 4,713
Increased by:						
Receipt	A-4	17,355,777	9,137,141	3,731,373	991,858	3,495,405
Grant Receivables	A-4,14	2,317,152	2,317,152			
Matching Share	A-3	169,072	169,072			
		18,784,787	10,667,305	3,756,293	861,071	3,500,118
Decreased by:						
Disbursements	A-4	8,117,484		3,756,293	861,073	3,500,118
Grant Disbursements	A-4,15	8,282,628	8,282,628			
Cancellation of Grant Funds	A-1,15	2,510,242	2,510,242			
		18,910,354	10,792,870		861,073	3,500,118
Balance December 31, 2016	A	\$ (125,567)	\$ (125,565)	\$ -	\$ (2)	\$ -
Interfunds Receivable		\$ (125,565)				
Interfunds Payable		\$ -				
		\$ (125,565)				

EXHIBIT A-10

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF MORTGAGES RECEIVABLE
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	<u>Grant Fund</u>
Balance December 31, 2015	A	\$ 538,013
Decreased by:		
Receipts	A-4	102,299
Balance December 31, 2016	A	\$ 435,714

EXHIBIT A-11

STATEMENT OF ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	
Balance December 31, 2015	A	\$ 5,588
Increased by		5,469
		11,057
Decreased by:		
Disbursements	A-4	129
Balance December 31, 2016	A	\$ 10,928

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF 2015 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2016

	Encumbrances 12/31/2015	Reserve 12/31/2015	Transfers		Balance After Transfer	Paid or Charged	Balance Lapsed	Overex- penditure
			To	From				
ADMINISTRATIVE AND EXECUTIVE								
Board of Chosen Freeholders								
Salaries and Wages		\$ 2,478	\$		\$ 2,478	\$ 2,465	\$ 13	\$
Other Expenses	225	721			946	856	90	
Purchase Department and Inventory Control								
Salaries and Wages		1,843			1,843	1,824	19	
Other Expenses	133	1,783			1,916	1,916		
Clerk of the Board								
Salaries and Wages		5,347			5,347	5,301	46	
Other Expenses	1,127	62			1,189	1,108	81	
Personnel/HR								
Salaries and Wages		4,140			4,140	4,098	42	
Screening & Compliances Test of Employees								
Other Expenses	6,192	15,854	2,200		24,246	24,246		
County Clerk								
Salaries and Wages		8,120			8,120	8,057	63	
Other Expenses	495	6,508		1,100	5,903	5,717	186	
Election Costs		43,727			43,727	43,727		
Grant Management								
Other Expenses		869			869		869	
Board of Elections								
Salaries and Wages		3,938			3,938	3,869	69	
Other Expenses	9,274	478			9,752	9,585	167	
Department of Finance								
County Treasurer's Office								
Salaries and Wages		4,319			4,319	4,275	44	
Other Expenses	264	1,823		1,100	987	987		
Bond Costs		227			227		227	
County Auditor	10,400		15,000		25,400	25,400		
Information Technology Center								
Salaries and Wages								
Other Expenses	8,353	6,850			15,203	14,172	1,031	
County Adjuster's Office								
Other Expenses	40	84			124	124		

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF 2015 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2016

	Encumbrances 12/31/2015	Reserve 12/31/2015	Transfers		Balance After Transfer	Paid or Charged	Balance Lapsed	Overex- penditure
			To	From				
Board of Taxation								
Salaries and Wages		\$ 2,705	\$		\$ 2,705	\$ 2,459	\$ 246	\$
Other Expenses	97	935			1,032	381	651	
County Counsel								
Other Expenses	532	1,039			1,571	1,169	402	
County Surrogate								
Salaries and Wages								
Other Expenses	1,617	5,992			5,992	5,935	57	
Agriculture development Board		192			1,809	1,730	79	
Other Expenses		900			900		900	
Engineer								
Salaries and Wages								
Other Expenses	70,202	5,957			5,957	5,908	49	
Economic Development Office		5,288			75,490	74,825	665	
Salaries and Wages		475			475	474	1	
Other Expenses	100	1,748			1,848	100	1,748	
Labor Counsel								
Other Expenses	8,425	2,822		5,000	6,247	2,056	4,191	
Special Counsel/Consulting								
Other Expenses	635	2,741			3,376	3,376		
Cultural and Heritage Commission								
Salaries and Wages		474			474	474		
Other Expenses	250	151			401	354	47	
TOTAL GENERAL GOVERNMENT	118,361	140,590	17,200	7,200	268,951	256,968	11,983	
LAND USE ADMINISTRATION								
County Planning Board								
Salaries and Wages		982			982	906	76	
Other Expenses	1,732	523			2,255	1,550	705	
TOTAL LAND USE ADMINISTRATION	1,732	1,505			3,237	2,456	781	

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF 2015 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2016

	Encumbrances 12/31/2015	Reserve 12/31/2015	Transfers		Balance After Transfer	Paid or Charged	Balance Lapsed	Overex- penditure
			To	From				
CODE ENFORCEMENT AND ADMINISTRATION								
Weights and Measures								
Salaries and Wages		\$ 1,310	\$		\$ 1,310	\$ 1,271	\$ 39	\$
Other Expenses		80			80	8	72	
TOTAL CODE ENFORCEMENT		<u>1,390</u>			<u>1,390</u>	<u>1,279</u>	<u>111</u>	
INSURANCE								
Workmen's Compensation		2,692			2,692		2,692	
Other Insurance Premiums		530			530		530	
Self-Insurance AI/GL		828			828		828	
Group Insurance Dental		18,910			18,910		18,910	
Group Insurance Hospitalization	5,381	27,064			32,445	32,445	20,113	
Post Retirement Health Benefits		20,113			20,113		1,559	
Unemp. Ins. (NJS 43:21-3 et seq.)		1,559			1,559		8,158	
State Disability Insurance		8,158			8,158		52,790	
TOTAL INSURANCE	<u>5,381</u>	<u>79,854</u>			<u>85,235</u>	<u>32,445</u>		
PUBLIC SAFETY FUNCTIONS								
Safety Committee								
Department of Emergency Services								
Salaries and Wages		2,010	4,000		6,010	5,930	80	
Other Expenses:								
Fire School								
Miscellaneous Other Expenses	24,933	2,491			27,424	24,865	2,559	
Hazardous Materials Response Team								
"9-1-1"								
Salaries and Wages								(43,662)
Other Expenses	15,817	9,626			25,443	43,662	9,147	
Fire Marshal						16,296		
Other Expenses								
Sheriff's Office								
Salaries and Wages		56,933			56,933	56,680	253	
Other Expenses	75,091	12,098			87,189	76,471	10,718	

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF 2015 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2016

	Encumbrances 12/31/2015	Reserve 12/31/2015	Transfers		Balance After Transfer	Paid or Charged	Balance Lapsed	Overex- penditure
	\$	\$	To	From	\$	\$	\$	\$
Jail								
Salaries and Wages						308,384		\$ (308,384)
Other Expenses	414,519	25,814			440,333	368,153	72,180	
Bail Forfeitures		370			370		370	
Inmate Medical	86,467	1,683			88,150	59,958	28,192	
Alternative Youth Shelter								
Contractual- Ranch Hope	45,900				45,900	45,900		
Prosecutor's Office								
Salaries and Wages		85,564			85,564	84,565	999	
Other Expenses	72,789	13,186			85,975	81,810	4,165	
County Medical Examiner								
Other Expenses		32,917		11,000	43,917	43,750	167	
Juvenile Detention and Domestic Relations Ct.								
Other Expenses	67,772	2,075			69,847	41,683	28,164	
TOTAL PUBLIC SAFETY FUNCTIONS	803,288	244,767	15,000		1,063,055	1,258,107	156,994	(352,046)
PUBLIC WORKS FUNCTIONS								
Street and Road Maintenance								
Roads and Bridges								
Salaries and Wages		27,918			27,918	27,280	638	
Other Expenses	36,658	274			36,932	31,431	5,501	
Facilities Management								
Salaries and Wages		17,427			17,427	17,418	9	
Other Expenses	12,746	20,101			32,847	25,773	7,074	
Alterations & Renovations	9,890	9,112			19,002	11,937	7,065	
Snow Removal								
Mosquito Extermination Commission	27,837	2,423		15,000	15,260	5,580	9,680	
Railroad								
Vehicle Maintenance	8,818	41			8,859	6,891	1,968	
TOTAL PUBLIC WORKS FUNCTIONS	95,949	77,296		15,000	158,245	126,310	31,935	

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF 2015 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2016

	Encumbrances 12/31/2015	Reserve 12/31/2015	Transfers		Balance After Transfer	Paid or Charged	Balance Lapsed	Overex- penditure
			To	From				
HEALTH AND HUMAN SERVICES								
War Veterans Burial and Grave Decorations								
Other Expenses	\$ 907	\$ 1,612	\$	\$	2,519	\$ 2,469	\$ 50	\$
Office on the Disabled								
Salaries and Wages		109			109		109	
Other Expenses	30	612			642	30	612	
Salem Area Office on Aging		1,376			1,376	1,326	50	
Office on Aging Medical Transportation								
JACC/CAP	38	91			129	(62)	191	
Alcohol Treatment/County Contributions								
County Health Service - Interlocal Agreement (40:8A-1 et seq)								
Salaries and Wages		15,335	1,000		16,335	16,323	12	
Other Expense:								
Nursing Services	4,024	1,641			5,665	4,265	1,400	
Administrative	542	2,562			3,104	702	2,402	
Environmental	600	93			693	615	78	
Cumberland County- Priority Health Funding								
Salaries and Wages		1,555			1,555		1,555	
Commission on Women								
Other Expenses								
Mental Health Board								
Other Expenses		46			46		46	
TOTAL HEALTH AND HUMAN SERVICES	6,141	25,032	1,000		32,173	25,668	6,505	
EDUCATION FUNCTIONS								
Education Programs for Employees								
Salaries and Wages		149			149	146	3	
Out of County Two Year Colleges (N.J.S.18A:64A-23)								
County Extension Service-Farm and Home Demonstrations	6,137	308			6,445	6,137	308	
Salaries and Wages		3,664			3,664	3,533	131	
Other Expenses	8,809	559			9,368	8,900	468	

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF 2015 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2016

	Encumbrances 12/31/2015	Reserve 12/31/2015	Transfers		Balance After Transfer	Paid or Charged	Balance Lapsed	Overex- penditure
			To	From				
Office of County Superintendent of Schools								
Salaries and Wages		\$ 1,979			\$ 1,979	\$ 1,947	\$ 32	\$
Other Expenses	25	2,045			2,070	1,715	355	
TOTAL EDUCATION FUNCTIONS	14,971	8,704			23,675	22,378	1,297	
UNCLASSIFIED								
Veteran's Service Bureau								
Salaries and Wages		873			873	858	15	
Other Expenses	87	30			117	87	30	
Community Bus Service								
Salaries and Wages		11,509			11,509	11,346	163	
Other Expenses	7,717	140			7,857	7,836	21	
Utilities	148,260	196,522		11,000	333,782	232,283	101,499	
City of Salem - In lieu of Taxes (Pilot Program)								
TOTAL UNCLASSIFIED	156,064	209,074		11,000	354,138	252,410	101,728	
SUBTOTAL OPERATIONS	1,201,887	788,212	33,200	33,200	1,990,099	1,978,021	364,124	(352,046)
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES								
Matching Funds for Grants		600			600		600	
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES		600			600		600	
Contingent								
TOTAL OPERATIONS INCLUDING CONTINGENT	1,201,887	788,812	33,200	33,200	1,990,699	1,978,021	364,724	(352,046)
Capital Improvements								
Interest Earned on N.J. Department of Transportation Grant Funds - (County Aid Improvement Program): Reconstruction of Various County Roads								
Total Capital Improvements								

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF 2015 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2016

	Encumbrances 12/31/2015	Reserve 12/31/2015	Transfers		Balance After Transfer	Paid or Charged	Balance Lapsed	Overex- penditure
			To	From				
Deferred Charges and Statutory Expenditures - County	\$	\$	\$	\$	\$	2,323	\$	(2,323)
Deferred Charges - Prior Year Bills								
Statutory Expenditures:								
Contribution to:								
Social Security						48,069		(48,069)
Public Employee's Retirement System		19,680			19,680		19,680	
Police and Fireman's Retirement System		2,629			2,629		2,629	
Total Deferred Charges and Statutory Expenditures - County		22,309			22,309	50,392	22,309	(50,392)
Total General Appropriations	\$ 1,201,887	\$ 811,121	\$ 33,200	\$ 33,200	\$ 2,013,008	\$ 2,028,413	\$ 387,033	\$ (402,438)
Ref	A	A				A-4	A-1	A-7

COUNTY OF SALEM
CURRENT FUND
STATEMENT OF OTHER RESERVES

Ref.	Total	Special Emergency Hurricane Sandy	Reconstruction of Various Roads	OOA Transportation Program	2011 Storm Repayment of Debt	Repayment of Debt	Repair and Reconstruction of Roads Bridges and Railroads	Reserve for JACC/CAP
Balance, December 31, 2015	A \$ 870,920	\$ 33,160	\$ 128,803	\$ 3,748	\$ 354,529	\$ 96,903	\$ 246,557	\$ 7,220
Increased by:								
Receipt	A-4 96,555			720		95,835		
	967,475	33,160	128,803	4,468	354,529	192,738	246,557	7,220
Decreased by								
Anticipated as Revenue in 2016 Budget	A-2 514,909	33,160			354,529	120,000		7,220
	514,909	33,160			354,529	120,000		7,220
Balance, December 31, 2016	A \$ 452,566	\$ -	\$ 128,803	\$ 4,468	\$ -	\$ 72,738	\$ 246,557	\$ -

COUNTY OF SALEM
FEDERAL AND STATE GRANT FUND
STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016

	Balance 12/31/2015	Anticipated as Revenue in 2016 Budget	By 40A:4-87	Received	Cancelled/ Adjustment	Balance 12/31/2016
Federal Grants:						
Salem County Area Plan Grant						
2013	\$ 23,632	\$	\$	\$	23,632	\$ 350
2014	350					127,873
2015	127,873					
2016		836,952	147,476	835,236		149,192
Sandy		7,500				7,500
Public Health Preparedness & Response for Bioterrorism						
2015	213,474			185,657		27,817
2016			257,797			257,797
Victims of Crime Act Grant Program (VOCA)						
2015	3,572			3,572		
2016			12,433			12,433
Multijurisdictional Task Force						
2015	79,664			79,664		
2016				85,376		
2016		107,783	154,971			22,407
Rural Business Enterprise Grant	10,841					154,971
Workforce Investment Board - Dislocated Worker						10,841
2014			7,981	7,981		
2015	39,943		90,103	129,696	350	
Workforce Investment Board - Adult						
2014			19,586	19,586		
2015			116,307	116,307		
Workforce Investment Board - Youth						
2014	16,100		33,927	33,927		
2015			134,269	134,269		16,100
Small Cities Housing Rehab						
State Homeland Security Program (SHSP)						
2015	100,000			38,393		61,607
2016			142,558			142,558
HSGP	3				3	
Salem Hancock's Bridge Road, PE (CR 658)	2,711					2,711
Salem Hancock's Bridge Road, Phase II (CR 658)	1,309,217			830,494	478,723	
Jesses Bridge		1,000,000				1,000,000
Elmer Shirley Road	955,000	392,245		916,867	430,378	
2014 Federal Aid - Commissioner's Pike, CR #581, Phase IV	754,385			397,505	356,880	
Cohansey Friesburg Road	102,767			25,920		76,847

COUNTY OF SALEM
FEDERAL AND STATE GRANT FUND
STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016

	Balance 12/31/2015	Anticipated as Revenue in 2016		Received	Cancelled/ Adjustment	Balance 12/31/2016
		Budget	By 40A:4-87			
Woodstown Road	\$ 100,045	\$	\$	\$ 28,647	\$	\$ 71,398
New Jersey DOT - Pennsville-Auburn Road, County Road #551, Phase II	283,625					283,625
New Jersey DOT - Pennsville-Auburn Road, County Road #551, Phase III	588,039					588,039
NJ DOT - Harmersville- Pecks Corner Rd CR 667, Phase II Project (ARRA) 2010	286,085					286,085
SJTPO - Salem County Roadway Striping Program, Phase II	243,830					243,830
SJTPO - Salem County Safety Projects in Penn Grove Township	65,686					65,686
Small Cites - ARC Parking Lot			300,000			300,000
HMEP Planning & Training			16,700			16,700
NJ Dept of Health - Seniors Farmers Market Nutrition			500			500
Design Mill and Overlay			100,004			100,004
2013 Federal Aid - Commissioner's Pike, CR #581, Phase IV	860,849			3,000		100,004
CDBG Disaster Recovery (Greenville Bridge)	38,126					857,849
HAVA 261						38,126
2015	19,431			19,393	38	
Subregional Transportation Planning Program						
2009						
2015	58,000			8,117		49,883
2016			46,400			46,400
Crop Insurance Education						
2015	178,665			178,665		
2016						
Tiger III			164,233			164,233
2015 Federal Aid Program	3,000,000		1,420,000			4,420,000
Almond Road CR 540, Phase II	231,460		36,125	45,000		222,585
Victims of Crime (SART/SANE)	840,227			300,205	540,022	
2015						
2016	42,619			26,790	15,829	24,267
Justice Assistance Grant - Megan's Law		59,346		35,079		
2015	938			938		
2016		3,882		3,882		
New Freedom (Section 5317)						
2012						
2012	1,168					1,168
2014	2,400			2,400		
2015 Stormwater Management	20,000			20,000		

COUNTY OF SALEM
FEDERAL AND STATE GRANT FUND
STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2015

	Balance 12/31/2015	Anticipated as Revenue in 2016		Received	Cancelled/ Adjustment	Balance 12/31/2016
		Budget	By 40A:4-87			
Wastewater Management Plan						
2009	\$ 42,969	\$	\$	\$ 904	\$	42,065
2012	139,748			48,374		91,374
2013	50,000			8,270		41,730
New Jersey Transit Section 5311						
2015	339,180			77,348		261,832
State Grants:						
Alcoholic Treatment Program						
#13-539-ADA-01	44,243			32,853		11,390
#14-539-ADA-01	3,254			25,722		(22,468)
#15-539-ADA-01	204,568			182,956		21,612
#16-539-ADA-01		233,074		116,789		116,285
MIPPA Outreach & Enrollment		40,000		39,000		1,000
NJ Dept of Health - Right to Know						
2015	6,590			6,589		1
2016			8,786	2,196		6,590
County Environmental Health Act (CEHA)						
2015				2,807		
2016		134,182		132,182		2,000
2017				135,382		135,382
SCBG - ADA Grant Agreement #08-2115-00 - Johnson Building	73,618					73,618
N.J. Dept. of Transportation - Capital Transportation Prog. Fiscal Year 1994-1997	8,030					
N.J. Transit Dept. of Transportation - Short Line Track Rehab. Phase VI 2014	1,891,127				8,030	1,891,127
Senior Citizen and Disabled Resident Transportation Program						
2015	149,286			98,633		50,653
2013 Carryover	218,692			24,701		193,991
2016		351,472		199,149		152,323
2014 Carryover			186,102			186,102
Municipal Alliance to Prevent Alcoholism & Drug Abuse						
2012	15,697					15,697
2013	33,923					33,923
2014	56,847			55,590		1,257
2014	114,864			85,803		29,061
2015	137,801			35,087		102,714
2016			137,801			137,801

COUNTY OF SALEM
FEDERAL AND STATE GRANT FUND
STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016

	Balance 12/31/2015	Anticipated as Revenue in 2016 Budget	By 40A:4-87	Received	Cancelled/ Adjustment	Balance 12/31/2016
	\$	7,585	\$	\$		\$
Veterans Transportation				7,585		
2016				5,423		7,577
Surface Water Quality Monitoring			13,000			
NJ Transportation Trust Fund Authority - Murphy's Bridge			20,000			
Replacement of Webster's Mill Bridge	1,000,000					1,000,000
EIP COLA Funds	250,000					250,000
Early Intervention Program 2008	9,983					9,983
Special Child Health and Early Intervention	20,407					20,407
2015						
2017	39,895			39,157		738
Mental Health Administration			40,914			40,914
2011	12,000					12,000
2012	12,000					12,000
2013	12,000					12,000
2014	12,000				5,991	6,009
Juvenile Justice Commission Family Court Services						
2014	18,935				18,935	
2015	74,159			60,453	13,706	
2016			100,261	16,265		83,996
Juvenile Justice Commission State/Community Partnership						
2014	2,547				2,547	
2015	122,308			121,967	341	
2016			200,966	34,550		166,416
Salem County Safe Roadways 2013	8,731				8,731	
County Mental Health Planning Development & Admin 2005	1,585				1,585	
Prosecutor Insurance Fraud Reimbursement						
2016		226,551		145,857		80,694
2015	43,587			40,199	3,388	(10,733)
Historical Commission Grant				10,733		
Local Arts Program						
2016		46,843		23,421		23,422
2015	11,710			23,422		(11,712)
State Health Insurance Assistance Program (SHIP)						
2015	27,000			27,000		
2016			27,000	5,193		21,807

COUNTY OF SALEM
FEDERAL AND STATE GRANT FUND
STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016

	Balance 12/31/2015	Budget	Anticipated as Revenue in 2016 By 40A:4-87	Received	Cancelled/ Adjustment	Balance 12/31/2016
Local Bridges, Future Needs - Kings Highway, CR #620						
2009	\$ 92,702	\$	\$	\$		\$ 92,702
2011	722,532					722,532
2014 Co Aid Improvement (Willow Grove Dam)	3,899,792			1,658,530		2,241,262
State Railplan	563,802					563,802
NJ Dept of Transportation - County Aid - ATP						
2014	2,365,000					2,365,000
2015	2,365,000					2,365,000
2016			2,365,000			2,365,000
Emergency Housing Repair Fund	4,995					4,995
Cancer Education/Early Detection						
2014	98,754				98,754	
One Stop / WIA						
2014	603,901			136,054	26,081	441,766
2015	760,517					760,517
2016						416,768
Work First New Jersey - TANF			488,529	71,761		
Work First New Jersey - Worker Verification			362,384	362,384		
Work First New Jersey - TANF Case Management			9,556	9,556		
Work First New Jersey - GA/SNAP			52,269	52,269		
Work First New Jersey - GA/FS Case Management			118,363	118,363		
Work First New Jersey - CAPV & EEI & Food Stamps			17,633	17,633		
NJ Dept of Emergency Management - RERP			1,414	1,414		
2014	32,533				32,533	
2015	256,544			231,425	25,119	
2016			148,636			148,636
PASP - Personal Assistance Services						
2016						
NJ State Police 911 Coordinator	2,273		11,114	11,114	2,273	
Title IV-D						
2015	223,283				223,283	
2016			241,210			241,210
2017			147,732			147,732
Mosquito Identification and Control Activities			29,000			29,000

COUNTY OF SALEM
FEDERAL AND STATE GRANT FUND
STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016

	Balance 12/31/2015	Budget	Anticipated as Revenue in 2016 By 40A:4-87	Received	Cancelled/ Adjustment	Balance 12/31/2016
Emergency Management Performance Grant (EMPG) 2015						
Body Armor Replacement - Sheriff	\$	\$	\$ 55,000	\$ 55,000	\$	
Body Armor Replacement - Prosecutor			17,903	17,903		
			2,184	2,184		
Other:						
Bulletproof Vest Partnership						
2013	7,410					7,410
2014	2,340					2,340
2015	6,940					4,317
Project Lifesaver				2,623		
SCAAP			25,000	25,000		
SC Ag Development Board			3,184	3,184		
Health and Wellness			45,000	45,000		
Health and Wellness			22,000	22,000		
Health & Wellness Foundation - Rec Park		20,000	15,000	15,000		10,000
				10,000		
	<u>\$ 27,825,912</u>	<u>\$ 3,459,830</u>	<u>\$ 8,252,500</u>	<u>\$ 9,137,141</u>	<u>\$ 2,317,152</u>	<u>\$ 28,083,949</u>
	A	A-2	A-2	A-4	A-9	A

COUNTY OF SALEM
FEDERAL AND STATE GRANT FUND
STATEMENT OF RESERVES FOR FEDERAL AND STATE GRANT FUND-APPROPRIATED
YEAR ENDED DECEMBER 31, 2016

	Balance 12/31/2015	2016 Appropriations		County Match	Liquidation of Prior Year Encumbrance	Paid or Charged	Cancellation	Balance 12/31/2016
		Budget	By 40A:4-87					
N.J. Department of Transportation								
Hamersville- Pecks Road Cr 667, Phase II (ARRA)	\$ 286,085	\$	\$	\$	\$	\$	\$	286,085
SJTPO - Salem County Roadway Striping Program, Phase II	243,830							243,830
SJTPO - Salem County Safety Projects in Penn Grove Township	65,686							65,686
2013 Commissioner's Pike, CR #581, Phase III	551,716				144,670	212,321		484,065
2015 Federal Aid Program	231,460		36,125			267,585		
Subregional Transportation Planning Program								
2006								
2015	57,150		32,639		850		32,639	47,854
2017								58,000
Almond Road CR 540, Phase II	404,170		46,400	11,600		10,146		
Tiger III	3,000,000				135,853		540,023	
Crop Insurance Education			1,420,000			3,080,896		1,339,104
2015	127,111							
2016								48,316
Senior Farmers Market Nutrition Program			164,233			78,795		135,200
HAVA 261	38		500			29,033		
Victims of Crime (SART/SANE)					4,950	500	38	
2015	19,780					4,950		
2016							19,780	
HMEP Planning & Training		59,346		14,837		72,925		1,258
Small Cities - ARC Parking Lot			16,700			14,647		2,053
2009 Wastewater Management Plan			300,000			4,300		295,700
2012 Wastewater Management Plan	34,466					904		33,562
2013 Wastewater Management Plan	66,000				73,748	99,866		39,882
2015 Stormwater Management	4,809				4,555	9,364		
2015 Stormwater Management	20,000					387		19,613
New Jersey Transit Section 5311								
2015	391,473				12,900	179,621		224,752
State Grants:								
Veterans Transportation								
2015	7,565							
2016					2,174	9,739		7,565
Mosquito Identification and Control Activities			13,000			5,435		293
Alcoholic Treatment Program			29,000			28,707		
#13-582-ADA-00	10,390							10,390
#14-582-ADA-00	12,005							12,005
#15-582-ADA-00	25,703							21,569
#16-582-ADA-00					14,870	19,004		6,361
NJ Dept of Health - Right to Know		233,074				226,713		
2014	452							
2015	5,382					452		
2016			8,786			5,382		4,704
SCBG - ADA Grant Agreement #08-2115-00 Johnson Building	95,801					4,082		95,801
Short Line Track Rehabilitation Phase VI 2014	917,821							917,821

COUNTY OF SALEM
FEDERAL AND STATE GRANT FUND
STATEMENT OF RESERVES FOR FEDERAL AND STATE GRANT FUND-APPROPRIATED
YEAR ENDED DECEMBER 31, 2016

	Balance 12/31/2015	2016 Appropriations		County Match	Liquidation of Prior Year Encumbrance	Paid or Charged	Cancellation	Balance 12/31/2016
		Budget	By 40A:4-87					
Special Child Health and Early Intervention								
2015	\$ 40,749	\$	\$ 40,914	\$	\$	\$ 34,162	\$	\$ 6,587
2017				15,880		24,067		32,727
MPPA Outreach & Enrollment		40,000				40,000	5,991	
Mental Health Administration 2014	5,991							
N.J. Department of Environmental Protection								
County Environmental Health Act (CEHA)								
2014	4,000							4,000
2015		134,182	135,382	97,934		215,036		17,080
2016			2,807	1,875		129,498		5,884
2016								4,682
Senior Citizen and Disabled Resident Transportation Program								
Additional Funds (2003)								
2014 Carryover			9,864			159,733	9,864	26,369
2014			186,102			(54)	54	
2015	185,846				6,147	26,370		165,623
2013 Carryover	11,127	351,472			78,200	70,776		18,551
2016						166,861		184,611
Municipal Alliance to Prevent Alcoholism & Drug Abuse								
2013	1,404							1,404
2014	28,861				815	815		28,861
2015	122,732					83,795		38,937
2016			137,801			23,350		114,451
Juvenile Justice Commission Family Court Services								
2014	29,457						29,457	
2015	100,261					86,555	13,706	100,261
2016			100,261					
Juvenile Justice Commission State/Community Partnership								
2014	27,651					(21,378)	49,029	
2015	132,823					132,481	342	
2016			200,965			38,940		162,026
JA/BG Funds - Juvenile Justice Commission								
2014	4,241					4,241		
2015	8,601						8,601	
Salem County Safe Roadways 2013								
Prosecutor Insurance Fraud Reimbursement								
2016		226,551				214,123	3,389	12,428
2015	4,776					1,387		
Dept. of Veterans Affairs - War Veterans Cemetery and Park						40		
Local Arts Program								
2014								
2015					1,750	1,750		
2015	10,251				2,813	13,064		
2016		46,843				37,207		9,636

COUNTY OF SALEM
FEDERAL AND STATE GRANT FUND
STATEMENT OF RESERVES FOR FEDERAL AND STATE GRANT FUND-APPROPRIATED
YEAR ENDED DECEMBER 31, 2016

	Balance 12/31/2015	Budget	2016 Appropriations By 40A:4-37	County Match	Liquidation of Prior Year Encumbrance	Paid or Charged	Cancellation	Balance 12/31/2016
State Health Insurance Assistance Program (SHIP)								
2015	\$ 8,176	\$	\$	\$	\$ 38	\$ 8,214	\$	\$ 6,348
2016			27,000			20,652		
Body Armor Replacement - Sheriff								
2014	18,854					5,755		11,925
2015					5,755	6,929		17,903
2016			17,903					
Body Armor Replacement - Prosecutor								
2015	2,268							2,268
2016			2,184				14,833	2,184
MIPPA Outreach & Enrollment								
State Aid Highway Projects:								
County Aid Improvement Program								
2009								
2011	842,036				73,517	73,517		
2012	1,807,000				1,237,257	1,237,257		
2013	1,075,780				930,415	1,772,451		
2014	1,000,000					1,303,582		503,418
NJ Transportation Trust Fund Authority - Murphy's Bridge					986,787	1,058,987		1,003,580
Jesses Bridge								1,000,000
Local Bridges, Future Needs - Kings Highway, CR #520								1,000,000
2009			1,000,000					
2011	95,621							95,621
2012	41,440				193	193		41,440
Local Bridges, Future Needs - Lake Palantine 2012					69,482	69,482		239,871
Cancer Education/Early Detection 2014					84	373	108,234	
One Stop / WIA								
2014	37,981							
2015	897,043				491,359	61,494	26,080	441,766
2016					(342,863)			554,180
Work First New Jersey - TANF			488,529			161,218		327,311
Work First New Jersey - Worker Verification			362,384			362,384		
Work First New Jersey - TANF Case Management			9,556			9,556		
Work First New Jersey - GA/SNAP			52,269			52,269		
Work First New Jersey - GA/FS Case Management			118,363			118,363		
Work First New Jersey - CAPV & EEI & Food Stamps			17,833			17,833		
Workforce Investment Act - Operator Salary			1,414			1,414		
NJ Dept of Emergency Management - RERP						5,180		
2014	5,180							
2015	36,721							
2016	86,632				169,117	230,610	36,721	122,706
PASP - Personal Assistance Services			148,636			25,930	25,139	
2015	2,779							
2016						2,779		926
State Rail Plan			11,114		41	10,188		534,087
	534,087					41		

COUNTY OF SALEM
FEDERAL AND STATE GRANT FUND
STATEMENT OF RESERVES FOR FEDERAL AND STATE GRANT FUND-APPROPRIATED
YEAR ENDED DECEMBER 31, 2016

	Balance 12/31/2015	2016 Appropriations Budget	By 40A:4-87	County Match	Liquidation of Prior Year Encumbrance	Paid or Charged	Cancellation	Balance 12/31/2016
Historical Commission Grant								
2015	\$ 7,351	\$		\$	\$	6,601	\$	750
Title IV-D								
2015	229,244		241,210			5,960	223,284	
2016			147,732			2,681		238,529
2017								147,732
Right to Farm Activities Grant								
2000	4,805					4,805		3,936
2001	5,206					1,270		4,516
2002	4,516							
NJ Dept of Transportation - County Aid - ATP								
2014	2,365,000							2,365,000
2015	2,365,000							2,365,000
2016		2,365,000						2,365,000
Farmland Preservation Program (2009)								
EMAA (2014)/EMPG (2011)	88,000		27,573			27,573		
Emergency Management Agency Assist. (EMAA) 2012						88,000	50,000	
Emergency Management Performance Grant (EMPG) 2014							23,000	
EMPG/EMAA (2015)						55,000		
Emergency Management Agency Assist. (EMAA) 2013	47,500							
OOA Contract Adjustments			5,070			47,500		5,070
Surface Water Quality Monitoring			20,000					20,000
Other Grants:								
NJ Dept of Health - Healthy Community Initiative								
2012	6,944							6,312
2015	9,757							9,757
Salem Wellness Foundation - Flu Clinics	7,273							2,144
Pascale Sykes Economic Initiative	20,715						3.00	
2012 Capacity Building Award								
Project Lifesaver								
2014 Are You Talking to Me			25,000					2,394
USDOC - State Criminal Alien Assistance Program (SCAAP)	18,417							12,598
USDOC - State Criminal Alien Assistance Program (SCAAP)								3,184
Bulletproof Vest Partnership			3,184					
2011	17,160							17,160
2012	4,680							4,680
2015	9,858					4,900		4,958

COUNTY OF SALEM
FEDERAL AND STATE GRANT FUND
STATEMENT OF RESERVES FOR FEDERAL AND STATE GRANT FUND-APPROPRIATED
YEAR ENDED DECEMBER 31, 2016

	Balance 12/31/2015	2016 Appropriations Budget	By 40A-4.87	County Match	Liquidation of Prior Year Encumbrance	Paid or Charged	Cancellation	Balance 12/31/2016
Medical Reserve Corp								
2007	3	\$	\$	\$	\$	\$	\$	3
2007	1,054							1,054
2009	794							794
2010	91							91
2011	2,172							2,172
2013	2,867							
2015	3,500				208	3,075		
Salem County Ag Development Board						3,500		
Healthy Salem Healthy Body		20,000				40,000		
Health and Wellness Foundation - Rec Park			45,000					5,000
Health and Wellness Foundation - Healthy Community Development			15,000			5,807		15,000
Health and Wellness Foundation - Healthy Community Development	5,913		22,000			6,668		14,193
Health and Wellness Foundation - Healthy Community Development	28,432				3,768	9,443		15,332
Health and Wellness Foundation - Alcohol & Drug Residential Services	166,000				981	10,531		238
Health and Wellness Foundation - Specialized Transportation								18,882
	\$ 22,081,215	\$ 3,459,830	\$ 8,400,646	\$ 169,072	\$ 4,640,491	\$ 15,102,742	\$ 2,510,242	\$ 21,138,270
Ref. A		A-3	A-3	A-3,9			A-9	A
Disbursed						8,282,628		
Due to General Capital fund						3,037,923		
Encumbrances Payable						3,782,191		
						\$ 15,102,742		

COUNTY OF SALEM
FEDERAL AND STATE GRANT FUND
STATEMENT OF RESERVES FOR FEDERAL AND STATE GRANT FUNDS - UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2016

<u>Grant Description:</u>	Balance December 31, 2015	Received	Appropriated	Balance December 31, 2016
Senior Citizen and Disabled Resident				
Transportation Program - Additional Funds (2003)	\$ 9,864	\$	\$ 9,864	\$
Subregional Transportation Planning Program - FY 2006	32,639		32,639	
Farmland Preservation Program (2009)	27,573		27,573	
Emergency Management Agency Assist. (EMAA) 2012	50,000		50,000	
Emergency Management Performance Grant (EMPG) 2014	23,000		23,000	
OOA Contract Adjustments	5,070		5,070	
	<u>\$ 148,146</u>	<u>\$ -</u>	<u>\$ 148,146</u>	<u>\$ -</u>
<u>Ref.</u>	A		A-2	

TRUST FUNDS

EXHIBIT B-3

COUNTY OF SALEM
TRUST FUND
STATEMENT OF CASH
PER N.J.S.40A:5-5--TREASURER

	<u>Ref.</u>	<u>Trust Other Fund</u>	<u>Open Space and Farmland Preservation</u>
Balance - December 31, 2015	B	\$ 2,369,985	\$ 4,043,104
Increased by Receipts:			
Reserve for Trust Funds	B-7	37,108,681	
Interest Earned on Investments	B-1,8		4,822
Open Space Tax Levy	B-5		1,011,565
Added & Omitted Taxes	B-5		4,237
Reserve for Open Space Trust Fund	B-7		1,821,397
Due to Current Fund	B-9	861,073	2,247,493
		<u>37,969,754</u>	<u>5,089,514</u>
		40,339,739	9,132,618
Decreased by Disbursements:			
Principal and Interests on Open Space Debt	B-2		763,963
Reserve for Trust Funds	B-6	37,315,062	
Reserve for Open Space Trust Fund	B-7		2,359,649
Payment to Current Fund	B-9	991,858	2,222,573
		<u>38,306,920</u>	<u>5,346,185</u>
Balance - December 31, 2016	B	<u>\$ 2,032,819</u>	<u>\$ 3,786,433</u>
	<u>Ref</u>	B	B

EXHIBIT B-4

COUNTY OF SALEM
TRUST FUND - OPEN SPACE AND FARMLAND PRESERVATION
STATEMENT OF INVESTMENTS

	<u>Ref</u>	
Balance - December 31, 2015 and 2016	B	<u>\$ 497,651</u>

Analysis of Balance:

U.S. Treasury Bond

COUNTY OF SALEM
 TRUST FUND - OPEN SPACE AND FARMLAND PRESERVATION
 STATEMENT OF TAXES RECEIVABLE
 YEAR ENDED DECEMBER 31, 2016

Balance - December 31, 2015	<u>Ref.</u> B		\$ 1,771
Increased by:			
2016 Tax Levy:			
Open Space		1,011,565	
Added and Omitted		3,313	
	B-7	<hr/>	<hr/> 1,014,878
			1,016,649
Decreased by:			
Open Space tax	B-3	1,011,565	
Added and Omitted Tax	B-3	4,237	
		<hr/>	<hr/> 1,015,802
Balance - December 31, 2016	B		<hr/> <hr/> \$ 847

COUNTY OF SALEM
TRUST FUNDS
STATEMENT OF RESERVE FOR TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Balance December 31, 2015	Receipts	Disbursements	Balance December 31, 2016
Reserve for:				
Accumulated Absence Trust	\$ 261,752	\$ 105,772	\$ 217,284	\$ 150,240
Commodities Resale Program	16,382	141,131	141,106	16,407
County Auction	3,553			3,553
County Clerk	269,579	38,924	57,071	251,432
Document Preservation Fees		278,557	278,557	
Engineering Escrow	21,852	4,820		26,672
Environmental Enforcement	329,686	245,562	198,502	376,746
First Responder Dinner		4,075	3,945	130
Hospitalization	13,500	3,124,531	3,138,029	2
Housing Revitalization	72,109	128	45	72,192
Motor Vehicle Fines	136,233	218,245	180,075	174,403
Net Payroll Account		9,836,631	9,836,631	
Parvin Bequest	54,776	11,794	10,741	55,829
Payroll Agency	283,791	22,067,590	22,068,511	282,870
Performance Bond-Woods Laurel Hills	3,375			3,375
Prosecutor's Office:				
Asset Maintenance Account	7,054	320	1,229	6,145
Auto Law Enforcement Trust Account	6,367	123		6,490
County Law Enforcement Trust Account	49,073	69,937	46,995	72,015
Federal County Law Enforcement Trust Account	56,900	9,792	1,500	65,192
Municipal Law Enforcement Trust Account	45,691	8,845	22,285	32,251
Seized Assets Trust Account	68,266	36,233	88,932	15,567
Realty Transfer Fees		732,448	732,448	
Road Opening Deposits	14,129	2,069		16,198
SCAPG - Nutrition Program	164,344	30,208	178,431	16,121
SCAPG - Parvin	48,505	10,932	4,011	55,426
Self Insurance	1,444	2		1,446
Sheriff's Trust	31,433	6,834		38,267
Surrogate Fees	63,547	13,198	4,176	72,569
Tax Appeals Filing Fees	39,042	9,160	20,496	27,706
Unemployment Claims	44			44
Veterans Deductions	425	11,235	4,707	6,953
Weights & Measures	98,252	9,251	1,411	106,092
Worker's Compensation	78,094	80,334	77,944	80,484
	<u>\$ 2,239,198</u>	<u>\$ 37,108,681</u>	<u>\$ 37,315,062</u>	<u>\$ 2,032,817</u>
Ref.	B	B-3	B-3	B

COUNTY OF SALEM
TRUST FUND - OPEN SPACE AND FARMLAND PRESERVATION
STATEMENT OF RESERVE FOR FUTURE USE

Balance - December 31, 2015	B		\$ 4,567,446
Increased by:			
2016 Tax Levy	B-1,5	1,014,878	
Reserve Receipts	B-2,3	1,821,397	
Interest on Deposits	B-3	<u>4,822</u>	
			<u>2,841,097</u>
			7,408,543
Decreased by:			
Reserve Disbursements	B-2,3	2,359,649	
Principal and Interests on Open Space Debt	B-2	<u>763,963</u>	
			<u>3,123,612</u>
Balance - December 31, 2016	B		<u><u>\$ 4,284,931</u></u>
<u>Analysis of Balance:</u>			
Cash			\$ 3,786,433
Investments			497,651
Taxes Receivable			<u>847</u>
Reserve for Future Use			<u><u>\$ 4,284,931</u></u>

**COUNTY OF SALEM
TRUST FUND
STATEMENT OF DUE TO CURRENT FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref</u>	
Balance - December 31, 2015	B	\$ 130,787
Increased by:		
Receipt	B-3	861,073
		<hr/> 991,860
Decreased by:		
Payment	B-3	991,858
		<hr/> 2
Balance - December 31, 2016	B	<hr/> <hr/> \$

**COUNTY OF SALEM
TRUST FUND - OPEN SPACE AND FARMLAND PRESERVATION
STATEMENT OF DUE FROM CURRENT FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref</u>	
Balance - December 31, 2015	B	\$ 24,920
Increased by:		
Disbursements	B-3	2,222,573
		<hr/> 2,247,493
Decreased by:		
Receipts	B-3	2,247,493
		<hr/> -
Balance - December 31, 2016	B	<hr/> <hr/> \$

GENERAL CAPITAL FUNDS

COUNTY OF SALEM
GENERAL CAPITAL FUND
SCHEDULE OF CASH - CHIEF FINANCIAL OFFICER

	<u>Ref.</u>		
Balance, December 31, 2015	C,C-3		\$ 3,270,334
Increased by Receipts			
Accrued Interest on Bonds	C-13	\$ 208,385	
Bond Premium	C-1	7,025	
Due from Current Fund	C-4	4,309,528	
Capital Improvement Fund	C-12	200,000	
Bond Proceeds	C	6,949,000	
		<hr/>	11,673,938
			<hr/>
			14,944,272
Decreased by Disbursements:			
Paid to Current Fund	C-4	4,304,815	
Paid for Grant Fund	C	3,037,923	
Improvement Authorizations	C-7	2,838,298	
Contracts Payable	C-11	1,805,591	
		<hr/>	11,986,627
			<hr/>
Balance, December 31, 2016	C,C-3		\$ <u><u>2,957,645</u></u>

**COUNTY OF SALEM
GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance December 31, 2015	Receipts		Disbursements		Transfers		Balance December 31, 2016
		Miscellaneous	7,025	Improvement Authorization	Miscellaneous	To	From	
Fund Balance	\$ 34,962	\$	\$	\$	\$	\$	\$	\$
Capital Improvement Fund	3,937							41,987
Reserve for County Aid								3,937
Amount Due from Grant Fund			4,713					4,713
Contracts Payable	1,805,591				3,037,923			(3,037,923)
Accrued Interest on Bond Sale	19,567				1,805,591	1,829,548		1,829,548
Dam Restoration Loan Receivable	(1,300,000)		208,385					227,952
								(1,300,000)
IMPROVEMENT AUTHORIZATIONS:								
<u>Ord. No.</u>								
96-01 Acquisition of Various Equip. etc.	157,950			(43,477)			49,682	151,745
99-01 Renovation of Emergency Operations Center	881							881
04-03 Acquisition of Easement/Rights to Various Property	670,688			16,750				653,938
04-04 Creation of Revolving Loan Fund for Town Center	274,380							274,380
06-05 Reconstruction of Various County Roads	63							63
07-07 Improvements to Kamp Karney Dam/Spillway	1,111,849			(43,839)			43,839	1,111,849
08-03 Reserve for Interest Earned - County Aid Improvement Program	300,927							300,927
08-06 Acquisition of Various Equipment, etc.	1,324,130			593,972			158,466	571,692
09-02 Reconstruct. And Maint. Of Various County Roads, Bridges and Dams	1,138							1,138
10-2 Reconstruct. And Maint. Of Various County Roads, Bridges and Dams	18,878			18,877				1
10-8 Acquisition of Various Equipment, etc.	22,364			18,436			2,450	1,478
11-2 Reconstruct. And Maint. Of Various County Roads, Bridges and Dams	1,327			(776)			776	1,327
11-3 Interest earned for County aid Improvement Grant	7,592							7,592
11-4 Repair and Reconstruction of Roads, Bridges and Railroads Damaged by Floods								
12-2 Various Improvements to Roadways, Bridges Railroads and Other Public Property Damaged by Hurricane Irene	841,537			(17,696)			566,210	293,023
12-4 Reconstruction/Maint. Of various Roads, Bridges and Dams	327,257			37,142				290,115
12-5 Internet County Aid Improvement Grant	41,999			40,841			1,158	
13-2 Interest earned for County aid Improvement Grant	3,028							3,028
13-3 Various Improvements	1,258							1,258
13-4 Information Technology Upgrade	7,003							7,003
13-5 Vocational Tech. Water Tower Repairs	1,287			(13,000)				14,287
13-7 Vocational Improvements to Salem Co. College	1,018			1,018				
14-3 Various Improvements to Salem Co. Vocational Technical High School	601,189			399,856				201,333
16-5 Various Capital Improvements	(3,011,466)	3,149,000		137,898				(364)
		4,000,000		1,692,295			1,006,968	1,300,737
	\$ 3,270,334	\$ 7,369,123	\$ 2,838,297	\$ 4,843,514	\$ 1,829,548	\$ 1,829,549	\$	2,957,645
Ref.	C-2		C-7		C-2			C-2

COUNTY OF SALEM

GENERAL CAPITAL FUND

STATEMENT OF DUE FROM (TO) CURRENT FUND

YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	
Balance December 31, 2015	C	\$ 4,713
Decreased by:		
Disbursed to Current Fund	C-2	4,304,815
		<u>4,309,528</u>
Increased by:		
Received from Current Fund	C-2	4,309,528
Balance December 31, 2016	C	<u><u>\$ -</u></u>

EXHIBIT C-5

GENERAL CAPITAL FUND

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	C	\$ 31,249,000
Increased by:		
Issuance of Governmental Obligation Bonds	C-8	\$ 3,981,000
Transferred from Authorized but not Issued	C-14	3,149,000
		<u>7,130,000</u>
		<u>38,379,000</u>
Decreased by:		
Payment of Bond Principal:		
2016 Budget Appropriations	C-8	\$ 2,442,100
Open Space Trust Fund	C-8	502,900
State of New Jersey	C-8	200,000
		<u>3,145,000</u>
Balance - December 31, 2016	C	<u><u>\$ 35,234,000</u></u>

COUNTY OF SALEM
GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2016

Ordinance Number	Improvement Description	Balance December 31, 2015	Funded by Budget Appropriation	Transferred to Deferred Charges to Future Taxation- Funded	Cancelled	Balance December 31, 2016	Analysis of Balance December 31, 2016	
							Financed by Notes	Unexpended Improvement Authorizations Expenditures
04-04	Creation of a Revolving Loan Fund for Town Center Revitalization Projects	\$ 2,725,000	\$ 25,000	\$	2,350,000	\$ 350,000	\$	\$
11-04	Repair and Reconstruction of Roads, Bridges and Railroads Damaged by Floods	7,900,000	290,000			7,610,000		
14-003	Various Improvements to Salem County Vocational Technical High School	3,149,364		3,149,000		364		364
		<u>\$ 13,774,364</u>	<u>\$ 315,000</u>	<u>\$ 3,149,000</u>	<u>\$ 2,350,000</u>	<u>\$ 7,960,364</u>	<u>\$ 7,960,000</u>	<u>\$ 364</u>
Ref.		C	C-9	C-14	C-14	C	C-9	C-14

COUNTY OF SALEM
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2016

Project	Ordinance		December 31, 2015		Authorized	Paid or Charged	Cancelled by Resolution	December 31, 2016	
	Date	Amount	Funded	Unfunded				Funded	Unfunded
96-01 Acquisition of Various Piece of Equipment and Construction of Various Capital Improvements	7/7/96	\$ 2,500,000	\$ 157,950	\$ 881	\$	\$ 6,205	\$	\$ 151,745	\$ 881
99-01 Renovation of Salem County Emergency Operations Centr.	2/3/99	810,000							
04-03 Acquisition of Easement and/or Development Rights to Various Parcels of Real Property	8/18/04	9,000,000	670,688			16,750		653,938	
04-04 Creation of a Revolving Loan Fund for Town Center Revitalization Projects	8/18/04	3,000,000		2,624,380					274,380
06-05 Reserve for Reconstruction of Various County Roads	11/15/06	1,400,000	63				2,350,000	63	
07-07 Construction of Improvements to the Camp Karney Dam Structure and Spillway	7/18/07	1,300,000	1,111,849					1,111,849	
08-03 Reserve for Interest Earned for County Aid Improvement Program Reconstruction of Various County Roads	5/21/08	404,254	300,927					300,927	
08-06 Acquisition of Various Pieces of Equipment and Construction of Various Improvements	8/20/08	9,850,000	1,324,130			752,438		571,692	
09-02 Reconstruction and Maintenance of Various County Roads, Bridges and Dams	10/7/09	2,982,000	1,138					1,138	
10-02 Reconstruction and Maintenance of Various County Roads, Bridges and Dams	5/19/10	1,700,000	18,878			18,877		1	
10-04 Upgrades of Smoke Evacuation System	8/18/10	69,900							
10-08 Acquisition of Various Pieces of Equipment and Construction of Various Improvements	11/17/10	6,750,000	22,364			20,886		1,478	
11-02 Reconstruction and Maintenance of Various County Roads, Bridges and Dams	5/4/11	1,200,000	1,327					1,327	
11-03 Interest Earned for County Aid Improvement Grant	5/4/11	7,592	7,592					7,592	
11-04 Repair and Reconstruction of Roads, Bridges and Railroads Damaged by Floods	12/7/11	8,200,000	841,537			548,514		293,023	
12-02 Various Improvements to Roadways, Bridges, Railroads and Other Public Property Damaged by Hurricane Irene	5/14/12	3,400,000	327,257						
12-04 Recon./Maint. Of Various County Roads, Bridges and Dams	7/18/12	430,000	41,999			37,142		290,115	
12-05 Internet County Aid Improvement Grant	7/18/12	3,028	3,028			41,999		3,028	
13-02 Interest County Aid Improvement	7/17/13	1,258	1,258					1,258	
13-03 Various Improvements	7/17/13	1,000,000	7,003					7,003	
13-05 Vo Tech Water Tower Repairs	9/18/13	160,000	1,018			1,018			
13-04 Information Technology Upgrade	12/4/13	1,750,000	1,287			(13,000)		14,287	
13-06 Various Improvements to Salem Community College	12/4/13	1,200,000							
13-07 Various Improvements to Salem Community College	12/4/13	1,500,000	601,189			399,856		201,333	
14-003 Various Improvements to Salem County Vocational Technical High School	12/3/14	3,149,364		137,898		137,898			
16-005 Various Capital Improvements	8/3/16	4,000,000			4,000,000	2,699,263		1,300,737	
		\$ 5,443,363	\$ 2,762,278	\$ 4,000,000	\$ 4,000,000	\$ 4,667,846	\$ 2,350,000	\$ 4,913,415	\$ 274,380
	Ref.	C	C	C	C-14	C	C	C	C
Capital Improvement Fund	C-12			\$ 200,000					
Debt Issued	C-8			3,800,000					
Disbursed	C-2			\$ 2,838,298					
Contracts Payable	C-11			1,829,548					
				\$ 4,000,000		\$ 4,667,846			

COUNTY OF SALEM
GENERAL CAPITAL FUND
STATEMENT OF SERIAL BONDS
YEAR ENDED DECEMBER 31, 2016

Purpose	Date of Issue	Original Issue	Maturities of		Interest Rate	Balance December 31, 2015	Refunded	Issued	Paid by Budget Appropriation	Balance December 31, 2016
			Bonds Outstanding December 31, 2016	Amount						
			Date							
County College Bonds, Series 2006	7/15/06	1,800,000	12/1/17	\$ 455,000	5.0%	\$ 225,000	\$	\$	225,000	\$
General Obligation Refunding Bonds, Series 2007	3/29/07	5,250,000	12/1/18	485,000	5.0%				430,000	1,440,000
			12/1/19	500,000	5.0%	1,870,000			325,000	
Refunding Series 2004	3/29/07	1,185,000				325,000				
Governmental Loan Revenue Bonds, Series 2008A	5/28/08	3,600,000	4/15/17	410,000	3.75%				400,000	840,000
			4/15/18	430,000	3.75%	1,240,000				
Special Services Refunding School Bonds Series 2015	5/1/15	3,885,000	10/1/17	35,000	1.75%					
			10/1/18	35,000	2.00%					
			10/1/19	330,000	3.00%					
			10/1/20	340,000	4.00%					
			10/1/21	355,000	2.00%					
			10/1/22	360,000	4.00%					
			10/1/23	375,000	4.00%					
			10/1/24	385,000	3.00%					
			10/1/25	395,000	3.00%					
			10/1/26	405,000	3.25%					
			10/1/27	410,000	3.50%					
			10/1/28	405,000	3.50%	3,865,000			35,000	3,830,000
Special Services School Bonds, Series 2008	10/30/08	6,000,000	10/1/17	270,000	5.0%					
			10/1/18	285,000	5.0%	815,000			260,000	555,000
Governmental Loan Revenue Bonds, Series 2009	3/18/2009	9,854,000	3/15/17	425,000	5.00%					
			3/15/18	440,000	5.00%					
			3/15/19	455,000	5.00%					
			3/15/20	475,000	4.00%					
			3/15/21	495,000	4.00%					
			3/15/22	515,000	4.00%					
			3/15/23	540,000	4.25%					
			3/15/24	565,000	4.25%					
			3/15/25	590,000	4.80%					
			3/15/26	620,000	4.80%					
			3/15/27	655,000	4.50%					
			3/15/28	685,000	5.00%					
			3/15/29	714,000	5.00%	7,589,000	5,854,000		415,000	1,320,000

COUNTY OF SALEM
GENERAL CAPITAL FUND
STATEMENT OF SERIAL BONDS
YEAR ENDED DECEMBER 31, 2016

Purpose	Date of Issue	Original Issue	Maturities of		Interest Rate	Balance December 31, 2015	Refunded	Issued	Paid by Budget Appropriation	Balance December 31, 2016
			Bonds Outstanding December 31, 2016	Amount						
Governmental Obligation Bonds, Series 2011	5/18/2011	6,300,000	5/1/17	\$ 395,000	2.00%					
			5/1/18	405,000	2.25%					
			5/1/19	420,000	2.50%					
			5/1/20	435,000	2.75%					
			5/1/21	455,000	3.00%					
			5/1/22	475,000	3.00%					
			5/1/23	495,000	3.25%					
			5/1/24	500,000	3.50%					
			5/1/25	500,000	4.00%					
			5/1/26	500,000	4.00%	\$ 4,960,000	\$		\$ 380,000	\$ 4,580,000
County College Bonds, Series 2012	3/15/2012	2,100,000	3/15/17	260,000	2.00%					
			3/15/18	260,000	2.00%					
			3/15/19	260,000	2.00%					
			3/15/20	260,000	2.13%					
			3/15/21	260,000	2.75%					
			3/15/22	260,000	3.00%	1,710,000			150,000	1,560,000
			3/15/17	160,000	2.00%					
			3/15/18	160,000	2.00%					
			3/15/19	165,000	2.00%					
			3/15/20	175,000	2.00%					
County College Bonds, Series 2014	6/27/2014	2,700,000	3/15/21	175,000	2.13%					
			3/15/22	180,000	2.50%					
			3/15/23	180,000	3.00%					
			3/15/24	195,000	3.00%					
			3/15/25	200,000	3.00%					
			3/15/26	210,000	3.00%					
			3/15/27	220,000	3.00%					
			3/15/28	220,000	3.13%					
			3/15/29	220,000	3.25%	2,590,000			130,000	2,460,000
			4/1/17	415,000	3.00%					
General Obligation Refunding Bonds, Series 2014	6/27/2014	4,765,000	4/1/18	435,000	4.00%					
			4/1/19	455,000	3.00%					
			4/1/20	470,000	3.00%					
			4/1/21	490,000	3.00%					
			4/1/22	505,000	3.00%					
			4/1/23	520,000	3.00%					
			4/1/24	535,000	5.00%				395,000	4,365,000
			4/1/25	540,000	5.00%	4,760,000				

COUNTY OF SALEM
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2016

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Maturity Date	Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016
04-04	Creation of a Revolving Loan Fund for Town Center Revitalization Projects	8/27/08	6/22/16	6/22/17	1.30%	\$ 375,000	\$ 350,000	\$ 375,000	\$ 350,000
11-04	Repair and Reconstruction of Roads, Bridges and Railroads Damaged by Floods	6/29/12	6/22/16	6/22/17	0.80%	7,900,000	7,610,000	7,900,000	7,610,000
						<u>\$ 8,275,000</u>	<u>\$ 7,960,000</u>	<u>\$ 8,275,000</u>	<u>\$ 7,960,000</u>
					Ref.	C			C, C-6
	Reissued Budget Appropriation				C-6	\$ 7,960,000	\$ 7,960,000	315,000	
						<u>\$ 7,960,000</u>	<u>\$ 8,275,000</u>		

COUNTY OF SALEM
GENERAL CAPITAL FUND
STATE OF NEW JERSEY DAM RESTORATION LOAN
YEAR ENDED DECEMBER 31, 2016

Ordinance Number	Improvement Description	Date of Issue	Amount of Original Loan	Outstanding Loan Maturities December 31, 2016		Interest Rate	Balance December 31, 2015	Paid	Balance December 31, 2016
				Year	Amount				
07-07	Construction of Improvements to the Camp Karney Dam Structure and Spillway, together with the acquisition of all materials and equipment and completion of all work necessary therefore and related thereto	7/18/07	\$ 1,300,000	2017	\$ 31,205	2%			
				2018	63,349				
				2019	64,622				
				2020	65,921				
				2021	67,246				
				2022	68,598				
				2023	69,976				
				2024	71,383				
				2025	72,818				
				2026	74,281				
				2027	75,775				
				2028	77,298				
				2029	78,851				
				2030	80,436				
				2031	82,053				
				2032	83,702				
				2033	85,385				
				2034	87,101				
							\$ 1,300,000	\$	\$ 1,300,000
						Ref.	C		C

COUNTY OF SALEM
GENERAL CAPITAL FUND
STATEMENT OF CONTRACTS PAYABLE
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	
Balance December 31, 2015	C	\$ 1,805,591
Increased by:		
Charges to Improvement Authorizations	C-7	1,829,548
		<hr/> 3,635,139
Decreased by:		
Liquidation of Prior Year Contracts	C-2	1,805,591
		<hr/> 1,829,548
Balance December 31, 2016	C	\$ <u><u>1,829,548</u></u>

EXHIBIT C-12

GENERAL CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	
Balance December 31, 2015	C	\$ 3,937
Increased by:		
2016 Budget Appropriation	C-2	200,000
		<hr/> 203,937
Decreased by:		
Downpayment on Capital Improvements	C-7	200,000
		<hr/> 3,937
Balance December 31, 2016	C	\$ <u><u>3,937</u></u>

EXHIBIT C-13

GENERAL CAPITAL FUND
STATEMENT OF ACCRUED INTEREST PAYABLE
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	
Balance December 31, 2015	C	\$ 19,567
Increased by:		
Receipt	C-2	208,385
		<hr/> 227,952
Balance December 31, 2016	C	\$ <u><u>227,952</u></u>

COUNTY OF SALEM
GENERAL CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2016

Ordinance Number	Improvement Description	Balance December 31, 2015	Issued	Canceled by Resolution	Balance December 31, 2016
04-04	Creation of a Revolving Loan Fund for Town Center Revitalization Projects	\$ 2,350,000 \$	\$ 2,350,000 \$		
14-003	Various Improvements to Salem County Vocational Technical High School	3,149,364	3,149,000		364
		\$ 5,499,364 \$	3,149,000 \$	2,350,000 \$	364
	<u>Ref.</u>	C	C-5,6,8	C-6,7	C: C-6

OUTSIDE OFFICES

COUNTY OF SALEM
COUNTY CLERK
STATEMENT OF ASSETS, LIABILITIES AND RESERVES
DECEMBER 31, 2016

		December 31,	
	Ref	2016	2015
ASSETS			
Cash	D-1 \$	121,692 \$	113,589
		121,692	113,589
LIABILITIES AND RESERVES			
Reserve for Trust Fund		3,386	3,155
Due to State of New Jersey		4,034	3,301
Due to County Treasurer		114,272	107,133
	\$	121,692 \$	113,589

**COUNTY CLERK
STATEMENT OF CASH
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref</u>		
Balance - December 31, 2015	D	\$	113,589
Increased by Receipts:			
County Recording Fees	\$	405,803	
Realty Transfer Tax Fees		618,903	
State Trade Names		875	
Trust		24,097	
Copies		8,815	
Search		325	
Notary		330	
Photos		3,970	
Preservation Fund		276,476	
Tax Relief		184,317	
Interest Earned on Deposits		134	
State Millionaire Realty Transfer Fees		121,500	
Miscellaneous		1,100	
			<hr/> 1,646,645
			<hr/> 1,760,234
Decreased by Disbursements:			
Interest Paid to County Treasurer's Office	\$	132	
Turned over to Treasurer:			
Current Fund Anticipated Revenue		339,478	
Trust Funds		38,486	
State Realty Tax Fees		628,354	
Preservation Fund		278,557	
Public Health Priority Fund		62,861	
Extraordinary Aid Fund		104,094	
State Trade Names		875	
County Tax Relief		185,705	
			<hr/> 1,638,542
Balance - December 31, 2016	D	\$	<hr/> <hr/> 121,692

**COUNTY OF SALEM
SURROGATE'S OFFICE
STATEMENT OF ASSETS, LIABILITIES AND RESERVES - REGULATORY BASIS
DECEMBER 31, 2016**

	<u>Ref</u>	<u>2016</u>	<u>2015</u>
ASSETS			
Cash	E-1	\$ 14,544	\$ 15,519
Investments - Probate Division:			
Surrogate's Trust Savings Accounts	E-2	3,186,919	2,746,178
Certificates of Deposit	E-3	83,000	282,035
		<u>3,284,463</u>	<u>3,043,732</u>
Total Assets			
LIABILITIES AND RESERVES			
Salem County Court Probate Division		3,269,919	3,028,213
Attorney's Deposits		5,712	7,757
Due to County Treasurer		8,832	7,762
		<u>3,284,463</u>	<u>3,043,732</u>
Total Liabilities and Reserves		\$ 3,284,463	\$ 3,043,732

**SURROGATES OFFICE
STATEMENT OF CASH
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref</u>		
Balance - December 31, 2015	E	\$	15,519
Increased by Receipts:			
Wills		\$	47,873
Letters of Administration			7,353
Guardianship			518
Affidavits			6,177
Research			1,497
Superior Court Fees			17,233
Miscellaneous			6,669
Interest Earned on Deposits			14
Attorney Escrow Inflows			6,309
			<hr/> 93,643
			<hr/> 109,162
Decreased by Disbursements			
State Superior Court Payments			
Turned over to Treasurer:			
Current Fund Anticipated Revenue		72,839	
Trust Funds		13,094	
Refunds		331	
Attorney Escrow Outflows		8,354	
			<hr/> 94,618
Balance - December 31, 2016	E	\$	<u><u>14,544</u></u>

SURROGATE'S OFFICE
STATEMENT OF INVESTMENT - SURROGATE'S TRUST SAVINGS ACCOUNTS
YEAR ENDED DECEMBER 31, 2016

	<u>Ref</u>	
Balance - December 31, 2015	E	\$ 2,746,178
Increased by Receipts		
Monthly Deposits	\$ 844,062	
Interest Earned on Deposits	44,257	
		<u>888,319</u>
		3,634,497
Decreased by Disbursements		
Monthly Withdrawals	446,890	
Income Tax Withholdings	688	
		<u>447,578</u>
Balance - December 31, 2016	E	<u><u>\$ 3,186,919</u></u>

SURROGATE'S OFFICE
STATEMENT OF INVESTMENT - CERTIFICATE OF DEPOSIT
YEAR ENDED DECEMBER 31, 2016

	<u>Ref</u>		
Balance - December 31, 2015	E	\$	282,035
Increased by Receipts			
Certificate of Deposit		\$	8,000
Interest Earned on Deposits			672
			<u>8,672</u>
			290,707
Decreased by Disbursements			
Redemption of Certificate of Deposit			207,035
Interest Transferred to Minor's Account			672
			<u>207,707</u>
Balance - December 31, 2016	E	\$	<u><u>83,000</u></u>

COUNTY OF SALEM
SHERIFF'S OFFICE
STATEMENT OF ASSETS, LIABILITIES AND RESERVES
DECEMBER 31, 2016

		December 31,	
	<u>Ref</u>	<u>2016</u>	<u>2015</u>
ASSETS			
Cash	F-1	\$ 342,691	\$ 397,324
		<u>342,691</u>	<u>397,324</u>
LIABILITIES AND RESERVES			
Fees and Executions		342,573	397,206
Due to County Treasurer	F-2	118	118
		<u>\$ 342,691</u>	<u>\$ 397,324</u>

**SHERIFF'S OFFICE
STATEMENT OF CASH
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref</u>	
	F	
Balance - December 31, 2015		\$ 397,324
Increased by Receipts:		
Sales and Executions	631,058	
County Fees	118,614	
Sheriff's Trust	6,832	
Interest Earned on Deposits	519	
	<u>757,023</u>	
Total Revenue		<u>1,154,347</u>
Decreased by Disbursements		
Interest Paid to County Treasurer's Office	519	
Turned over to Treasurer:		
Current Fund Anticipated Revenue	118,614	
Trust Funds	6,832	
Refunds	427,238	
Advertising	171,671	
Deed	20,850	
Garnishments	62,738	
Miscellaneous	3,194	
	<u>811,656</u>	
Balance - December 31, 2016	F	\$ <u><u>342,691</u></u>

SHERIFF'S OFFICE
SCHEDULE OF SHERIFF'S FEES DUE TO COUNTY TREASURER'S OFFICE
YEAR ENDED DECEMBER 31, 2016

	<u>Ref</u>		
Balance - December 31, 2015	F	\$	118
Increased by Receipts			
Fees Collected		\$	118,614
Trust Fund			6,832
Interest Earned on Deposits			519
			<u>125,965</u>
			126,083
Decreased by Disbursements			
Interest Paid to County Treasurer's Office			519
Turned over to Treasurer:			
Current Fund Anticipated Revenue		118,614	
Trust Fund		6,832	
			<u>125,965</u>
Balance - December 31, 2016	F	\$	<u><u>118</u></u>

COUNTY OF SALEM
JAIL PRISONER'S WELFARE FUND
STATEMENT OF ASSETS, LIABILITIES AND RESERVES
DECEMBER 31, 2016

	Balance December 31, 2015	Receipts		Disbursements		Balance December 31, 2016
		Interest	Other	County Treasurer	Other	
Warden						
Inmate Account	\$ 36,493	\$ 93	\$ 602,975	\$	\$ 593,525	\$ 46,036
Welfare Account	98,952	178	245,378		214,671	129,837
Bail Account	3	24	884,555		884,581	1
Miscellaneous	(50)		308,649	306,950	1,444	205
Home Detention	1,875		22,185		23,380	680
	<u>\$ 137,273</u>	<u>\$ 295</u>	<u>\$ 2,063,742</u>	<u>\$ 306,950</u>	<u>\$ 1,717,601</u>	<u>\$ 176,759</u>
Work Release	\$ 107	\$ 1	\$	\$	\$	108
	<u>\$ 107</u>	<u>\$ 1</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>108</u>
Total Receipts and Disbursements		\$	<u>2,064,038</u>	\$	<u>2,024,551</u>	

COMMENTS

COUNTY OF SALEM, STATE OF NEW JERSEY

GENERAL COMMENTS
YEAR ENDED DECEMBER 31, 2016

Contracts and Agreements Required to be Advertised for N.J.S. 40A:1 1-4

Local units and the board of education that have appointed a Qualified Purchasing Agent pursuant to N.J.S.A. 40A:11-9(b) and take advantage of a higher bid threshold pursuant to N.J.S.A. 40A:11-3(a) and 18A:18A-3(a). Where the higher bid threshold is authorized, appropriate action should be taken to adjust the locally set amount.

Contracts exceeding the new threshold are subject to the appropriate requirements of the Local Public Contracts Law and the Public School Contracts Law. As a result of the change in bid threshold, the 15% threshold for the informal receipt of quotations thresholds of N.J.S.A. 40A:11-6.1(a) and 18A:18A-37(a) also changes. The following table summarizes the bid and quotation thresholds, which became effective July 1, 2015.

		Bid Threshold		Quote Threshold
Base Amount	\$	17,500	\$	2,625
With QPA	\$	40,000	\$	6,000

It is also noted that, as an alternative to public advertising, the County uses state contracts.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:1 1-5.

Any interpretation as to possible violation of the N.J.S. 40A:1 1-4 and N.J.A.C. 5:30-14 would be in the province of the County solicitor.

Collection of Interest on Delinquent Taxes

Pursuant to R.S. 54:4-74, County taxes are due and payable in quarterly installments on the 5th day of February, May, August and November. R.S. 54:4-76 provides that interest at the rate of 6% per annum shall be due and payable by any municipality for nonpayment of taxes on or before the due date. A review of the Treasurer's records revealed that compliance with the aforementioned law and regulations was noted for items tested.

Investment of Available Funds

The County had most of its available funds invested in interest-bearing investments or cash and cash equivalents during 2015. Earnings from interest on cash equivalents, investments and deposits are shown as revenue in the various accounts and funds of the County for 2015. The County has adopted a formal cash management plan policy in compliance with N.J.S.A. 40 A: 5-14 of the Local Fiscal Affairs Law, which requires that every local unit shall adopt a "Cash Management Plan" and shall deposit in interest-bearing accounts all available public funds pursuant to the plan.

COUNTY OF SALEM, STATE OF NEW JERSEY

CURRENT YEAR FINDINGS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2016

Finding 2016-1

Criteria - Management is responsible for monitoring budget to actual expenditures to avoid over expenditures.

Condition - An over expenditure of prior year appropriation reserves was noted, in the amount of \$402,438.

Effect - Noncompliance with State of New Jersey rules and regulations covering budgeting of expenditures.

Cause - Adequate budget provision was not available to fund certain expenditures and an override of internal control resulted.

Recommendation - Budget versus actual expenditures should be closely monitored in order to avoid over expenditures in the future.

Management Response - Management agrees with the finding and has implemented policy and procedures to avoid future budget over expenditures.

COUNTY OF SALEM, STATE OF NEW JERSEY

SUMMARY OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2016

FOLLOW-UP ON PRIOR YEAR'S FINDINGS

In accordance with governmental auditing standards, our procedures included a review of the prior year findings and resulted in the following conclusion:

Finding 2015-1

Condition

Over expenditure of current year appropriations and prior year appropriation reserves in the amounts of \$716,581 and \$107,925, respectively were noted.

Status

This condition has not been resolved with regard to prior year appropriation reserves.

Finding 2015-2

Condition - There exists older amounts of accounts receivables and reserves in the various funds as of December 31, 2015.

Status

This condition has been resolved.

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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Williamstown, NJ 08094

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June 9, 2017

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND STATE OF NEW JERSEY CIRCULAR LETTER 15-08-OMB

To the Honorable Freeholder
Director and Members of the
Board of Chosen Freeholders
County of Salem, State of New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the County of Salem, State of New Jersey's (the "County") compliance with the types of compliance requirements described in the Uniform Guidance Compliance Supplement and the New Jersey OMB State Grant Compliance Supplements that could have a direct and material effect on each of the County's major federal and state programs for the year ended December 31, 2016. The County's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedules of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, contracts, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County'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 New Jersey Circular Letter 15-08 OMB. Those standards, Uniform Guidance and New Jersey Circular Letter 15-08 OMB 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 or state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

Auditors' Responsibility (Continued)

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 of the County's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

Management of the County 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's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the 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 in accordance with Uniform Guidance and New Jersey Circular Letter 15-08-OMB, 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's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or 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 internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Internal Control Over Compliance (Continued)

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 Uniform Guidance and New Jersey Circular Letter 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA

A handwritten signature in black ink, appearing to read 'R. Colavita', written over the printed name.

Raymond Colavita, C.P.A., R.M.A.

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

Federal Grantor/Pass-through Grantor/Program Title	Federal C.F.D.A.	State Account No./ Pass Through Number	Matching Contrib.	Program or Award Amount	Grant Period From	Grant Period To	Beginning Balance	Cash Received	Adjustment/ Cancellation	Matching Expend.	Passed- Through to Sub-recipients Expenditures	2016 Expenditures	Ending Balance	Cumulative Expenditures
U.S. DEPARTMENT OF AGRICULTURE														
Passed Through New Jersey Department of Agriculture														
Crop Insurance Education	10.769	13-IE-53300-013		\$ 178,665	10/01/15	9/30/16	\$ (51,554)	\$ 178,665	\$	\$	\$	\$ 78,795	\$ 48,316	\$ 78,795
Crop Insurance Education	10.769	13-IE-53300-013		164,233	10/01/16	9/30/17						29,033	(29,033)	29,033
Senior Farmers Market Nutrition Program	10.576	Unknown		500	7/1/16	9/30/16	(10,841)					500	(500)	500
Rural Business Enterprise Grant	10.351	35-017-216001147		44,560	8/22/13	9/30/14							(10,841)	44,560
							(62,395)	178,665				108,328	7,942	152,888
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES														
Passed Through New Jersey Department of Health and Senior Services														
Salem County Area Plan Grant	93.045	4275-100-046-4110-049-J004-6110		886,308	1/1/13	12/31/13	72		72					862,368
Salem County Area Plan Grant	93.045	4275-100-046-4110-049-J004-6110		859,815	1/1/14	12/31/14	109,969						109,969	801,091
Salem County Area Plan Grant	93.045	4275-100-046-4110-049-J004-6110		847,581	1/1/15	12/31/15	60,741		(116,433)			189,247	(12,073)	971,091
Salem County Area Plan Grant	93.045	4275-100-046-4110-049-J004-6110		835,952	1/1/16	12/31/16		835,236				695,376	139,860	695,376
Sandy	93.045	4275-100-046-4110-049-J004-6110		7,500	1/1/16	12/31/16						7,500	(7,500)	7,500
OCA Contract Adjustments	93.045	4275-100-046-4110-049-J004-6110		5,070	1/1/16	12/31/16		5,070					5,070	
Public Health Preparedness & Response for Bioterrorism	93.283	100-046-4L04-360-J002-6120		258,371	7/1/14	6/30/15			(1,584)			1,594	(1)	234,104
Public Health Preparedness & Responses for Bioterrorism	93.283	100-046-4L04-360-J002-6120		260,348	7/1/15	6/30/16	(51,479)	185,657	(11,370)			145,549	(83,228)	243,502
Public Health Preparedness & Response for Bioterrorism	93.283	100-046-4L04-360-J002-6120		257,797	7/1/16	6/30/17						83,228		83,228
							(19,393)	19,393	(4,950)			4,950		43,775
		Unknown		28,085	2/19/15	9/30/15	99,910	1,045,356	(134,275)			1,127,444	152,097	3,942,435
U.S. DEPARTMENT OF JUSTICE														
Passed Through New Jersey Department of Law and Public Safety														
Victims of Crime (SARTISANE)	16.575	14-100-066-1020-142	10,655	42,619	10/1/14	9/30/15	(22,839)	26,790	3,951					33,494
Victims of Crime (SARTISANE)	16.575	14-100-066-1020-142	14,837	56,346	10/1/15	9/30/16		35,079		14,837		72,925	(23,009)	134,729
Victims of Crime Act Grant Program (VOCA)	16.575	14-100-066-1020-142	26,946	107,783	12/05/15	12/05/17		85,376		26,946		134,729	(22,407)	139,445
Victims of Crime Act Grant Program (VOCA)	16.575	13-100-066-1020-142	27,889	111,556	12/06/14	12/05/15	(3,572)	3,572						3,752
Justice Assistance Grant - Megan's Law	16.738	13-100-066-1020-364		3,752	1/15/15	1/14/16	(938)	938				3,882		121,011
Justice Assistance Grant - Megan's Law	16.738	13-100-066-1020-364		3,882	1/15/16	1/14/17		3,882				65,186	(83,457)	83,457
Multijurisdictional Task Force	16.738	14-100-066-1020-364		154,971	7/1/15	6/30/16	(15,728)	79,664	(1,250)			14,647	(14,647)	432,431
Multijurisdictional Task Force	16.738	14-100-066-1020-364		154,971	7/1/16	6/30/17								
HMEP Planning & Training	20.703	16-100-066-1200-703		16,700	9/30/15	9/30/16	(43,077)	235,301	2,701	41,783		374,826	(143,520)	
U.S. DEPARTMENT OF LABOR														
Passed Through New Jersey Department of Labor														
Workforce Investment Board - Adult	17.258	AA-11266-01-50	N/A	165,336	7/1/14	6/30/15		19,586				19,586		19,586
Workforce Investment Board - Adult	17.258	AA-11266-01-50	N/A	159,995	7/1/15	6/30/16		116,307				116,307		116,307
Workforce Investment Board - Youth	17.259	AA-11266-01-50	N/A	163,882	7/1/14	6/30/15		33,927				33,927		33,927
Workforce Investment Board - Youth	17.259	AA-11266-01-50	N/A	162,891	7/1/15	6/30/16		134,269				134,269		134,269
Workforce Investment Board - Dislocated Worker	17.278	AA-11266-01-50	N/A	178,801	7/1/14	6/30/15		7,981				7,981		7,981
Workforce Investment Board - Dislocated Worker	17.278	AA-11266-01-50	N/A	207,876	7/1/15	6/30/16		129,696				129,696		236,289
							\$	\$ 441,766	\$	\$	\$	\$ 441,766	\$	\$ 236,289

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

Federal Grantor/Pass-through Grantor/Program Title	Federal C.F.D.A.	State Account No./ Pass Through Number	Matching Contrib.	Program or Award Amount	Grant Period From To	Beginning Balance	Cash Received	Adjustment/ Cancellation	Matching Expend.	Passed- Through to Sub-recipients	2016 Expenditures	Ending Balance	Cumulative Expenditures
U.S. DEPARTMENT OF TRANSPORTATION													
Passed through South Jersey Transportation Planning Organization:													
Salem Hancock's Bridge Road, Phase II (CR 658)	20.205	Unknown		1,552,295	Project Completion	\$ (864,578)	\$ 830,494	\$ (63,717)	\$	\$	\$ 29,633	\$ 37,861	\$ 1,200,394
Salem Hancock's Bridge Road, PE (CR 658)	20.205	STP-0132132(104) PE		208,600	Project Completion	37,861							
Subregional Transportation Planning Program	20.205	N/A		VARIOUS	7/1/09 6/30/10		32,639	32,639					
Subregional Transportation Planning Program	20.205	N/A	11,800	46,400	7/1/15 6/30/16	(850)	8,117	(850)			10,146	(2,029)	10,986
Subregional Transportation Planning Program	20.205	N/A	11,600	46,400	7/1/16 6/30/17				11,600			11,600	1,696,108
2014 Federal Aid Commissioner's Pike CR #581 Phase II	20.205	Unknown		1,658,312	Project Completion	(474,713)	397,505	(117,578)			40,370		1,104,798
Elmer Shirley Road	20.205	Unknown		1,000,000	Project Completion	(944,500)	916,867	(142,931)			115,298		28,800
Cohansey Friesburg Road	20.205	Unknown		100,000	Project Completion	(28,800)	25,920					(2,880)	31,830
Woodstown Road	20.205	Unknown		100,000	Project Completion	(31,830)	28,647					(3,183)	37,830
2013 Commissioner's Pike, CR #581, Phase III	20.205	Unknown		1,658,312	Project Completion	551,716	45,000	(144,670)			212,321	484,065	451,028
2013 Federal Aid Program	20.205	15-DT-BLA-713		267,585	Project Completion	(680,849)	3,000				267,565	(222,565)	
2013 Federal Aid Commissioner's Pike CR#581 Phase IV	20.205	Unknown		844,385	Project Completion	3,049						(857,849)	15,498
NJ DOT - Pennsville-Auburn Rd. CR #551, Phase II	20.205	STP-B00S (193)	1,420,000	456,800	1/1/11 12/31/11							3,049	3,080,896
Tiger III	20.933	DTMA1G12004		3,000,000	9/30/12 9/30/18						3,080,896	(3,080,896)	3,080,896
SC Mill & Overlay	20.205	2015-DT-BLA-FEP-415		100,004	8/7/15 8/7/17						63,643	(63,643)	63,643
Passed Through New Jersey Transit													
New Jersey Transit Section 5311	20.509	Unknown	100,442	238,737	7/1/15 6/30/16	52,293	77,348	(12,900)			179,621	(37,060)	227,770
Almond Road CR 540, Phase II	20.205	STP-0143 (104)	N/A	1,401,804	Project Completion	(436,057)	300,205	(135,852)					1,155,352
New Freedom (Section 5317)	20.521	N/A	12,690	12,690	7/1/11 6/30/12	(1,168)						(1,168)	
New Freedom (Section 5317)	20.521	N/A	41,576	90,161	7/1/12 6/30/13								
New Freedom (Section 5317)	20.521	N/A	3,300	13,550	7/1/14 6/30/15	(2,400)	2,400						10,210
						(3,000,826)	2,668,142	(585,859)	11,600		3,999,513	(3,734,738)	9,077,353
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT													
Passed Through New Jersey Department of Community Affairs													
Small Cities Housing Rehab	14.228	G-02-41-757-13M-303		150,000	2/1/12 5/31/14	(8,644)						(8,644)	136,134
CDBG Disaster Recovery (Greenville Bridge)	14.228	G-02-41-800-13V-303	15,000	337,412	1/1/13 12/31/15	(9,624)					4,300	(9,624)	306,910
Small Cities - ARC Parking Lot	14.228	2016-100-022-8020-078-F22-15SC-6120		300,000	1/1/16 12/31/17							(4,300)	4,300
						(18,268)					4,300	(22,568)	449,344
U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION													
Passed Through New Jersey Department of Environmental Protection													
2015 Stormwater Management	66.463	WQ04-480	N/A	20,000	5/1/15 12/31/15		20,000				387	19,613	387
2009 Wastewater Management Plan	66.454	Unknown	N/A	117,600	5/1/09 06/1/11	(8,503)	904				904	(8,503)	904
2012 Wastewater Management Plan	66.454	Unknown	N/A	244,000	7/1/12 7/1/14	(73,748)	48,374	(73,748)			99,866	(51,492)	275,086
2013 Wastewater Management Plan	66.454	Unknown	N/A	244,000	1/1/15 12/31/15	(45,191)	8,270	(4,555)			9,364	(41,730)	21,849
						\$ (127,442)	\$ 77,548	\$ (78,303)	\$	\$	\$ 110,521	\$ (82,112)	\$ 298,226

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

Federal Grantor/Pass-through Grantor/Program Title	Federal C.F.D.A.	State Account No./ Pass Through Number	Matching C.F.D. Contrib.	Program or Award Amount	Grant Period		Beginning Balance	Cash Received	Adjustment/ Cancellation	Matching Expend.	Passed- Through to Sub-recipients	2016 Expenditures	Ending Balance	Cumulative Expenditures
					From	To								
U.S. DEPARTMENT OF HOMELAND SECURITY														
Passed Through New Jersey Office of Homeland Security														
State Homeland Security Program (SHSP)	97.067	EMW-2013-SS-00031	N/A	\$ Prior Year	VARIOUS	\$	(3)	\$	(3)	\$	\$	\$	\$	\$
State Homeland Security Program (SHSP)	97.067	EMW-2013-SS-00032	N/A	122,728	10/1/12	8/31/13	44						44	
State Homeland Security Program (SHSP)	97.067	EMW-2013-SS-00032	N/A	100,000	9/1/15	8/31/18	(10,357)	38,393	(10,357)			86,221	(47,828)	96,578
State Homeland Security Program (SHSP)	97.067	EMW-2013-SS-00032	N/A	142,557	9/1/16	8/31/19						8,000	(8,000)	8,000
							(10,316)	38,393	(10,360)			94,221	(55,784)	104,578
Total Federal Financial Assistance						\$	(3,162,414)	\$ 4,685,171	\$ (806,096)	\$ 53,383	\$	\$ 6,280,919	\$ (3,878,683)	\$ 14,693,543

The accompanying Notes to Financial Statements and the Schedules of Expenditures for Federal and State Financial Assistance are an integral part of this schedule.

COUNTY OF SALEM
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2016

State Funding Department/Program Title	State G.M.I.S. No.	Matching Contrib.	Program or Award Amount	Grant Period From	Grant Period To	Beginning Balance	Cash Received	Adjustment/ Cancellation	Matching Expenditures	Passed- Through to Sub-recipients	2016 Expenditures	Ending Balance	Cumulative Expenditures
DEPARTMENT OF ENVIRONMENTAL PROTECTION													
County Environmental Health Act (CEHA)	98-100-042-4855-075	\$	7,160	1/1/14	12/31/14	\$	\$	\$	\$	\$	\$	4,000	\$
County Environmental Health Act (CEHA)	495-042-4855-001-V83K-6010	1,875	2,807	1/1/15	12/31/15	4,000	2,807		1,875			4,682	7,160
County Environmental Health Act (CEHA)	100-042-4825-072-V83K-6010	97,934	134,182	7/1/15	6/30/16		132,182		97,934		215,036	15,080	215,036
County Environmental Health Act (CEHA)	495-042-4855-001-V83K-6010	131,450	135,382	7/1/16	6/30/17						129,498	(129,498)	129,498
Mosquito Identification and Control Activities	100-042-4800-076-V42Y-6010		29,000	8/24/16	10/31/16						28,707	(28,707)	28,707
Pass through Rutgers University													
Surface Water Quality Monitoring	435700		20,000	5/1/16	10/1/16		20,000					20,000	
						4,000	154,989		99,809		373,241	(114,443)	380,401
DEPARTMENT OF LABOR													
Work First New Jersey - TANF	100-054-7500-121		440,796	7/1/15	6/30/16		362,384				362,364		362,384
Work First New Jersey - Worker Verification	100-054-7550-121		15,638	7/1/15	6/30/16		9,596				9,556		9,556
Work First New Jersey - TANF Case Management	100-054-7500-121		86,063	7/1/15	6/30/16		52,269				52,269		52,269
Work First New Jersey - GA/SNAP	100-054-7500-121		144,149	7/1/15	6/30/16		118,363				118,363		118,363
Work First New Jersey - GA/FS Case Management	100-054-7550-121		28,356	7/1/15	6/30/16		17,633				17,633		17,633
Work First New Jersey - CAPV & EEI & Food Stamps	100-054-7500-121		20,736	7/1/15	6/30/16		1,414				1,414		1,414
Workforce Investment Act - Operator Salary	Unknown		65,000	7/1/14	6/30/15	5,180		(491,360)			5,180	(206,337)	59,820
One Stop / WIA	Unknown		1,408,633	7/1/14	6/30/15	(565,920)	136,054	342,863			61,494	(89,457)	61,494
One Stop / WIA	Unknown		1,261,166	7/1/15	6/30/16	136,526							
One Stop / WIA	Unknown		1,452,321	7/1/16	6/30/17		71,761				161,218	(206,337)	161,218
						(424,214)	769,434	(148,497)			789,511	(295,794)	844,151
DEPARTMENT OF HEALTH AND SENIOR SERVICES													
Right to Know	100-046-4771-105-6110		8,786	7/1/14	6/30/15	452					452		8,700
Right to Know	100-046-4771-105-6110		8,786	7/1/15	6/30/16	(1,208)	5,589				5,382	(1)	8,786
Right to Know	100-046-4771-105-6110		8,786	7/1/16	6/30/17		2,196				4,082	(1,896)	4,082
Cancer Education/Early Detection	4220-100-046-4533-323-J002-6140	17,489	148,000	7/1/14	6/30/15	9,769		9,366			373		58,057
State Health Insurance Assistance Program (SHIP)	DACS11SHIP008		27,000	4/1/15	3/31/16	(18,824)	27,000	(38)			8,214		18,894
State Health Insurance Assistance Program (SHIP)	DOAS13MPA008		27,000	4/1/16	3/31/17		5,193				20,652	(15,459)	20,652
MIPPA Outreach & Enrollment	DACS11SHIP008	14,833	40,000	1/1/14	9/30/15	14,833		14,833			40,000	(1,000)	40,000
MIPPA Outreach & Enrollment	DOAS13MPA008		40,000	1/1/15	9/30/16		39,000					(1,000)	
Alcoholic Treatment Program	4240-100-046-4252-024-J002-6110	19,582	244,443	1/1/13	12/31/13	(33,853)	32,853					(1,000)	
Alcoholic Treatment Program	4240-100-046-4252-024-J002-6110		238,539	1/1/14	12/31/14	8,751	25,722				34,473	34,473	232,357
Alcoholic Treatment Program	4240-100-046-4252-024-J002-6110		234,058	1/1/15	12/31/15	(178,865)	182,956	(14,870)			19,004	(109,924)	227,359
Special Child Health and Early Intervention	4240-100-046-4252-024-J002-6110	18,717	233,074	1/1/16	12/31/16		116,789				226,713	(43)	226,713
Special Child Health and Early Intervention	Unknown	39,895	39,895	7/1/14	6/30/15	854					40,011	40,011	29,169
Special Child Health and Early Intervention	4220-100-046-4572-123-J002-6140	15,880	39,895	7/1/15	6/30/16		39,157				34,162	(18,282)	34,162
Special Child Health and Early Intervention	4220-100-046-4572-123-J002-6140		40,914	7/1/16	6/30/17		15,880				24,067	(24,067)	24,067
EIP COLA Funds	4575-110-6140		Various	Various	Various	(9,983)						(9,983)	
Early Intervention Program	4575-110-6140		Various	Various	Various	(20,407)						(20,407)	
						\$ (228,481)	\$ 477,465	\$ 9,321	\$ 15,880	\$	\$ 383,101	\$ (127,566)	\$ 972,998

COUNTY OF SALEM
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2016

State Funding Department/Program Title	State G.M.I.S. No.	Matching Contrib.	Program or Award Amount	Grant Period From	Grant Period To	Beginning Balance	Cash Received	Adjustment/ Cancellation	Matching Expenditures	Passed- Through to Sub-recipients	2016 Expenditures	Ending Balance	Cumulative Expenditures
JUVENILE JUSTICE COMMISSION													
State/Community Partnership	Unknown	\$	\$ 195,784	1/1/14	12/31/14	\$ 25,104	\$	\$ 48,482	\$	\$	\$ (21,378)	\$	\$ 146,755
State/Community Partnership	Unknown		200,966	1/1/15	12/31/15	10,515	121,967	1			132,481		200,624
State/Community Partnership	Unknown		200,966	1/1/16	12/31/16		34,550				38,940	(4,390)	38,940
Family Court Services	Unknown		100,261	1/1/14	12/31/14	10,522		10,522					
Family Court Services	Unknown		100,261	1/1/15	12/31/15	26,102	60,453				86,555		86,555
Family Court Services	Unknown		100,261	1/1/16	12/31/16		16,255					16,255	
						72,243	233,235	57,005			236,598	11,875	472,874
DEPARTMENT OF HUMAN SERVICES													
County Mental Health Planning Develop. & Admin	Unknown		Various	Various		(1,585)		(1,585)					
Mental Health Administration	Unknown		12,000	1/1/11	12/31/11	(12,000)						(12,000)	
Mental Health Administration	Unknown		12,000	1/1/12	12/31/12	(12,000)						(12,000)	
Mental Health Administration	Unknown		12,000	1/1/13	12/31/13	(12,000)						(12,000)	
Mental Health Administration	Unknown		12,000	1/1/14	12/31/14	(6,009)						(6,009)	
PASP - Personal Assistance Services	7570-100-054-7570-361-LLLL-6130	20,000	11,114	1/1/15	12/31/15	2,779					2,779		24,009
PASP - Personal Assistance Services	7570-100-054-7570-361-LLLL-6130		11,114	1/1/16	12/31/16		11,114				10,188	925	10,188
						(40,815)	11,114	(1,585)			12,967	(41,083)	45,310
DEPARTMENT OF LAW AND PUBLIC SAFETY													
Prosecutor Insurance Fraud Reimbursement	Unknown		150,240	1/1/15	12/31/15	(38,811)	40,199	1			1,387		148,851
Prosecutor Insurance Fraud Reimbursement	Unknown		150,241	1/1/16	12/31/16		145,857				214,123	(88,266)	
JAIBG Funds - Juvenile Justice Commission	1500-209-343010	424	3,817	1/1/14	12/31/14	4,241					4,241		
Body Armor Replacement - Sheriff	1020-718-066-1020-001		20,821	7/1/13	6/30/14			(5,755)			5,755		20,658
Body Armor Replacement - Sheriff	1020-718-066-1020-001		18,854	7/1/14	6/30/15	18,854					6,929	11,925	20,072
Body Armor Replacement - Sheriff	1020-718-066-1020-001		17,903	7/1/15	6/30/16		17,903					17,903	
Body Armor Replacement - Prosecutor	1020-718-066-1020-001		2,268	7/1/15	6/30/17	2,268						2,268	
Body Armor Replacement - Prosecutor	1020-718-066-1020-001		2,184	7/1/16	6/30/18		2,184					2,184	
Title IV-D	241,210		241,210	10/1/14	9/30/15	5,951		1			5,960	(2,681)	10,598
Title IV-D	100-054-7550-173-LLLL-6110		241,210	10/1/15	9/30/16						2,681		2,681
Emergency Management Agency Assist. (EMAA)	Unknown		50,000	7/1/09	6/30/16		50,000				47,500		65,000
Emergency Management Agency Assist. (EMAA)	Unknown		46,000	7/1/13	6/30/14	47,500							
Emergency Management Performance Grant (EMPG)	Unknown	23,000	65,000	7/1/14	6/30/15	88,000	23,000	23,000			88,000		88,000
Emergency Management Performance Grant (EMPG)	Unknown	23,000	65,000	7/1/14	6/30/15						55,000		55,000
EMPG/EMAA	Unknown	55,000	55,000	7/1/15	6/30/16	(2,273)		(2,273)					
NJ State Police 911 Coordinator	Unknown		Various	Various		(130)		(130)					
Salem County Safe Roadways	Unknown		63,000	10/1/09	9/30/10	125,510	334,143	64,844			431,576	(36,667)	408,860
DEPARTMENT OF STATE													
Local Arts Program	2530-100-074-2530-032-5003-6130		45,041	1/1/14	12/31/14						1,750		48,791
Local Arts Program	2530-100-074-2530-032-5003-6130		46,843	1/1/15	12/31/15	(1,459)	23,421	(1,750)			13,064	11,711	49,656
Local Arts Program	2530-100-074-2530-032-5003-6130		46,843	1/1/16	12/31/16		23,422	(2,813)			37,207	(13,785)	37,207
Historical Commission Grant	08 HIST 166 AGO		7,351	7/1/15	6/30/16	7,351	10,733				6,601	11,483	6,601
Right to Farm Activities Grant	Unknown		Various	1/1/00	12/31/00	4,805					4,805		4,805
Right to Farm Activities Grant	Unknown		Various	1/1/01	12/31/01	5,206						3,936	
Right to Farm Activities Grant	Unknown		Various	1/1/02	12/31/02	4,516					1,270	4,516	1,270
						\$ 20,419	\$ 57,576	\$ (4,563)	\$	\$	\$ 64,597	\$ 17,861	\$ 146,330

COUNTY OF SALEM
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2016

State Funding Department/Program Title	State G.M.I.S. No.	Matching Contrib.	Program or Award Amount	Grant Period From To	Beginning Balance	Cash Received	Adjustment/ Cancellation	Matching Expenditures	Passed-Through to Sub-recipients	2016 Expenditures	Ending Balance	Cumulative Expenditures
DEPARTMENT OF TREASURY												
Governor's Council on Alcoholism and Drug Abuse												
Muni. Alliance to Prevent Alcoholism & Drug Abuse 2000-100-082-C001-044-0999-6010			\$ 137,783	1/1/12	12/31/12	\$ (15,697)	\$	\$	\$	\$	\$ (15,697)	\$
Muni. Alliance to Prevent Alcoholism & Drug Abuse 2000-100-082-C001-044-0999-6010			127,764	1/1/13	12/31/13	(32,519)				815	(32,519)	102,352
Muni. Alliance to Prevent Alcoholism & Drug Abuse 2000-100-082-C001-044-0999-6010			63,682	1/1/14	6/30/14	(142,890)	(815)			141,393	(1,457)	62,529
Muni. Alliance to Prevent Alcoholism & Drug Abuse 2000-100-082-C001-044-0999-6010			137,801	7/1/14	6/30/15	(15,099)				83,795	(63,777)	215,728
Muni. Alliance to Prevent Alcoholism & Drug Abuse 2000-100-082-C001-044-0999-6010			137,801	7/1/15	6/30/16					23,350	(23,350)	23,350
						(208,135)	(815)			107,960	(136,800)	403,959
DEPARTMENT OF TRANSPORTATION												
New Jersey Transit												
Senior Citizen and Disabled Resident Trans. Prog.	N.J. Transit Corp.		Various	1/1/03	12/31/03		9,854					
Senior Citizen and Disabled Resident Trans. Prog.	N.J. Transit Corp.		460,517	1/1/13	12/31/13	(207,565)	(78,200)			24,701		519,128
Senior Citizen and Disabled Resident Trans. Prog.	N.J. Transit Corp.		380,000	1/1/14	12/31/14		54			159,679	(159,733)	364,987
Senior Citizen and Disabled Resident Trans. Prog.	N.J. Transit Corp.		559,708	1/1/15	12/31/15	36,560	(8,147)			26,370	114,970	181,540
Senior Citizen and Disabled Resident Trans. Prog.	N.J. Transit Corp.		537,574	1/1/16	12/31/16					166,861	32,288	
State Aid Highway Projects:												
2012 County Aid Improvement Program	6320-480-078-6320-TCAP-6010		1,823,000	Project Completion		842,036	(830,415)			1,772,451		2,753,415
2013 County Aid Improvement Program	6320-480-078-6320-TCAP-6010		1,807,000	Project Completion		1,807,000				1,303,582	503,418	1,303,582
2014 County Aid Improvement Program	6320-480-078-6320-TCAP-6010		2,395,000	Project Completion		(2,824,012)	(986,787)			1,058,987	(1,237,582)	4,046,288
2011 County Aid Improvement Program	6320-480-078-6320-TCAP-6010		1,823,000	Project Completion			(1,237,257)			1,237,257		3,196,196
2009 County Aid Improvement Program	6320-480-078-6320-TCAP-6010		1,823,000	Project Completion			(73,517)			73,517		1,896,517
2008 County Aid Improvement Program	6320-480-078-6320-TCAP-6010		1,818,000	Project Completion						41	(29,715)	1,830,143
State Rail Plan (2011)	Unknown	150,000	1,350,000	Project Completion		(29,715)	(41)			69,482	239,871	1,149,837
Local Bridges, Future Needs - Kings Hwy, CR #620	480-078-6320-AKS-6010		1,000,000	Project Completion		239,871	(69,482)				2,919	889,093
Local Bridges, Future Needs - Kings Hwy, CR #620	09-480-078-6320-AKD-6010		Prior Year	Project Completion		2,919				193	(881,092)	1,004,764
Short Line Track Rehabilitation Phase VI	Unknown	210,125	1,100,000	Project Completion		(681,092)	(193)				(973,306)	2,075,077
Emergency Housing Repair Fund	Unknown		1,891,127	Project Completion		(973,306)	(4,985)				(4,995)	
Capital Transportation Program Fiscal Yr 1994-1997	Unknown		Prior Year	Various		(8,030)	(8,030)					
Replacement of Webster's Mill Bridge	Unknown		1,000,000	Various		(250,000)					(250,000)	
						(2,050,329)	(3,380,151)			5,939,196	(2,618,497)	21,220,567
DEPARTMENT OF AGRICULTURE												
Farmland Preservation Program	Unknown		27,573	1/1/09	12/31/09					27,573		
										27,573		
DEPARTMENT OF COMMUNITY AFFAIRS												
SCBG - ADA Grant Agreement #08-2115-00	2008-02292-2115-00	36,000	150,000	4/1/08	9/30/09	22,163					22,163	
Johnson Building						22,163					22,163	
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS												
Veterans Transportation	Unknown		13,000	7/1/15	6/30/16	(20)	(2,174)			9,739	(12)	16,642
Veterans Transportation	Unknown		13,000	7/1/16	6/30/17	40				5,435		5,435
War Veterans Cemetery and Park	Unknown		6,100	1/1/15	12/31/15					40		40
						20	(2,174)			15,214	(12)	22,117

COUNTY OF SALEM
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2016

State Funding Department/Program Title	State G.M.I.S. No.	Matching Contrib.	Program or Award Amount	Grant Period From	Grant Period To	Beginning Balance	Cash Received	Adjustment/ Cancellation	Matching Expenditures	Passed- Through to Sub-recipients	2016 Expenditures	Ending Balance	Cumulative Expenditures
OTHER STATE PROGRAMS													
NJ Dept of Emergency Management - RERP	Unknown	\$	\$ 305,657	7/1/14	6/30/15	\$ 4,188	\$ 231,425	\$ 4,188	\$	\$	\$	\$	\$ 272,831
NJ Dept of Emergency Management - RERP	Unknown		255,544	7/1/15	6/30/16	(169,912)		(169,097)			230,610	(25,930)	400,522
NJ Dept of Emergency Management - RERP	Unknown		250,003	7/1/16	6/30/17						25,930		25,930
						(165,724)	231,425	(154,909)			255,540	(25,930)	699,293
Total State Financial Assistance						\$ (2,871,223)	\$ 4,477,309	\$ (3,571,524)	\$ 115,689	\$	\$ 8,638,174	\$ (3,344,875)	\$ 25,616,651

The accompanying Notes to Financial Statements and the Schedules of Expenditures for Federal Awards and State Financial Assistance are an integral part of this schedule.

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

A. GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the County of Salem, New Jersey (the "County"). The County is defined in Note A to the County's financial statements – regulatory basis. The County is the prime sponsor and recipient of various federal and state grant funds. The County has delegated the administration of grant programs and the reporting function to various departments within the County. Substantially all grant and program cash funds are commingled with the County's other funds, although each grant is accounted for separately within the County's financial records. The Treasurer's Office of the County performs accounting functions for all grants.

B. BASIS OF ACCOUNTING

The accompanying schedules of federal awards and state financial assistance are presented using the modified basis of accounting in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. 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 separate funds, which differ from the funds required by accounting principles generally accepted in the United States of America ("GAAP"). The County has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Modifications to the accrual basis:

- a. Expenditures are recorded on the Schedules of Expenditures of Federal Awards and State Financial Assistance when encumbered.
- b. Prepaid expenditures are not recorded.
- c. Obligations for employees' vested vacation and sick leave are recorded when paid.
- d. Revenues are recorded when anticipated in the budget.
- e. Property and equipment purchased are recorded as expenditures at the time of purchase and are not capitalized.

C. COMMITMENTS AND CONTINGENCIES

Each of the grantor agencies reserves the right to conduct additional audits of the County's grant programs for economy, efficiency and program results. However, the County management does not believe such audits would result in material amounts of disallowed costs.

The County has entered into various contracts with sub-recipients and other contractors to perform services or provide goods in the effort to administer such grants. Thus, the County has commitments to meet various conditions of such contracts.

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE (CONTINUED)

D. PUBLIC ASSISTANCE GRANTS

The County is the recipient of Public Assistance Grants, which have been audited separately by the State of New Jersey and are not included in the Schedules of Federal Awards and State Financial Assistance contained in this report. This program is for the operations of the County Welfare Department.

E. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

F. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

G. RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the County's general purpose financial statements. Expenditures from awards are reported in the County's general purpose financial statements as follows:

		<u>Federal</u>		<u>State</u>		<u>Local</u>		<u>Total</u>
Current Fund	\$	6,260,919	\$	8,638,174	\$	203,649	\$	15,102,742

H. ADJUSTMENTS

On the schedule A of Federal Awards and schedule B of the State Financial Assistance, the Adjustment and Cancellation in the amount of \$806,093 and \$3,543,951, respectively, represents prior year liquidation of encumbrances.

COUNTY OF SALEM, STATE OF NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2016

Section I - Summary of Auditors' Results

Basic Financial Statements

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

- Material weaknesses identified _____yes X no
- Significant deficiencies identified _____yes X none reported
- Noncompliance material to financial statements noted _____yes X no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____yes X no
- Significant deficiencies identified? _____yes X none reported

Type of auditors' report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? _____yes X no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
20.933	National Infrastructure Investment (TIGER III)

Dollar threshold used to distinguish between
Type A and Type B Programs:

\$ 750,000

Auditee qualified as low-risk auditee? _____yes X no

COUNTY OF SALEM, STATE OF NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended December 31, 2016

Section I - Summary of Auditors' Results (Continued)

State Financial Assistance

Internal control over major programs:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported
in accordance with N.J. Circular 15-08-OMB. ☐ yes ☒ no

Identification of major programs:

<u>State Grant Account Number</u>	<u>Name of State Program or Cluster</u>
N.J. Transit Corp	Senior Citizen and Disabled Resident Transportation
6320-480-078-6320-TC	County Aid Program (2009, 2011, 2012, 2013 County Aid Program, 2014 County Aid Prog Willow Grove)

Dollar threshold used to distinguish between
Type A and Type B Programs: \$ 750,000

Auditee qualified as low-risk auditee? ☐ yes ☒ no

COUNTY OF SALEM, STATE OF NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended December 31, 2016

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that requires reporting in the Uniform Guidance, New Jersey OMB Circular 15-08 audit.

Finding 2016-1

Criteria - Management is responsible for monitoring budget to actual expenditures to avoid over expenditures.

Condition - Over expenditure of current year appropriation reserves in the amount of \$402,438, respectively were noted.

Effect - Noncompliance with State of New Jersey rules and regulations.

Cause - Adequate budget provision was not available to fund certain expenditures and an override of internal control resulted.

Recommendation - Budget versus actual expenditures should be closely monitored in order to avoid over expenditures in the future.

Management Response - Management agrees with the finding and has implemented policy and procedures to avoid future budget over expenditures.

Section III – Federal Award and State Financial Assistance Findings and Questioned Costs

This section identifies the audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Guidance Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB Circular Letter 15-08, as applicable, for State Financial Assistance.

No matters were reported.

COUNTY OF SALEM, STATE OF NEW JERSEY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended December 31, 2016

This section identifies the status of prior - year findings related to the basic financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a)(b) and New Jersey OMB's Circular 15-08.

There were no prior year matters reported.

**COUNTY OF SALEM, STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2016**

APPRECIATION

We express our appreciation for the assistance and courtesies extended to the members of the audit team by the County Officials during the course of the audit.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.

A handwritten signature in black ink, appearing to read 'Raymond Colavita', written over the printed name.

Raymond Colavita, C.P.A., R.M.A.