

**COUNTY OF SALEM,
STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL DATA**

December 31, 2017

COUNTY OF SALEM, STATE OF NEW JERSEY

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**COUNTY OF SALEM,
STATE OF NEW JERSEY**

To the Honorable Freeholder Director, Member of the Board of Chosen Freeholders, and Citizens of the County of Salem:

The financial statements of the County of Salem (the "County") for the year ended December 31, 2017, is hereby submitted as mandated by state statute. New Jersey statutes require that the County annually issue a report on its financial position and activity and that this report be audited by an independent Registered Municipal Accountant. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects. All disclosures necessary to enable the reader to gain an understanding of the County's activities have been included.

The financial statements includes the basic financial statements and supplemental schedules, as well as the independent auditors' report on these financial statements and schedules. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

The financial reporting entity (the "governmental") includes all the funds and account groups of the County. Component units, as defined by the Government Accounting Standards Board, are not presented, as the State of New Jersey does not require the component units be considered for reporting purposes. The government provides a full range of services, including sanitation services; the maintenance and construction of roads and related infrastructure; and recreation.

INDEPENDENT AUDITORS' REPORTS

INDEPENDENT AUDITORS' REPORT

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

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, 2017, 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; this includes 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.

Auditors’ 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibility (Continued)

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 U.S. Generally Accepted Accounting Principles

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 U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the County as of December 31, 2017, or the changes in financial position for the year then ended.

Basis for Qualified Opinion

Under GASB 45, for financial reporting purposes, an actuarial valuation is required at least biennially for OPEB plans with a total membership of 200 or more. The last valuation of the County OPEB plan was conducted for the period ended December 31, 2014. The County did not conduct the required valuation for the period ended December 31, 2016, resulting in inadequate financial statement disclosures.

In our opinion, except for the effects of the matter described in Basis for Qualified opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the County as of December 31, 2017.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in Basis for Qualified Opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each fund and account group of the County, as of December 31, 2017, and the results of operations and changes in financial position 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 as described in Note A.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Matter

The financial statements of the County as of and for the year ended December 31, 2016, were audited by other auditors whose report dated June 9, 2017, expressed an unmodified opinion on those financial statements.

Report on Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion 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.

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 basic 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 additional 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 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 September 6, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Warren A. Broudy, CPA, CGFM, PSA, CGMA
Registered Municipal Accountant
License No. 554

MERCADIEN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 6, 2018

BASIC FINANCIAL STATEMENTS – REGULATORY BASIS

COUNTY OF SALEM, STATE OF NEW JERSEY

A

**CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
December 31, 2017 and 2016**

Assets	Ref.	2017	2016
Current Fund			
Cash	A-4	\$ 9,478,792	\$ 4,861,527
		<u>9,478,792</u>	<u>4,861,527</u>
Receivables with Full Reserves:			
Taxes Receivable	A-5	61,326	42,938
Revenue Accounts Receivable	A-8	-	1,591,950
Due from Grant Fund	A-9	784,298	125,565
Due from Trust Fund	A-9	288	2
Due from Open Space Trust Fund	A-9	12,700	-
Mortgages Receivable	A-10	410,621	435,714
Refund Receivable	A-4	-	-
Total Receivables with Full Reserves		<u>1,269,233</u>	<u>2,196,169</u>
Deferred Charges:			
Overexpenditure of Appropriation Reserves	A-7	37,465	402,438
Total Deferred Charges		<u>37,465</u>	<u>402,438</u>
Total Current Fund		<u>10,785,489</u>	<u>7,460,134</u>
<u>Federal and State Grant Fund</u>			
Overexpenditure of Grants Appropriated	A-7	7,693	-
Grants Receivable	A-14	34,331,335	28,083,949
Total Federal and State Grant Fund		<u>34,339,028</u>	<u>28,083,949</u>
		<u>\$ 45,124,517</u>	<u>\$ 35,544,083</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

A

**CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)
December 31, 2017 and 2016**

Liabilities, Reserves and Fund Balance	Ref.	2017	2016
Current Fund			
Appropriation Reserves	A-3	\$ 3,332,453	\$ 1,640,304
Reserve for Encumbrances	A-3	1,314,331	867,009
Due to Capital Fund	A-9	-	-
Accounts Payable	A-11	-	10,928
Reserve for Reconstruction of Various County Roads	A-13	128,803	128,803
Transportation OOA Program	A-13	4,468	4,468
Reserve for Payment of Debt	A-13	46,906	72,738
Reserve for Repair and Reconstruction of Roads Bridges and Railroads	A-13	246,557	246,557
		5,073,518	2,970,807
Reserve for Receivables		1,269,232	2,196,169
Fund Balance	A-1	4,442,739	2,293,158
Total Current Fund		10,785,489	7,460,134
Federal and State Grant Fund			
Due to Current Fund	A-9	784,298	125,565
Due to Capital Fund	A-15	-	3,037,923
Reserve for Encumbrances	A-15	8,323,843	3,782,191
Reserve for Appropriated Grants	A-15	25,200,683	21,138,270
Reserve for Unappropriated Grants	A-16	30,204	-
Total Federal and State Grant Fund		34,339,028	28,083,949
		\$ 45,124,517	\$ 35,544,083

COUNTY OF SALEM, STATE OF NEW JERSEY

A-1

CURRENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Years Ended December 31, 2017 and 2016

	Ref.	2017	2016
Revenue and Other Income Realized			
Fund Balance Utilized	A-2	\$ 1,890,173	\$ 3,365,558
Miscellaneous Revenue Anticipated	A-2	36,023,332	30,748,086
Receipts from Current Taxes	A-5	55,718,512	52,933,660
Non-Budget Revenues	A-2	1,205,193	360,267
Other Credits to Income:			
Cancellation of Budget Appropriations	A-3	3,582,362	-
Cancellation of Grants	A-9	153,912	193,090
Interfunds Returned	A-9	-	961,280
Mortgage Receivable	A-10	25,093	102,299
Unexpended Balance of Appropriation Reserves	A-12	1,022,847	387,033
Refunds Receivable	A-4	-	18,551
Total Income		99,621,424	89,069,824
Expenditures:			
Budget Appropriations:			
Operations:			
Salaries and Wages	A-3	30,958,502	30,039,397
Other Expenses	A-3	50,681,136	44,757,226
Capital Improvements	A-3	-	200,000
Debt Service	A-3	5,505,747	5,297,067
Deferred Charges and Statutory Expenditures	A-3	7,738,605	7,828,437
Judgments	A-3	125,500	14,761
Overexpenditure of Appropriation Reserves	A-7	37,465	402,438
Interfunds Advanced		423,336	-
Cancellation of Grants Receivable		148,844	-
Total Expenditures		95,619,135	88,539,326
Excess in Revenues		4,002,289	530,498
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute Deferred			
Charges to the Budget of the Succeeding Years:			
Overexpenditure of Appropriation Reserves	A-7	37,465	402,438
Statutory Excess to Fund Balance		4,039,754	932,936
Fund Balance - January 1	A	2,293,158	4,725,780
Increased by:		6,332,912	5,658,716
Utilized as Anticipated Revenue	A-1	1,890,173	3,365,558
Fund Balance - December 31	A	\$ 4,442,739	\$ 2,293,158

See notes to financial statements.

COUNTY OF SALEM, STATE OF NEW JERSEY

A-2

CURRENT FUND
STATEMENT OF REVENUES
Year Ended December 31, 2017

Ref	Anticipated		Budget	Realized	Excess (Deficit)	
	Adopted Budget	Special N.J.S. 40A: 4-87	After Modification			
Fund Balance Anticipated	A-1	\$ 1,890,173	\$ -	\$ 1,890,173	\$ 1,890,173	-
Miscellaneous Revenues:						
Local Revenues						
County Clerk	A-8	453,000	-	453,000	453,000	-
Surrogate	A-8	72,000	-	72,000	84,863	12,863
Sheriff	A-8	59,000	-	59,000	59,000	-
Office on Aging Fees	A-8	42,000	-	42,000	15,372	(26,628)
SCIA	A-8	250,438	-	250,438	250,438	-
Interest on Investments and Deposits	A-8	14,000	-	14,000	23,601	9,601
Constitutional Officers Salary Reimbursement	A-8	96,200	-	96,200	96,200	-
Refunds - Public Health Department	A-8	34,000	-	34,000	37,085	3,085
Planning Board - Development Review Fees	A-8	3,700	-	3,700	10,352	6,652
Due from Lower Alloways Creek Township	A-8	2,195,000	-	2,195,000	2,195,000	-
One Stop Administrative/Rent	A-8	20,000	-	20,000	20,000	-
Bail Forfeiture	A-8	17,000	-	17,000	30,488	13,488
County Dispatch Service:						
Elmer Borough	A-8	10,700	-	10,700	10,700	-
Woodstown Borough	A-8	32,000	-	32,000	32,000	-
City of Salem	A-8	129,010	-	129,010	129,010	-
LAC Township	A-8	39,795	-	39,795	39,795	-
Pennsville	A-8	149,375	-	149,375	149,375	-
Carneys Point	A-8	84,617	-	84,617	84,617	-
Penns Grove	A-8	155,000	-	155,000	155,000	-
Home Detention	A-8	22,000	-	22,000	27,584	5,584
Jail Miscellaneous	A-8	159,000	-	159,000	173,306	14,306
Indirect Costs	A-8	25,000	-	25,000	-	(25,000)
Inmate Health/Reimbursement to Salem County	A-8	6,000	-	6,000	5,114	(886)
Jail Telephone	A-8	123,000	-	123,000	39,951	(83,049)
Unification Reimbursement	A-8	122,000	-	122,000	102,096	(19,904)
Fire School	A-8	104,425	-	104,425	68,625	(35,800)
Revolving Loan Fund	A-8	7,300	-	7,300	5,213	(2,087)
Meals on Wheels Rent	A-8	10,200	-	10,200	7,650	(2,550)
State Prisoners	A-8	11,000	-	11,000	13,127	2,127
Pollution Control - Treasurer	A-8	50,000	-	50,000	50,000	-
Prior Year Expenses	A-8	150,000	-	150,000	226,259	76,259
Lease for Farmland	A-8	6,595	-	6,595	6,800	205
Vo-Tech GED Program Lease	A-8	6,000	-	6,000	6,000	-
Settlement	A-8	100,000	-	100,000	50,000	(50,000)
Total Local Revenues		4,759,355	-	4,759,355	4,657,620	(101,735)
State Aid:						
State Aid - County College Bonds (NJSA 18A:64A-22.6)208751	A-8	587,638	-	587,638	348,203	(239,434)
Public Health Priority Funding - 1977	A-8	62,500	-	62,500	83,377	20,877
Debt Service - State Aid (Type I) - Special Services School District	A-8	393,401	-	393,401	363,085	(30,316)
Total State Aid		1,043,539	-	1,043,539	794,665	(248,873)

COUNTY OF SALEM, STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES (CONTINUED)
Year Ended December 31, 2017

Ref	Anticipated		Budget	Realized	Excess (Deficit)	
	Adopted Budget	Special N.J.S. 40A: 4-87	After Modification			
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	1,053,465	-	1,053,465	-	(1,053,465)
Supplemental Social Security Income	A-8	147,898	-	147,898	186,098	38,200
Psychiatric Facilities (C.73,P.L 1990):						
Maintenance of Patients in State Institutions for Mental Diseases	A-8	888,457	-	888,457	876,184	(12,273)
Maintenance of Patients in State Institutions for Mentally Retarded	A-8	1,551,928	-	1,551,928	1,551,928	-
Board of County Patients in State and Other Institutions	A-8	20,000	-	20,000	22,464	2,464
Total State Assumption of Costs of County Social & Welfare Service & Psychiatric Facilities		3,661,748	-	3,661,748	2,636,674	(1,025,074)
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	837,775	3,029	840,804	840,804	-
Alcoholic Treatment Program	A-14	233,916	-	233,916	233,916	-
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	327,180	-	327,180	327,180	-
PASP - Personal Assistance Services	A-14	11,114	-	11,114	11,114	-
US Department of Agriculture - Rural Development	A-14	-	60,000	60,000	60,000	-
Prosecutor Insurance Fraud Reimbursement	A-14	250,000	-	250,000	250,000	-
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	-
Short Line Track Rehabilitation	A-14	672,840	3,000,000	3,672,840	3,672,840	-
Project Lifesaver	A-14	-	50,000	50,000	50,000	-
County Environmental Health Act (CEHA)	A-14	-	134,282	134,282	134,282	-
Medication Assisted Treatment	A-14	-	200,000	200,000	200,000	-
SCIA Clean Communities	A-14	500	-	500	500	-
Local Arts Program	A-14	46,843	-	46,843	46,843	-
Workforce Innovation and Opportunity Act (WIOA)	A-14	-	707,027	707,027	707,027	-
MIPPA Outreach & Enrollment	A-14	40,000	40,000	80,000	80,000	-
NJ Dept of Emergency Management - RERP	A-14	5,733	258,988	264,721	264,721	-
Work First New Jersey TANF	A-14	-	508,788	508,788	508,788	-

COUNTY OF SALEM, STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES (CONTINUED)
Year Ended December 31, 2017

	Ref	Anticipated		Budget	Realized	Excess (Deficit)
		Adopted Budget	Special N.J.S. 40A: 4-87	After Modification		
Edward Byrne Memorial Justice Assistance Grant	A-14	3,648	-	3,648	3,648	-
Subregional Transportation Planning Program 2018	A-14	-	34,400	34,400	34,400	-
Crop Insurance Education	A-14	-	175,646	175,646	175,646	-
Public Health Preparedness & Response for Bioterrorism	A-14	265,340	-	265,340	265,340	-
FTA Small Urban & Rural Area Public Transportation (5311)	A-14	235,154	-	235,154	235,154	-
Historical Commission Grant	A-14	14,310	-	14,310	14,310	-
Health and Wellness Foundation - Healthy Community Development	A-14	-	20,000	20,000	20,000	-
Health and Wellness - Preparedness	A-14	-	2,500	2,500	2,500	-
Health and Wellness - Chlorine Incident	A-14	-	2,500	2,500	2,500	-
Victims of Crime (SART/SANE)	A-14	-	77,900	77,900	77,900	-
State Health Insurance Assistance Program (SHIP)	A-14	-	33,000	33,000	33,000	-
NJ Dept. of Health - Seniors Farmers Market Nutrition	A-14	-	500	500	500	-
Multijurisdictional Task Force	A-14	130,786	-	130,786	130,786	-
Prosecutor Victim Witness Advocacy	A-14	61,126	-	61,126	61,126	-
Special Child Health and Early Intervention	A-14	-	40,966	40,966	40,966	-
State Homeland Security Program (SHSP)	A-14	-	164,578	164,578	164,578	-
NJ Dept of Health - Right to Know	A-14	8,786	-	8,786	8,786	-
Design Mill and Overlay	A-14	100,005	1,716,832	1,816,837	1,816,837	-
NJ DOT Woodstown Road	A-14	1,220,000	-	1,220,000	1,220,000	-
NJ DOT Cohansey-Friesburg Road	A-14	999,000	-	999,000	999,000	-
NJ DOT Centeron Traffic Signal Improvements - Design	A-14	-	34,785	34,785	34,785	-
2016 Local Bridges, Future Needs - Jesse Bridge	A-14	1,000,000	-	1,000,000	1,000,000	-
Replacement of Centeron Bridge, County Bridge #1701-235	A-14	-	1,000,000	1,000,000	1,000,000	-
NJDCA - Countywide Code Enforcement	A-14	250,000	-	250,000	250,000	-
Mosquito Identification and Control Activities	A-14	-	4,150	4,150	4,150	-
2017 County Aid	A-14	2,399,200	-	2,399,200	2,399,200	-
Design of Hook Road	A-14	150,005	-	150,005	150,005	-
Body Armor Fund (Prosecutor)	A-14	-	2,187	2,187	2,187	-
Body Armor Fund (Sheriff)	A-14	-	17,855	17,855	17,855	-
Veterans Transportation	A-14	-	13,000	13,000	13,000	-
Total Special Items of General Revenue Anticipated with Prior Written Consent of Local Government Services - Public and Private Revenues Offset with Appropriations		9,564,487	8,440,714	18,005,202	18,005,202	-

COUNTY OF SALEM, STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES (CONTINUED)
Year Ended December 31, 2017

Ref	Anticipated		Budget	Realized	Excess (Deficit)
	Adopted Budget	Special N.J.S. 40A: 4-87	After Modification		
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	205,000	-	205,000	298,913	93,913
A-8	58,000	-	58,000	58,000	-
A-8	1,279,000	-	1,279,000	1,486,850	207,850
A-8	249,000	-	249,000	314,510	65,510
A-8	92,925	-	92,925	92,925	-
A-8	5,875,000	-	5,875,000	5,977,835	102,835
A-8	927,000	-	927,000	764,578	(162,422)
A-8	71,804	-	71,804	71,804	-
A-8	18,000	-	18,000	18,000	-
A-8	72,000	-	72,000	177,914	105,914
A-8	59,000	-	59,000	164,153	105,153
A-8	-	-	-	-	-
A-8	294,000	-	294,000	121,810	(172,190)
A-8	-	-	-	-	-
A-8	246,000	-	246,000	140,759	(105,241)
A-8	1,000	-	1,000	-	(1,000)
A-8	30,000	-	30,000	-	(30,000)
A-8	121,120	-	121,120	121,120	-
A-13	120,000	-	120,000	120,000	-
	9,718,849	-	9,718,849	9,929,171	210,322
Total Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items					
A-1	28,747,978	8,440,714	37,188,692	36,023,332	(1,165,361)
A-5	55,718,512	-	55,718,512	55,718,512	-
	<u>\$ 86,356,662</u>	<u>\$ 8,440,714</u>	<u>\$ 94,797,377</u>	<u>\$ 93,632,016</u>	<u>\$ (1,165,361)</u>
Ref.	A-3	A-3 , A-15, A-16		1,205,193	
A-1				<u>1,205,193</u>	
				<u>\$ 94,837,209</u>	

See notes to financial statements.

COUNTY OF SALEM, STATE OF NEW JERSEY

A-2A

CURRENT FUND
STATEMENT OF MISCELLANEOUS REVENUES NOT ANTICIPATED
Year Ended December 31, 2017

	Ref		
Revenue Accounts Receivable	A-8	\$ 18,018,131	
Grant Revenues - Original Budget	A-14	9,564,487	
Grant Revenues - Added by 40A:4-87	A-14	<u>8,440,714</u>	
			<u>\$ 36,023,332</u>
	<u>Ref.</u>		A-1, A-4

COUNTY OF SALEM, STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
Year Ended December 31, 2017

	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	\$ (12,500)	\$ 97,500	\$ 92,926	\$ -	\$ 92,926	\$ -	\$ 4,574
Other Expenses	25,500	-	25,500	14,412	11,057	25,470	-	30
Purchase Department and Inventory Control								
Salaries and Wages	75,000	-	75,000	71,576	-	71,576	-	3,424
Other Expenses	5,850	-	5,850	2,892	245	3,137	-	2,713
Clerk of the Board								
Salaries and Wages	180,000	(22,000)	158,000	153,290	-	153,290	-	4,710
Other Expenses	3,040	-	3,040	1,255	1,150	2,405	-	635
Personnel/HR								
Salaries and Wages	225,000	-	225,000	218,403	-	218,403	-	6,597
Other Expenses	189,690	-	189,690	171,217	14,604	185,821	-	3,869
County Clerk								
Salaries and Wages	427,000	32,000	459,000	445,200	-	445,200	-	13,800
Other Expenses	9,550	-	9,550	7,708	424	8,132	-	1,418
Election Costs	95,000	(50,000)	45,000	-	19,543	19,543	-	25,457
Grant Management								
Other Expenses	12,500	-	12,500	5,500	4,200	9,700	-	2,800
Board of Elections								
Salaries and Wages	230,000	11,000	241,000	234,407	-	234,407	-	6,593
Other Expenses	164,600	-	164,600	122,033	42,074	164,107	-	493
Department of Finance								
County Treasurer's Office								
Salaries and Wages	205,500	(8,000)	197,500	191,030	-	191,030	-	6,470
Other Expenses	17,860	(150)	17,710	15,659	291	15,950	-	1,760
Bond Costs	30,000	(10,000)	20,000	13,890	3,000	16,890	-	3,110
County Auditor	135,000	-	135,000	135,000	-	135,000	-	-
Information Technology Center								
Other Expenses	620,000	25,000	645,000	596,297	48,562	644,859	-	141
County Adjuster's Office								
Other Expenses	9,000	-	9,000	8,969	25	8,995	-	5
Board of Taxation								
Salaries and Wages	130,100	2,000	132,100	128,108	-	128,108	-	3,992
Other Expenses	4,310	-	4,310	3,775	127	3,902	-	408
County Counsel								
Salaries and Wages	168,000	-	168,000	162,550	-	162,550	-	5,450
Other Expenses	12,000	-	12,000	11,722	278	12,000	-	-

COUNTY OF SALEM, STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended December 31, 2017

	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	289,400	1,500	290,900	283,001	-	283,001	-	7,899
Other Expenses	8,710	-	8,710	5,186	3,383	8,569	-	141
Engineer								
Salaries and Wages	252,800	(13,000)	239,800	231,242	-	231,242	-	8,558
Other Expenses	104,050	(61,000)	43,050	28,150	3,425	31,575	-	11,475
Economic Development Office								
Salaries and Wages	25,500	100	25,600	24,901	-	24,901	-	699
Other Expenses	51,500	(7,000)	44,500	35,808	6,511	42,319	-	2,181
Labor Counsel								
Other Expenses	75,000	-	75,000	62,596	560	63,156	-	11,844
Special Counsel/Consulting								
Other Expenses	35,000	-	35,000	33,396	-	33,396	-	1,604
Cultural and Heritage Commission								
Salaries and Wages	25,500	100	25,600	24,901	-	24,901	-	699
Other Expenses	4,385	-	4,385	2,625	1,687	4,312	-	73
TOTAL GENERAL GOVERNMENT	3,956,345	(111,950)	3,844,395	3,539,626	161,146	3,700,771	-	143,624
LAND USE ADMINISTRATION								
County Planning Board								
Salaries and Wages	50,000	-	50,000	47,668	-	47,668	-	2,332
Other Expenses	12,500	-	12,500	3,051	8,312	11,363	-	1,137
TOTAL LAND USE ADMINISTRATION	62,500	-	62,500	50,719	8,312	59,031	-	3,469
CODE ENFORCEMENT AND ADMINISTRATION								
Weights and Measures								
Salaries and Wages	67,000	600	67,600	65,764	-	65,764	-	1,836
Other Expenses	150	-	150	14	1	15	-	135
TOTAL CODE ENFORCEMENT	67,150	600	67,750	65,778	1	65,779	-	1,971
INSURANCE								
Workmens' Compensation	771,500	-	771,500	569,808	-	569,808	-	201,692
Other Insurance Premiums	61,992	-	61,992	15,487	748	16,235	-	45,757
Self-Insurance AI/GL	1,012,489	-	1,012,489	997,281	-	997,281	-	15,207
Group Insurance Dental	235,000	-	235,000	198,676	21,058	219,734	-	15,266
Group Insurance Hospitalization	9,841,517	-	9,841,517	9,097,982	5,320	9,103,302	-	738,216
Post Retirement Health Benefits	195,000	-	195,000	190,494	1,053	191,547	-	3,453
State Disability Insurance	106,000	-	106,000	31,311	-	31,311	-	74,689
TOTAL INSURANCE	12,223,498	-	12,223,498	11,101,039	28,179	11,129,219	-	1,094,279

COUNTY OF SALEM, STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended December 31, 2017

	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	281,625	20,000	301,625	258,800	-	258,800	-	42,825
Other Expenses:								
Miscellaneous Other Expenses "9-1-1"	19,540	-	19,540	16,676	2,533	19,209	-	331
Salaries and Wages	2,091,000	-	2,091,000	1,715,896	-	1,715,896	300,000	75,104
Other Expenses	91,300	-	91,300	19,115	71,763	90,878	-	422
Sheriff's Office								
Salaries and Wages	2,765,000	(100,000)	2,665,000	2,576,581	-	2,576,581	-	88,419
Other Expenses	154,000	30,000	184,000	152,685	27,054	179,740	-	4,260
Jail								
Salaries and Wages	15,601,600	-	15,601,600	13,035,591	-	13,035,591	1,900,000	666,009
Other Expenses	1,464,200	-	1,464,200	1,018,637	406,380	1,425,017	-	39,183
Bail Forfeitures	15,000	3,000	18,000	10,500	7,500	18,000	-	-
Inmate Medical	750,000	-	750,000	433,205	98,547	531,753	-	218,247
Alternative Youth Shelter								
Contractual- Ranch Hope	573,052	-	573,052	477,543	47,754	525,298	-	47,754
Prosecutor's Office								
Salaries and Wages	4,140,000	-	4,140,000	4,013,052	-	4,013,052	-	126,948
Other Expenses	214,550	-	214,550	188,107	24,617	212,724	-	1,826
County Medical Examiner								
Other Expenses	180,000	-	180,000	179,248	-	179,248	-	753
Juvenile Detention and Domestic Relations Ct.								
Other Expenses	400,000	(20,000)	380,000	158,863	24,700	183,563	-	196,437
TOTAL PUBLIC SAFETY FUNCTIONS	28,740,867	(67,000)	28,673,867	24,254,501	710,848	24,965,349	2,200,000	1,508,518
PUBLIC WORKS FUNCTIONS								
Street and Road Maintenance								
Roads and Bridges								
Salaries and Wages	1,405,000	(19,000)	1,386,000	1,353,525	-	1,353,525	-	32,475
Other Expenses	169,700	-	169,700	140,463	28,990	169,453	-	247
Facilities Management								
Salaries and Wages	825,000	10,000	835,000	812,038	-	812,038	-	22,962
Other Expenses	274,200	(10,000)	264,200	202,738	48,479	251,217	-	12,983
Snow Removal	100,000	-	100,000	97,963	-	97,963	-	2,037
Mosquito Extermination Commission	137,250	(7,500)	129,750	99,432	24,999	124,431	-	5,319
Vehicle Maintenance	247,500	-	247,500	234,048	13,391	247,439	-	61
TOTAL PUBLIC WORKS FUNCTIONS	3,158,650	(26,500)	3,132,150	2,940,206	115,859	3,056,065	-	76,085

COUNTY OF SALEM, STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended December 31, 2017

	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								
Other Expenses	13,900	-	13,900	10,651	3,150	13,801	-	99
Office on the Disabled								
Other Expenses	1,500	-	1,500	1,500	-	1,500	-	-
Salem Area Office on Aging								
Salaries and Wages	55,000	12,701	67,701	65,101	-	65,101	-	2,600
Other Expenses	45,000	(12,551)	32,449	32,354	24	32,378	-	71
County Welfare Board								
Administration	1,857,115	-	1,857,115	1,857,115	-	1,857,115	-	-
Services	179,939	-	179,939	179,939	-	179,939	-	-
Local: Temporary Assistance	23,560	-	23,560	23,560	-	23,560	-	-
Assistance to Supplemental Security Income								
Receipts-State Share	147,898	-	147,898	147,898	-	147,898	-	-
County Health Service - Interlocal Agreement (40:8A-1 et seq)								
Salaries and Wages	546,750	-	546,750	527,341	-	527,341	-	19,409
Other Expense:								
Nursing Services	24,000	(4,000)	20,000	12,384	6,945	19,328	-	672
Administrative	60,041	46,675	106,716	44,770	55,271	100,041	-	6,675
Environmental	10,100	-	10,100	6,717	2,862	9,579	-	521
Commission on Women								
Other Expenses	1,350	-	1,350	-	-	-	-	1,350
Maintenance of Patients in State Institutions								
Mental Diseases								
State Share	876,184	-	876,184	876,184	-	876,184	-	-
Local Share	375,507	-	375,507	365,201	-	365,201	-	10,306
Maintenance of Patients in State Institutions for Mentally Retarded								
State Share	1,551,928	-	1,551,928	1,551,928	-	1,551,928	-	-
New Jersey Division of Youth and Family Services								
State Share	1,053,465	-	1,053,465	-	-	-	1,053,465	-
TOTAL HEALTH AND HUMAN SERVICES	6,823,237	42,825	6,866,062	5,702,643	68,252	5,770,894	1,053,465	41,702

COUNTY OF SALEM, STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended December 31, 2017

	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	275	-	275	-	130
TOTAL PARKS AND RECREATION	405	-	405	275	-	275	-	130
EDUCATION FUNCTIONS								
Education Programs for Employees								
Salaries and Wages	7,626	-	7,626	7,249	-	7,249	-	377
Salem County Community College	2,748,857	-	2,748,857	2,720,030	-	2,720,030	-	28,827
Reimbursements for Residents Attending Out of County Two Year Colleges (N.J.S.18A:64A-23)	200,000	-	200,000	95,083	1,266	96,349	-	103,651
County Extension Service-Farm and Home Demonstrations								
Salaries and Wages	141,200	7,000	148,200	143,366	-	143,366	-	4,834
Other Expenses	10,000	-	10,000	1,787	-	1,787	-	8,213
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	104,650	-	104,650	101,364	-	101,364	-	3,286
Other Expenses	3,825	2,000	5,825	4,225	997	5,222	-	603
County Special Services School District Annual Appropriations	50,000	-	50,000	50,000	-	50,000	-	-
TOTAL EDUCATION FUNCTIONS	5,094,916	9,000	5,103,916	4,951,863	2,262	4,954,125	-	149,791
UNCLASSIFIED								
Veteran's Service Bureau								
Salaries and Wages	45,000	100	45,100	43,876	-	43,876	-	1,224
Other Expenses	850	-	850	773	29	802	-	48
County Transportation								
Other Expenses	18,000	-	18,000	18,000	-	18,000	-	-
Community Bus Service								
Salaries and Wages	585,000	(33,250)	551,750	533,246	-	533,246	-	18,504
Other Expenses	195,000	42,250	237,250	235,999	1,161	237,159	-	91
Printer Maintenance								
Other Expenses	15,905	-	15,905	11,508	1,001	12,509	-	3,396
Real Estate Tax								
Other Expenses	40,000	23,500	63,500	61,038	-	61,038	-	2,462
Accumulated Leave - Contra								
Other Expenses	140,000	-	140,000	140,000	-	140,000	-	-
Local Share/Sub Regional Transp Planning								
Other Expenses	-	18,500	18,500	18,500	-	18,500	-	-
Utilities	1,915,000	101,925	2,016,925	1,798,592	201,238	1,999,829	-	17,096
TOTAL UNCLASSIFIED	2,954,755	153,025	3,107,780	2,861,532	203,428	3,064,961	-	42,819
SUBTOTAL OPERATIONS	63,082,323	-	63,082,323	55,468,181	1,298,288	56,766,469	3,253,465	3,062,389

COUNTY OF SALEM, STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended December 31, 2017

	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	837,775	3,029	840,804	840,804	-	840,804	-	-
Alcoholic Treatment Program	233,916	-	233,916	233,916	-	233,916	-	-
Municipal Alliance to Prevent Alcoholism and Drug Abuse	-	137,801	137,801	137,801	-	137,801	-	-
NJ Department of Corrections - MAT Grant	-	200,000	200,000	200,000	-	200,000	-	-
Senior Citizen and Disabled Resident Transportation Program	327,180	-	327,180	327,180	-	327,180	-	-
PASP - Personal Assistance Services	11,114	-	11,114	11,114	-	11,114	-	-
Prosecutor Insurance Fraud Reimbursement	250,000	-	250,000	250,000	-	250,000	-	-
Victims of Crime Act Grant Program (VOCA)	61,126	34,301	95,427	95,427	-	95,427	-	-
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	-	-
Juvenile Assistance Grant Program - Megan's Law	3,648	-	3,648	3,648	-	3,648	-	-
Short Line Track Rehabilitation	672,840	3,000,000	3,672,840	3,672,840	-	3,672,840	-	-
SCIA Clean Communities	500	-	500	500	-	500	-	-
Local Arts Program	46,843	-	46,843	46,843	-	46,843	-	-
Workforce Development Partnership Program	-	707,027	707,027	707,027	-	707,027	-	-
County Environmental Health Act (CEHA)	-	265,632	265,632	265,632	-	265,632	-	-
MIPPA Outreach & Enrollment	40,000	40,000	80,000	80,000	-	80,000	-	-
NJ Dept of Emergency Management - RERP	5,733	258,988	264,721	264,721	-	264,721	-	-
Body Armor Replacement - Prosecutor	-	2,187	2,187	2,187	-	2,187	-	-
Body Armor Replacement - Sheriff	-	17,855	17,855	17,855	-	17,855	-	-
Work First New Jersey TANF	-	508,788	508,788	508,788	-	508,788	-	-
Subregional Transportation Planning Program	-	43,000	43,000	43,000	-	43,000	-	-
Public Health Preparedness & Response for Bioterrorism	265,340	-	265,340	265,340	-	265,340	-	-
FTA Small Urban & Rural Area Public Transportation (5311)	235,154	-	235,154	235,154	-	235,154	-	-
Historical Commission Grant	14,310	-	14,310	14,310	-	14,310	-	-
Health and Wellness - Community Development	-	20,000	20,000	20,000	-	20,000	-	-
Health and Wellness - Preparedness	-	2,500	2,500	2,500	-	2,500	-	-
Health and Wellness - Chlorine Incident	-	2,500	2,500	2,500	-	2,500	-	-
Victims of Crime (SART/SANE)	-	99,882	99,882	99,882	-	99,882	-	-

COUNTY OF SALEM, STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended December 31, 2017

	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								
State Health Insurance Assistance Program (SHIP)	-	33,000	33,000	33,000	-	33,000	-	-
Federal Aid Program - Centerton Traffic Signal	-	34,785	34,785	34,785	-	34,785	-	-
NJ Dept. of Health - Seniors Farmers Market Nutrition	-	500	500	500	-	500	-	-
Multijurisdictional Task Force	130,786	-	130,786	130,786	-	130,786	-	-
Special Child Health and Early Intervention	-	56,846	56,846	56,846	-	56,846	-	-
State Homeland Security Program (SHSP)	-	164,578	164,578	164,578	-	164,578	-	-
Crop Insurance Education	-	175,646	175,646	175,646	-	175,646	-	-
NJ Dept of Health - Right to Know	8,786	-	8,786	8,786	-	8,786	-	-
Design Mill and Overlay	100,005	1,716,832	1,816,837	1,816,837	-	1,816,837	-	-
NJ DOT Woodstown Road	1,220,000	-	1,220,000	1,220,000	-	1,220,000	-	-
NJ DOT Cohansey-Friesburg Road	999,000	-	999,000	999,000	-	999,000	-	-
Local Bridges, Future Needs - Jesse's Bridge	1,000,000	-	1,000,000	1,000,000	-	1,000,000	-	-
Replacement of Centerton Bridge, County Bridge #1701-235	-	1,000,000	1,000,000	1,000,000	-	1,000,000	-	-
NJDCA - Countywide Code Enforcement	250,000	-	250,000	250,000	-	250,000	-	-
2017 County Aid	2,399,200	-	2,399,200	2,399,200	-	2,399,200	-	-
Design of Hook Road	150,005	-	150,005	150,005	-	150,005	-	-
Mosquito Identification and Control Activities	-	4,150	4,150	4,150	-	4,150	-	-
Veterans Transportation	-	13,000	13,000	13,000	-	13,000	-	-
Project Lifesaver	-	50,000	50,000	50,000	-	50,000	-	-
SC Ag Development Board	-	60,000	60,000	60,000	-	60,000	-	-
Matching Funds	325,000	-	325,000	193,613	-	193,613	-	131,387
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES	9,889,488	8,652,827	18,542,315	18,410,928	-	18,410,928	-	131,387
Contingent	15,000	-	15,000	-	-	-	15,000	-
TOTAL OPERATIONS INCLUDING CONTINGENT	72,986,811	8,652,827	81,639,638	73,879,110	1,298,288	75,177,397	3,268,465	3,193,776
<i>Detail:</i>								
Salaries and Wages	31,069,151	(110,649)	30,958,502	27,572,647	3,150	27,575,797	2,200,000	1,182,705
Other Expenses (Including Contingent)	41,917,660	8,763,476	50,681,136	46,306,463	1,295,138	47,601,601	1,068,465	2,011,070

COUNTY OF SALEM, STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended December 31, 2017

	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	830,000	-	830,000	625,000	-	625,000	205,000	-
Vocational School Bonds	244,450	-	244,450	244,450	-	244,450	-	-
Other Bonds	1,493,550	-	1,493,550	1,493,550	-	1,493,550	-	-
Payment of Bond Anticipation Notes	315,000	-	315,000	315,000	-	315,000	-	-
Interest on Bonds								
County College Bonds	121,281	-	121,281	86,847	-	86,847	34,434	-
Vocational School Bonds	99,916	-	99,916	99,916	-	99,916	-	-
Other Bonds	618,240	-	618,240	618,240	-	618,240	1	-
Interest on Notes - Other	86,909	-	86,909	86,906	-	86,906	3	-
Salem County Improvement Authority - Lease Payments								
County Jail	1,696,400	-	1,696,400	1,696,400	-	1,696,400	-	-
Total County Debt Service	5,505,747	-	5,505,747	5,266,309	-	5,266,309	239,438	-
Deferred Charges and Statutory Expenditures - County:								
Prior Year Bills	8,700	-	8,700	-	-	-	-	8,700
Prior Year Overexpenditure Appropriation Reserve	402,438	-	402,438	402,438	-	402,438	-	-
Statutory Expenditures - Contributions to:								
Public Employee's Retirement System	1,799,763	-	1,799,763	1,737,755	-	1,737,755	39,167	22,841
Social Security System (O.A.S.I.)	2,261,455	-	2,261,455	2,159,498	-	2,159,498	-	101,957
Police and Fireman's Retirement System	3,060,249	-	3,060,249	3,021,471	-	3,021,471	35,292	3,486
DCRP	20,000	-	20,000	18,748	-	18,748	-	1,252
Unemployment Insurance	186,000	-	186,000	169,517	16,043	185,560	-	440
Total Deferred Charges and Statutory Expenditures - County	7,738,605	-	7,738,605	7,509,426	16,043	7,525,469	74,459	138,677
Judgments	125,500	-	125,500	125,500	-	125,500	-	-
Total General Appropriations	\$ 86,356,663	\$ 8,652,827	\$ 95,009,490	\$ 86,780,344	\$ 1,314,331	\$ 88,094,675	\$ 3,582,362	\$ 3,332,453
Ref.	A-2	A-2			A			A
Original Budget	A-2		\$ 86,356,663					
Appropriated by N.J.S.A. 40A-87	A-2, A-15		8,652,827					
Expended	A-4					\$ 68,238,030		
Grant Appropriations	A-15					18,217,315		
Grant Matching Share	A-15					325,000		
Encumbered	A					1,314,331		
			<u>\$ 95,009,490</u>			<u>\$ 88,094,675</u>		

See notes to financial statements.

COUNTY OF SALEM, STATE OF NEW JERSEY

B

TRUST FUNDS
STATEMENT OF ASSETS, LIABILITIES AND RESERVES
December 31, 2017 and 2016

	Ref.	December 31,	
		2017	2016
ASSETS			
Trust Other Funds:			
Cash - Treasurer	B-4	\$ 2,092,521	\$ 2,032,819
		2,092,521	2,032,819
Open Space and Farmland Preservation Trust:			
Cash - Treasurer	B-4	3,531,855	3,786,433
Investments	B-4	459,001	497,651
Taxes Receivable	B-5	4,336	847
		3,995,192	4,284,931
Total Trust Funds		<u>\$ 6,087,713</u>	<u>\$ 6,317,750</u>
LIABILITIES AND RESERVES			
Trust Other Funds:			
Reserve for:			
Accumulated Absences Trust	B-6	208,068	150,240
Commodities Resale Program	B-6	35,881	16,407
County Auction	B-6	3,553	3,553
County Clerk	B-6	110,758	251,432
Engineering Escrow	B-6	28,173	26,672
Environmental Enforcement	B-6	384,137	376,746
First Responder Dinner	B-6	130	130
Hospitalization	B-6	1	2
Housing Revitalization	B-6	72,365	72,192
Motor Vehicle Fines	B-6	333,659	174,403
Net Payroll Account	B-6	504	-
Parvin Bequest	B-6	-	55,829
Payroll Agency	B-6	328,762	282,870
Performance Bond - Woods Laurel Hills	B-6	3,375	3,375
Prosecutor's Office:			
Asset Maintenance Account	B-6	2,270	6,145
Auto Law Enforcement Trust Account	B-6	7,007	6,490
County Law Enforcement Trust Account	B-6	75,161	72,015
Federal County Law Enforcement Trust Account	B-6	68,712	65,192
Municipal Law Enforcement Trust Account	B-6	37,851	32,251
Seized Assets Trust Account	B-6	28,064	15,567
Road Opening Deposits	B-6	17,698	16,198
SCAPG - Nutrition Program	B-6	1,324	16,121
SCAPG - Parvin	B-6	2,490	55,426
Self Insurance	B-6	45,519	1,446
Sheriff's Office	B-6	44,920	38,267
Surrogate Fees	B-6	71,375	72,569
Tax Appeals Filing Fees	B-6	35,377	27,706
Unemployment Claims	B-6	44	44
Veterans Donation	B-6	14,892	6,953
Weights & Measures	B-6	119,263	106,092
Workers' Compensation	B-6	10,899	80,484
		2,092,233	2,032,817
Trust Due to Current Fund	B-8	288	2
		2,092,521	2,032,819
Open Space and Farmland Preservation Trust			
Reserve for Future Use	B-7	3,982,493	4,284,931
Open Space Trust Due to Current Fund	B-9	12,700	-
		3,995,192	4,284,931
Total Trust Funds		<u>\$ 6,087,713</u>	<u>\$ 6,317,750</u>

See notes to financial statements.

COUNTY OF SALEM, STATE OF NEW JERSEY

B-1

TRUST FUNDS
 OPEN SPACE AND FARMLAND PRESERVATION
 STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME
 Year Ended December 31, 2017

	Ref.	Anticipated Budget	Realized	Excess (Deficit)
Amount to be Raised by Taxation		\$ 986,971	\$ 990,284	\$ 3,313
Reserve for Open Space Trust		435,846	435,846	-
Miscellaneous		4,000	8,704	4,704
Total Open Space Revenues	B-2	<u>\$ 1,426,818</u>	<u>\$ 1,434,835</u>	<u>\$ 8,017</u>
<u>Analysis of Realized Revenues</u>				
Amount to be Raised by Taxation:				
Accrued Revenue:				
Open Space Tax Levy		\$ 986,971		
Added and Omitted Tax Levy		<u>3,313</u>		
	B-7		<u>\$ 990,284</u>	
Miscellaneous:				
Receipts:				
Interest on Deposits	B-3, B-7	<u>8,704</u>		
			<u>\$ 8,704</u>	

COUNTY OF SALEM, STATE OF NEW JERSEY

B-2

TRUST FUND
 OPEN SPACE AND FARMLAND PRESERVATION
 STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME
 Year Ended December 31, 2017

	Appropriations		Paid or Charged	Reserved
	Original Budget	Budget After Modification		
Debt Service:				
Payment of Bond Principal	\$ 532,000	\$ 532,000	\$ 532,000	\$ -
Interest on Bonds	219,818	219,818	219,818	-
Acquisition of Farmland	675,000	675,000	517,640	157,360
	<u>\$ 1,426,818</u>	<u>\$ 1,426,818</u>	<u>\$ 1,269,458</u>	<u>\$ 157,360</u>
Ref.		B-1		
B-3, B-7			\$ 751,818	
			<u>517,640</u>	
B-7			<u>\$ 1,269,458</u>	

COUNTY OF SALEM, STATE OF NEW JERSEY

C

GENERAL CAPITAL FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
December 31, 2017 and 2016

	Ref.	December 31,	
		2017	2016
<u>ASSETS</u>			
Cash	C-2, C-3	\$ 4,883,663	\$ 2,957,645
Dam Restoration Loan Receivable		1,300,000	1,300,000
Grants Receivable	C-4A	3,000,000	3,037,923
Deferred Charges to Future Taxation:			
Funded	C-5	32,134,000	35,234,000
Unfunded	C-6	8,445,364	7,960,364
		<u>\$ 49,763,027</u>	<u>\$ 50,489,932</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Accrued Interest on Bond Sale	C-13	\$ 158,547	\$ 227,952
Reserve for County Aid Program		4,713	4,713
Improvement Authorizations:			
Funded	C-7	7,143,730	4,913,415
Unfunded	C-7	1,074,380	274,380
Serial Bonds Payable	C-8	30,834,000	33,934,000
Bond Anticipation Notes Payable	C-9	7,645,000	7,960,000
Dam Restoration Loan Payable	C-10	1,300,000	1,300,000
Contracts Payable	C-11	1,489,968	1,829,548
Capital Improvement Fund	C-12	3,937	3,937
General Capital Fund	C-1	108,752	41,987
		<u>\$ 49,763,027</u>	<u>\$ 50,489,932</u>

There were Bonds and Notes authorized, but not issued in the amount of \$800,364 for the year ended December 31, 2017 and \$364 for December 31, 2016 (C-14).

COUNTY OF SALEM, STATE OF NEW JERSEY

C-1

GENERAL CAPITAL FUND
STATEMENT OF CAPITAL SURPLUS
Year Ended December 31, 2017

Balance December 31, 2016	<u>Ref.</u> C	\$ 41,987
Increased by BAN Premium Received	C-2	<u>66,765</u>
Balance December 31, 2017	C	<u>\$ 108,752</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

G

FIXED ASSETS
 SCHEDULE OF FIXED ASSETS
 December 31, 2017 and 2016

	Balance December 31, 2016	2017 Additions	2017 Deletions	Balance December 31, 2017
ASSETS				
General fixed Assets				
Land, Buildings, Improvements	\$ 22,110,931	\$ -	\$ -	\$ 22,110,931
Machinery and Equipment	13,739,525	300,818	-	14,040,343
	<u>35,850,456</u>	<u>300,818</u>	<u>-</u>	<u>36,151,274</u>
LIABILITIES				
Investment in General Fixed Assets	35,850,456	300,818	-	36,151,274
	<u>\$ 35,850,456</u>	<u>\$ 300,818</u>	<u>\$ -</u>	<u>\$ 36,151,274</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO 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 counties and three boroughs. The population of the County according to the official 2010 census is 65,774.

The County government operates under a five 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-
Schools
Salem-Woodstown Road
New Jersey 08098

Special Services School Technical
District of the County of Salem
328-B 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 FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

General Fixed Assets Account Group

All fixed assets used in governmental fund type operations ("general fixed assets") are accounted for in the general fixed assets account group, rather than in governmental funds.

Basis of Accounting

The Governmental Accounting Standard Board ("GASB") is the accepted standards-setting body for establishing government accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards recognizes three fund categories as appropriate for the accounting and reporting of the financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). This structure of funds differs from the organization of funds prescribed under the regulatory basis of accounting utilized by the County. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the general-purpose financial statement required by GAAP.

A modified accrual basis of accounting is followed with certain exceptions. Accounting principles prescribed for New Jersey municipalities by the Department of Community Affairs, Division of Local Government Services differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies are explained in the following paragraphs.

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting

The County 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. The budgets are prepared making use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of December 31. Actual results could differ from those estimates and such differences could be significant.

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.

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 asset 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 sub-

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fixed Assets (Continued)

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.

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 appropriation 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.

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenditures (Continued)

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.

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 Post-employment 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 F and G)

B. CASH, 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. 17:9-42 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. 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, 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.

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

B. CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

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.

N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units:

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

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.

As of December 31, 2017, the County's bank balances of \$21,175,245 were exposed to custodial credit risk as follows:

Insured	\$	269,992
Uninsured and Collateralized		20,458,952
Uninsured and Collateralized with Securities held by Pledging Financial Institutions		446,301
Total	\$	<u>21,175,245</u>

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, 2017.

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

B. CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

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.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

As of December 31, 2017, the County had \$446,301 of U.S. Treasuries following fair value measurements using quoted market prices for Level 1 inputs.

C. 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 2017 budget.

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percent Utilized	Remaining Balance Available
2017	\$ 4,442,739	\$ 3,579,189	80.56%	\$ 863,550
2016	2,293,158	1,890,173	82.43%	402,985
2015	4,725,780	3,365,558	71.22%	1,360,222
2014	6,928,995	4,415,186	63.72%	2,513,809
2013	7,313,360	2,884,898	39.45%	4,428,462

D. PENSION PLANS

A substantial number of the County's employees participate in the following defined benefit pension plans: the Public Employees' Retirement System ("PERS"), Police and Firemen's Retirement System ("PFRS"), and Defined Contribution Retirement Program ("DCRP") which are administered and/or regulated 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

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

D. PENSION PLANS (CONTINUED)

Plan Description

PERS is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. For additional information about PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml

PFRS is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pension and Benefits. For additional information about PFRS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at link above.

DCRP is a multiple-employer defined contribution pension fund established on July 1, 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.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code ("IRC") 401(a) et seq., and is a governmental plan within the meaning of IRC 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010, who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000 annually.

Benefits Provided

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

The following represents the membership tiers for PERS:

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

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

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

D. PENSION PLANS (CONTINUED)

For PFRS, 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 for disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation of each year of creditable service, 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 10 years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

For DCRP, eligible members are provided with a defined contribution retirement plan intended to qualify for favorable federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

The contribution policy for PERS is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in state fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets.

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

D. PENSION PLANS (CONTINUED)

Contributions (Continued)

A special funding situation exists for the local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by local employers under 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 June 30, 2017, state special funding situation net pension liability amount of \$1,729,193,507, is the accumulated difference between the annual actuarially determined state obligation under the special funding situation and the actual state contribution through the valuation date. The state special funding situation pension expense of \$211,519,420, for the fiscal year ended June 30, 2017, is the actuarially determined contribution amount that the state owes for the fiscal year ended June 30, 2017. The pension expense is deemed to be a state administrative expense due to the special funding situation.

The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in state fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets.

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 that 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 non-employer 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 portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the County's PFRS plans is \$285,964 and \$59,476, respectively.

The County is billed annually for its normal contribution plus any accrued liability. Contributions to PERS from the County were \$1,865,204 for the year ended December 31, 2017. Contributions to PFRS from the County were \$3,535,701 for the year ended December 31, 2017.

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

D. PENSION PLANS (CONTINUED)

Contributions (Continued)

The DCRP contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. 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 contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. For the year ended December 31, 2017, contributions totaled \$18,748. There were no forfeitures during the year.

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

At June 30, 2017, the County had a liability of \$46,065,691 for its proportionate share of the net pension liability in PERS and \$56,775,717 and \$11,808,500 for its proportionate share of the net pension liability in PFRS Plan 1 and PFRS Plan 2, respectively. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating members of the plan, actuarial determined. At June 30, 2017, the County's proportion was 0.1978902693%, which was a decrease of 0.0045 from its proportion measured as of June 30, 2016, for PERS and 0.3307208989% and 0.0687850061%, which was an increase of 0.0207 and 0.0035 from its proportion measured as of June 30, 2016, for PFRS Plan 1 and PFRS Plan 2, respectively.

	2017					
	PERS		PFRS-Plan 1		PFRS-Plan 2	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,084,688	\$ -	\$ 331,227	\$ 299,662	\$ 68,890	\$ 62,325
Changes in assumptions	9,280,649	9,246,625	6,295,886	8,361,629	1,309,450	1,739,094
Net difference between projected and actual investment earnings on pension plan investments	313,676	-	974,286	-	202,637	-
Changes in proportion	2,603,535	1,327,560	6,317,367	73,359	1,127,162	-
	<u>\$ 13,282,548</u>	<u>\$ 10,574,185</u>	<u>\$ 13,918,766</u>	<u>\$ 8,734,650</u>	<u>\$ 2,708,139</u>	<u>\$ 1,801,419</u>

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

December 31,	PERS	PFRS-Plan 1	PFRS-Plan 2
2018	\$ 1,084,431	\$ 621,273	\$ 129,216
2019	1,636,433	1,682,600	349,956
2020	991,595	343	71
2021	(1,318,823)	(2,331,878)	(484,996)
2022	(961,246)	(1,032,230)	(214,688)
	<u>\$ 1,432,389</u>	<u>\$ (1,059,892.15)</u>	<u>\$ (220,442)</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

D. PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	PERS	PFRS
Inflation	2.25%	2.25%
Salary Increases: Through 2026 (based on age)	1.65 - 4.15%	2.10 - 8.98%
Salary Increases: Thereafter (based on age)	2.65 - 5.15%	3.10 - 9.98%
Investment rate of return	7.00%	7.00%

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back two years for males and seven 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 one 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 three years for males and set forward one year for females).

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

For PFRS, 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 a special mortality table used for the period after disability retirement.

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

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

D. PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension 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 rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2017, are summarized in the following table:

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

PERS

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. The single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the *Bond Buyer Go 20-Bond Municipal Bond Index* which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

D. PENSION PLANS (CONTINUED)

PFRS

The discount rate used to measure the total pension liability for was 6.14% as of June 30, 2017. The single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the *Bond Buyer Go 20-Bond Municipal Bond Index* which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2017, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point high than the current rate:

		PERS		
		At 1% decrease (4.00%)	At current discount rate (5.00%)	At 1% increase (6.00%)
Local	\$	57,147,617	46,065,692	36,833,075
PFRS - Plan 1				
		At 1% decrease (5.14%)	At current discount rate (6.14%)	At 1% increase (7.14%)
Local	\$	74,806,683	56,775,717	41,961,229
PFRS - Plan 2				
		At 1% decrease (5.14%)	At current discount rate (6.14%)	At 1% increase (7.14%)
Local	\$	15,558,672	11,808,501	8,727,309

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

D. PENSION PLANS (CONTINUED)

Schedule of County's Contributions
PERS - Last 10 Fiscal Years

	2017	2016	2015
Contractually required contribution	\$ 1,833,242	\$ 1,798,093	\$ 1,593,779
Contributions in relation to the contractually required contribution	1,865,204	1,813,255	1,490,549
County's covered-employee payroll	13,030,607	13,645,672	13,666,900
Contributions as a % of covered employee payroll	14.31%	13.29%	10.91%

PFRS Plan 1- Last 10 Fiscal Years

	2017	2016	2015
Contractually required contribution	\$ 2,926,941	\$ 2,527,816	\$ 2,464,081
Contributions in relation to the contractually required contribution	2,926,941	2,527,816	1,988,994
County's covered-employee payroll	10,402,913	10,664,101	9,739,490
Contributions as a % of covered employee payroll	28.14%	23.70%	20.42%

PFRS Plan 2 - Last 10 Fiscal Years

	2017	2016	2015
Contractually required contribution	\$ 608,760	\$ 532,433	\$ 483,688
Contributions in relation to the contractually required contribution	608,760	532,433	390,431
County's covered-employee payroll	2,163,651	2,246,176	1,911,818
Contributions as a % of covered employee payroll	28.14%	23.70%	20.42%

Note: This schedule reports information for those years subsequent to the adoption of GASB Statement No. 68. A full ten-years presentation will be made as appropriate information becomes available in future years.

Schedule of Required Supplementary Information
Schedule of County's Proportionate Share of Net Pension Liability

PERS - Last 10 Fiscal Years

	2017	2016	2015
County's proportion of the net pension liability	0.1978902693%	0.2024000348%	0.1853809517%
County's proportionate share of net pension liability	\$ 46,065,692	\$ 59,945,085	\$ 41,604,309
County's covered-employee payroll	13,030,607	13,645,672	13,666,900
County's proportionate share of net pension liability as a % of payroll	353.52%	439.30%	304.42%
Total pension liability	88,758,470	100,136,806	79,916,950
Plan fiduciary net position	42,692,778	40,191,721	38,302,641
Plan fiduciary net position as a % of total pension liability	48.10%	40.14%	47.93%

PFRS Plan 1 - Last 10 Fiscal Years

	2017	2016	2015
County's proportion of the net pension liability	0.3307208989%	0.3100319083%	0.3031406092%
County's proportionate share of net pension liability	\$ 51,056,913	\$ 59,224,025	\$ 50,492,659
County's covered-employee payroll	10,402,913	10,664,101	9,739,490
County's proportionate share of net pension liability as a % of payroll	490.79%	555.36%	518.43%
Total pension liability	137,153,894	133,768,073	125,695,631
Plan fiduciary net position	80,378,177	69,570,699	70,774,936
Plan fiduciary net position as a % of total pension liability	58.60%	52.01%	56.31%

PFRS Plan 2 - Last 10 Fiscal Years

	2017	2016	2015
County's proportion of the net pension liability	0.0687850061%	0.0653019124%	0.0595051360%
County's proportionate share of net pension liability	\$ 10,619,075	\$ 12,474,336	\$ 9,911,481
County's covered-employee payroll	2,163,651	2,246,176	1,911,818
County's proportionate share of net pension liability as a % of payroll	490.79%	555.36%	518.43%
Total pension liability	28,525,961	28,175,522	24,673,486
Plan fiduciary net position	16,717,460	14,653,652	13,892,801
Plan fiduciary net position as a % of total pension liability	58.60%	52.01%	56.31%

Note: This schedule reports information for those years subsequent to the adoption of GASB Statement No. 68. A full ten-years presentation will be made as appropriate information becomes available in future years.

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

E. POST-EMPLOYMENT HEALTHCARE BENEFITS PLAN

Plan Description - The County contributes to 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.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the County on a monthly basis. The County funds these benefits on a pay-as-you-go basis.

The County did not participate in the SHBP in 2017.

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

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

E. POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN (CONTINUED)

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;
- (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;
- (c) Retirement at age 62 or older with at least 15 years of service with the County of Salem Adopted 1/17/07; Revised 7/17/13 V-3; or
- (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.

F. 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, 2017, actuarial valuation is as follows:

Plan Description

- The County currently maintains an unfunded single-employer post-employment benefits plan (the "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 unfunded actuarial and accrued liability, which includes retirees and active employees, totaled \$99,557,544 as of December 31, 2014.
- The actuarial valuation date was December 31, 2014. The required actuarial valuation for the biennial period ending December 31, 2016, was not completed. The County's required actuarial valuation will need to be completed for the year ended December 31, 2016 and year ending December 31, 2018.

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

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 2017 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, 2017, the balance of the fund was \$400,838. It is estimated that, at December 31, 2017, accrued benefits for compensated absences for all eligible employees who have accumulated time are valued at \$2,070,375. Of this balance, \$826,574 is vested and \$1,243,802 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 FINANCIAL STATEMENTS

I. LEASE OBLIGATIONS

At December 31, 2017, the County had various lease agreements in effect for the County Jail, office space and numerous copiers.

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

Year	Amount
2018	\$ 1,912,375
2019	1,906,500
	<u>\$ 3,818,875</u>

J. CAPITAL DEBT

Summary of capital debt outstanding is as follows:

	December 31,		
	2017	2016	2015
Issued			
General:			
Serial Bonds	\$ 30,834,000	\$ 33,934,000	\$ 29,949,000
Bonds Guaranteed by the County	3,635,000	9,623,722	9,552,410
Bond Anticipation Notes	7,645,000	7,960,000	8,275,000
Loan Payable	1,300,000	1,300,000	1,300,000
Authorized but not Issued			
General:			
Bonds and Notes	800,364	364	5,499,364
Gross Debt	44,214,364	52,818,086	54,575,774
Deductions	3,850,000	13,283,722	14,181,342
Net Debt	<u>\$ 40,364,364</u>	<u>\$ 39,534,364</u>	<u>\$ 40,394,432</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 0.743%.

	Gross Debt	Deductions	Net Debt
General Debt	<u>\$ 44,214,364</u>	<u>\$ 3,850,000</u>	<u>\$ 40,364,364</u>

Net Debt \$36,944,364 divided by the average Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$4,969,845,926 equals 0.743%.

Equalized Valuation Basis

2015	\$ 5,026,313,755
2016	4,905,785,423
2017	4,977,438,600
Average	\$ 4,969,845,926

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

J. CAPITAL DEBT (CONTINUED)

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

2% of Average Equalized Valuation Basis	\$	99,396,919
Net Debt		40,364,364
Remaining Borrowing Power	\$	<u>59,032,555</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2023-2027	11,960,000	1,500,482	13,460,482
2028-2032	4,680,000	231,344	4,911,344
	<u>\$ 30,834,000</u>	<u>\$ 5,323,086</u>	<u>\$ 36,157,086</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 31,205	\$ 13,000	\$ 44,205
2019	63,349	25,060	88,409
2020	64,622	23,787	88,409
2021	65,921	22,489	88,410
2022	67,246	21,164	88,410
2023-2027	357,056	84,992	442,048
2028-2032	394,413	47,635	442,048
2033-2035	256,188	9,041	265,229
	<u>\$ 1,300,000</u>	<u>\$ 247,168</u>	<u>\$ 1,547,168</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

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, 2017, the County had bond anticipation notes totaling \$7,645,000.

L. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the current fund:

Balance December 31, 2017	2018 Budget Appropriation	Balance Succeeding Budgets
\$ 37,465	\$ 37,465	\$ -
7,693	-	7,693
<u>\$ 45,158</u>	<u>\$ 37,465</u>	<u>\$ 7,693</u>

M. 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:

Year	County Contributions	Amount Reimbursed	Ending Balance
2017	\$ -	\$ -	\$ 44
2016	-	-	44
2015	45,416	45,416	44

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

N. 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.

O. RISK MANAGEMENT

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

At December 31, 2017, the estimated payable for the workers' compensation insurance was \$381,002, 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/police professional insurance was \$49,501, the amount that the records of the administrator of the plan show as the estimated maximum amount of potential claims reported, at December 31, 2017. Such liability at this time is not known.

The estimated payable for the auto liability insurance was \$0, the amount that the records of the administrator of the plan show as the estimated maximum amount of potential claims reported, at December 31, 2017. 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 2017 or future budgets. At December 31, 2017, the balances of the plans were as follows:

Insurance Plan	Amount
Reserve for Workers' Compensation - Trust Fund	\$ 10,899
Reserve for Self Insurance - Trust Fund	45,519
Hospitalization - Trust Fund	1

COUNTY OF SALEM, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

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, 2017, the Authority has not requested any advances resulting from deficiencies or for any other purpose.

Q. 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.

R. SUBSEQUENT EVENTS

The County adopted resolution 2018-287 declaring an emergency appropriation in the amount of \$500,000 for sluice gates #1, #2, #3 and #4 on Sinnickson’s Landing Road, Elsinboro, NJ.

The County adopted Bond Ordinance No. 2018-02, authorizing completion of certain capital improvements and acquisition of various capital equipment for Salem County Community College in the amount of \$2,600,000.

SUPPLEMENTAL SCHEDULES

CURRENT AND GRANT FUNDS

COUNTY OF SALEM, STATE OF NEW JERSEY

A-4

CURRENT FUND
 STATEMENT OF CURRENT CASH
 Year Ended December 31, 2017

Balance - December 31, 2016	<u>Ref.</u> A		\$ 4,861,527
Increased by Receipts:			
County Taxes Receivable	A-1, A-5	55,718,512	
Revenue Accounts Receivable		17,777,011	
Miscellaneous Revenues Not Anticipated	A-2	1,205,193	
Mortgages Receivable	A-10	25,093	
Other Reserves	A-13	<u>94,168</u>	
			<u>74,819,977</u>
			79,681,504
Decreased by Disbursements:			
2017 Budget Appropriations	A-3	68,228,130	
2016 Appropriation Reserve	A-12	1,521,930	
Interfunds Advanced		<u>452,652</u>	
			<u>70,202,712</u>
Balance - December 31, 2017	A		<u>\$ 9,478,792</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

A-5

CURRENT FUND
STATEMENT OF TAXES LEVIED AND COLLECTED
Year Ended December 31, 2017

Municipality	Balance December 31, 2016	2017 Tax Levy	Added and Omitted County Tax	Received	Balance December 31, 2016
Alloway Township	\$ -	\$ 3,340,174	\$ -	\$ 3,340,174	\$ -
Carneys Point Township	26,297	6,219,457	32,085	6,245,754	32,085
Elmer Borough	3,782	1,235,321	466	1,239,103	466
Elsinboro Township	-	1,184,868	-	1,184,868	-
Lower Alloways Creek Township	-	3,354,187	-	3,354,187	-
Mannington Township	-	2,130,443	-	2,130,443	-
Oldmans Township	-	2,737,732	-	2,737,732	-
Penns Grove Borough	-	1,526,108	-	1,526,108	-
Pennsville Township	-	11,437,895	-	11,437,895	-
Pilesgrove Township	-	4,949,901	15,162	4,949,901	15,162
Pittsgrove Township	12,859	7,291,567	13,613	7,304,426	13,613
Quinton Township	-	2,147,545	-	2,147,545	-
Salem City	-	1,509,990	-	1,509,990	-
Upper Pittsgrove Township	-	3,633,394	-	3,633,394	-
Woodstown Borough	-	3,019,929	-	3,019,929	-
	\$ 42,938	\$ 55,718,512	\$ 61,326	\$ 55,761,450	\$ 61,326
Ref.	A	A-2	A-2(2)		A
County Taxes	A-4			\$ 55,718,512	
County Added/Omitted Taxes				42,938	
				\$ 55,761,450	

COUNTY OF SALEM, STATE OF NEW JERSEY

A-6

CURRENT FUND
 STATEMENT OF DEFERRED CHARGES
 N.J.S. 40A:4-54 SPECIAL EMERGENCY
 Year Ended December 31, 2017

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance December 31, 2016</u>	<u>Added in 2017</u>	<u>Raised in 2017 Budget</u>	<u>Balance December 31, 2017</u>
12/5/12	Repair and Reconstruction of Roads, Bridges and Railroads	\$ 400,000	\$ 80,000.00 <u>Ref.</u>	\$ - A	\$ -	\$ - A-3	\$ -

COUNTY OF SALEM, STATE OF NEW JERSEY

A-7

CURRENT FUND
 STATEMENT OF DEFERRED CHARGES
 Year Ended December 31, 2017

<u>Description</u>	<u>Balance December 31, 2016</u>	<u>Added in 2017</u>	<u>Raised in 2017 Budget</u>	<u>Balance December 31, 2017</u>
Overexpenditure of Appropriations	\$ -	\$ -	\$ -	\$ -
Overexpenditure of Grants Appropriated	-	7,693	-	7,693
Overexpenditure of Appropriation Reserves	402,438	37,464	402,438	37,465
	<u>\$ 402,438</u>	<u>\$ 37,464</u>	<u>\$ 402,438</u>	<u>\$ 37,465</u>
	<u>Ref.</u> A	A-1,3,12	A-3	A

COUNTY OF SALEM, STATE OF NEW JERSEY

A-8

CURRENT FUND
STATEMENT OF REVENUES-ACCOUNTS RECEIVABLE
Year Ended December 31, 2017

	Balance				Balance Dec 31, 2017	
	Ref	Dec 31, 2016	Accrued	Cancelled		Collected
Miscellaneous Revenues Anticipated:						
Local Revenues:						
County Clerk		\$ 46,737	\$ 453,000	\$ 46,737.00	\$ 453,000	\$ -
Surrogate		7,959	84,863	7,959	84,863	-
Sheriff		-	59,000	-	59,000	-
Interest on Investments and Deposits		-	23,601	-	23,601	-
Office on Aging Fees		-	15,372	-	15,372	-
SCIA		-	250,438	-	250,438	-
Constitutional Officers Salary Reimbursement		-	96,200	-	96,200	-
Refunds - Public Health Department		-	37,085	-	37,085	-
Planning Board - Development Review Fees		-	10,352	-	10,352	-
Due from Lower Alloways Creek Township		-	2,195,000	-	2,195,000	-
One Stop Administration/ Stop		-	20,000	-	20,000	-
Bail Forfeiture		-	30,488	-	30,488	-
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		-	149,375	-	149,375	-
Carneys Point		-	84,617	-	84,617	-
Penns Grove		-	155,000	-	155,000	-
Home Detention		-	27,584	-	27,584	-
Jail Miscellaneous		-	173,306	-	173,306	-
Inmate Health/Reimbursement to Salem County		-	5,114	-	5,114	-
Jail Telephone		6,370	39,951	6,370	39,951	-
Unification Reimbursement		33,791	102,096	33,791	102,096	-
Fire School		-	68,625	-	68,625	-
Revolving Loan Fund		-	5,213	-	5,213	-
Meals on Wheels Rent		-	7,650	-	7,650	-
State Prisoners		-	13,127	-	13,127	-
Prior Year Expenses		-	226,259	-	226,259	-
Lease of Farmland		-	6,800	-	6,800	-
Vo-Tech GED Program Lease		-	6,000	-	6,000	-
Legal Settlement		-	50,000	-	50,000	-
Pollution Control - Treasurer		-	50,000	-	50,000	-
State Aid:						
State Aid - County College Bonds (NJSA 18A:64A-22.6)		-	348,203	-	348,203	-
Public Health Priority Funding - 1977		5,452	83,377	5,452	83,377	-
Debt Service - State Aid (Type I) - Special Services School District		-	363,085	-	363,085	-
State Assumption of Costs of County Social & Welfare Serv & Psychiatric Facilities						
Social and Welfare Service (c.66,P.L. 1990):						
Supplemental Social Security Income		-	186,098	-	186,098	-
Psychiatric Facilities (C.73,P.L 1990):						
Maintenance of Patients in State Institutions for Mental Diseases		-	876,184	-	876,184	-
Maintenance of Patients in State Institutions for Mentally Retarded		-	1,551,928	-	1,551,928	-
Board of County Patients in State and Other Institutions		-	22,464	-	22,464	-
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items						
Added and Omitted Taxes						
Salem County Area Office of Aging		-	58,000	-	58,000	-
Salem County Community Bus Service - NJ Transit Contract		236,153	1,486,850	236,153	1,486,850	-
County Welfare Office - Social Services		124,717	314,510	124,717	314,510	-
Rent - Agriculture Building		-	92,925	-	92,925	-
Bd. Federal Inmates in County Jail		64,053	764,578	64,053	764,578	-
Inmates in County Jail		944,908	5,977,835	944,908	5,977,835	-
Gloucester County Alternative Youth Shelter Beds		-	71,804	-	71,804	-
NEXTEL-Communication Tower		-	18,000	-	18,000	-
County Clerk Additional Fees		-	177,914	-	177,914	-
Sheriff Additional Fees		-	164,153	-	164,153	-
Title IV-D		121,810	121,810.00	121,810	121,810	-
Cancellation of Reserves		-	121,120	-	121,120	-
Reserve for Debt Service - Retail Building		-	120,000	-	120,000	-
Board of Social Service Admin Fees		-	140,759	-	140,759	-
Total Miscellaneous Revenue Anticipated	A-8	\$ 1,591,950	\$ 18,018,131	\$ 1,591,950	\$ 18,018,131	\$ -

Ref.

A

A

COUNTY OF SALEM, STATE OF NEW JERSEY

A-9

CURRENT FUND
STATEMENT OF INTERFUNDS
Year Ended December 31, 2017

	Ref.	Total	Grant Fund	Municipal Open Space Trust Fund	Trust Other Fund	General Capital Fund
Balance December 31, 2016	A	\$ 125,567	\$ 125,565	\$ -	\$ 2	\$ -
Increased by:						
Receipts	A-14	17,902,568	11,608,971	1,849,812	636,137	3,807,648
Grant Receivables	A-14	148,844	148,844	-	-	-
Matching Share	A-3	325,000	325,000	-	-	-
		<u>18,376,412</u>	<u>12,082,815</u>	<u>1,849,812</u>	<u>636,137</u>	<u>3,807,648</u>
Decreased by:						
Disbursements		8,082,997	1,802,385	1,837,112	635,851	3,807,648
Grant Disbursements	A-15	9,467,785	9,467,785	-	-	-
Cancellation of Grant Funds	A-1, A-15	153,912	153,912	-	-	-
		<u>17,704,693</u>	<u>11,424,082</u>	<u>1,837,112</u>	<u>635,851</u>	<u>3,807,648</u>
Balance December 31, 2017	A	<u>\$ 797,286</u>	<u>\$ 784,298</u>	<u>\$ 12,700</u>	<u>\$ 288</u>	<u>\$ -</u>
Interfunds Receivable		\$ 797,286				
Interfunds Payable		-				
		<u>\$ 797,286</u>				

COUNTY OF SALEM, STATE OF NEW JERSEY

A-10

CURRENT FUND
STATEMENT OF MORTGAGES RECEIVABLE
Year Ended December 31, 2017

	<u>Ref.</u>	<u>Grant Fund</u>
Balance December 31, 2016	A	\$ 435,714
Decreased by:		
Receipts	A-4	25,093
Balance December 31, 2017	A	<u>\$ 410,621</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

A-11

CURRENT FUND
STATEMENT OF ACCOUNTS PAYABLE
Year Ended December 31, 2017

	<u>Ref.</u>	
Balance December 31, 2016	A	\$ 10,928
Increased by		
Prior Year Encumbrances		36,283
Decreased by:		
Disbursements		47,211
Balance December 31, 2017	A	<u>\$ -</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF 2016 APPROPRIATION RESERVES
Year Ended December 31, 2017

	Encumbrances 12/31/2016	Reserve 12/31/2016	Transfers		Balance After Transfer	Paid or Charged	Balance Lapsed	Overex- penditure
			To	From				
ADMINISTRATIVE AND EXECUTIVE								
Board of Chosen Freeholders								
Salaries and Wages	\$ -	\$ 3,275	\$ -	\$ -	\$ 3,275	\$ 2,958	\$ 317	\$ -
Other Expenses	537	1,362	-	-	1,899	1,798	101	-
Purchase Department and Inventory Control								
Salaries and Wages	-	2,199	-	-	2,199	2,192	7	-
Other Expenses	(446)	657	-	-	211	170	41	-
Clerk of the Board								
Salaries and Wages	-	5,730	-	-	5,730	4,604	1,126	-
Other Expenses	597	293	-	-	890	489	401	-
Personnel/HR								
Salaries and Wages	-	5,370	-	-	5,370	5,112	258	-
Other Expenses	11,385	2,585	-	-	13,970	4,242	9,728	-
County Clerk								
Salaries and Wages	-	10,060	-	-	10,060	9,764	296	-
Other Expenses	-	6,255	-	-	6,255	1,892	4,363	-
Election Costs	256	384	-	-	640	256	384	-
Grant Management								
Other Expenses	-	281	-	-	281	263	19	-
Board of Elections								
Salaries and Wages	-	4,878	-	-	4,878	4,638	240	-
Other Expenses	5,631	180	-	-	5,811	5,594	217	-
Department of Finance								
County Treasurer's Office								
Salaries and Wages	-	4,722	-	-	4,722	4,701	21	-
Other Expenses	231	581	-	-	812	472	340	-
Bond Costs	9,300	3,200	-	-	12,500	9,800	2,700	-
County Auditor	-	9,231	1,200	-	10,431	-	10,431	-
Information Technology Center								
Salaries and Wages	1,850	(562,562)	560,712	-	-	-	-	-
Other Expenses	-	565,400	-	560,712	4,688	4,688	-	-
County Adjuster's Office								
Other Expenses	94	2,765	300	-	3,159	3,120	39	-

COUNTY OF SALEM, STATE OF NEW JERSEY

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CURRENT FUND
 STATEMENT OF 2016 APPROPRIATION RESERVES (CONTINUED)
 Year Ended December 31, 2017

	Encumbrances 12/31/2016	Reserve 12/31/2016	Transfers		Balance After Transfer	Paid or Charged	Balance Lapsed	Overex- penditure
			To	From				
Board of Taxation								
Salaries and Wages	-	3,575	-	-	3,575	2,975	600	-
Other Expenses	15	631	-	-	646	88	558	-
County Counsel								
Other Expenses	-	3,935	-	-	3,935	3,828	107	-
Other Expenses	1,865	753	-	-	2,618	2,618	-	-
County Surrogate								
Salaries and Wages	-	7,713	-	-	7,713	6,624	1,089	-
Other Expenses	974	273	-	-	1,247	1,095	152	-
Engineer								
Salaries and Wages	-	6,910	-	-	6,910	5,382	1,528	-
Other Expenses	1,658	7,632	-	-	9,290	1,381	7,909	-
Economic Development Office								
Salaries and Wages	-	867	-	-	867	580	287	-
Other Expenses	-	915	-	-	915		915	-
Labor Counsel								
Other Expenses	2,266	69	26,000	-	28,335	28,335	-	-
Special Counsel/Consulting								
Other Expenses	35	-	-	-	35	-	35	-
Cultural and Heritage Commission								
Salaries and Wages	-	867	-	-	867	580	287	-
Other Expenses	-	45	-	-	45	7	38	-
TOTAL GENERAL GOVERNMENT	36,248	101,031	588,212	560,712	164,779	120,247	44,533	-
LAND USE ADMINISTRATION								
County Planning Board								
Salaries and Wages	-	1,568	-	-	1,568	1,109	459	-
Other Expenses	6,588	551	-	-	7,139	1,606	5,533	-
TOTAL LAND USE ADMINISTRATION	6,588	2,119	-	-	8,707	2,715	5,992	-

COUNTY OF SALEM, STATE OF NEW JERSEY

CURRENT FUND
 STATEMENT OF 2016 APPROPRIATION RESERVES (CONTINUED)
 Year Ended December 31, 2017

	Encumbrances 12/31/2016	Reserve 12/31/2016	Transfers		Balance After Transfer	Paid or Charged	Balance Lapsed	Overex- penditure
			To	From				
CODE ENFORCEMENT AND ADMINISTRATION								
Weights and Measures								
Salaries and Wages	-	1,953	-	-	1,953	1,525	428	-
Other Expenses	-	107	-	-	107	-	107	-
TOTAL CODE ENFORCEMENT	-	2,060	-	-	2,060	1,525	535	-
INSURANCE								
Workmens' Compensation	-	4,084	-	-	4,084		4,084	-
Other Insurance Premiums	-	4,380	-	-	4,380		4,380	-
Self-Insurance AI/GL	-	801	-	-	801		801	-
Group Insurance Dental	5,637	28,118	-	-	33,755		33,755	-
Group Insurance Hospitalization	75	29,247	-	-	29,322	21,140	8,182	-
Post Retirement Health Benefits	-	-	-	-	-		-	-
Unemp. Ins. (NJS 43:21-3 et seq.)	-	-	-	-	-		-	-
State Disability Insurance	-	9,166	-	-	9,166	13	9,153	-
TOTAL INSURANCE	5,712	75,796	-	-	81,508	21,153	60,355	-
PUBLIC SAFETY FUNCTIONS								
Safety Committee								
Department of Emergency Services								
Salaries and Wages	-	402	7,000	-	7,402	7,138	264	-
Other Expenses:								
Miscellaneous Other Expenses	8,418	1,358	-	-	9,776	4,331	5,445	-
"9-1-1"								
Salaries and Wages	-	57,104	-	-	57,104	50,502	6,602	-
Other Expenses	3,791	8,148	-	-	11,939	3,573	8,366	-
Sheriff's Office								
Salaries and Wages	-	59,226	-	-	59,226	59,142	84	-
Other Expenses	49,080	1,437	-	-	50,517	49,222	1,295	-

COUNTY OF SALEM, STATE OF NEW JERSEY

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CURRENT FUND
 STATEMENT OF 2016 APPROPRIATION RESERVES (CONTINUED)
 Year Ended December 31, 2017

	Encumbrances 12/31/2016	Reserve 12/31/2016	Transfers		Balance After Transfer	Paid or Charged	Balance Lapsed	Overex- penditure
			To	From				
Jail								
Salaries and Wages	-	389,563	-	-	389,563	368,114	21,449	-
Other Expenses	251,157	3,634	-	-	254,791	128,772	126,019	-
Bail Forfeitures	-	217	-	-	217	-	217	-
Inmate Medical	63,761	2,674	-	-	66,435	31,200	35,235	-
Alternative Youth Shelter								
Contractual- Ranch Hope	46,818	-	-	-	46,818	46,818	-	-
Prosecutor's Office								
Salaries and Wages	-	134,231	-	27,500	106,731	96,417	10,314	-
Other Expenses	5,228	2,129	-	-	7,357	7,296	61	-
County Medical Examiner								
Other Expenses	2,740	-	-	-	2,740	833	1,907	-
Juvenile Detention and Domestic Relations Ct.								
Other Expenses	60,409	17,995	-	-	78,404	35,159	43,245	-
TOTAL PUBLIC SAFETY FUNCTIONS	491,402	678,118	7,000	27,500	1,149,020	888,516	260,504	-
PUBLIC WORKS FUNCTIONS								
Street and Road Maintenance								
Roads and Bridges								
Salaries and Wages	-	31,946	-	-	31,946	52,494	-	(20,548)
Other Expenses	13,861	4,384	-	-	18,245	14,605	3,640	-
Facilities Management								
Salaries and Wages	-	19,172	-	-	19,172	18,783	389	-
Other Expenses	21,050	8,443	-	-	29,493	26,636	2,857	-
Snow Removal								
Mosquito Extermination Commission	19,472	4,875	-	-	24,347	14,802	9,545	-
Vehicle Maintenance	24,595	2,307	-	-	26,902	25,279	1,623	-
TOTAL PUBLIC WORKS FUNCTIONS	78,978	71,127	-	-	150,105	152,599	18,053	(20,548)

COUNTY OF SALEM, STATE OF NEW JERSEY

CURRENT FUND
 STATEMENT OF 2016 APPROPRIATION RESERVES (CONTINUED)
 Year Ended December 31, 2017

	Encumbrances 12/31/2016	Reserve 12/31/2016	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	1,486	191	-	-	1,677	1,649	28	-
Office on the Disabled								
Other Expenses	-	394	-	-	394	-	394	-
Salem Area Office on Aging								
Salaries and Wages	-	15,506	-	-	15,506	765	14,741	-
Other Expenses	4,559	5,444	-	-	10,003	10,003	-	-
County Health Service - Interlocal Agreement (40:8A-1 et seq)								
Salaries and Wages	-	22,338	-	-	22,338	16,382	5,956	-
Other Expense:								
Nursing Services	7,681	3,676	-	-	11,357	11,311	46	-
Administrative	161	401	-	-	562	17,479	-	(16,917)
Environmental	3,858	637	-	-	4,495	4,495	-	-
TOTAL HEALTH AND HUMAN SERVICES	17,745	48,587	-	-	66,332	62,084	21,164	(16,917)
PARKS AND RECREATION								
Parks and Playgrounds								
Other Expenses	-	208	-	-	208	-	208	-
TOTAL PARKS AND RECREATION	-	208	-	-	208	-	208	-
EDUCATION FUNCTIONS								
Education Programs for Employees								
Salaries and Wages	-	646	-	-	646	146	500	-
Out of County Two Year Colleges (N.J.S. 18A:64A-23)	78,510	12,887	-	-	91,397	81,708	9,689	-
County Extension Service-Farm and Home Demonstrations								
Salaries and Wages	-	228	-	-	228	228	-	-
Other Expenses	1,817	5,108	-	-	6,925	1,817	5,108	-

COUNTY OF SALEM, STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF 2016 APPROPRIATION RESERVES (CONTINUED)
Year Ended December 31, 2017

	Encumbrances 12/31/2016	Reserve 12/31/2016	Transfers		Balance After Transfer	Paid or Charged	Balance Lapsed	Overex- penditure
			To	From				
Office of County Superintendent of Schools								
Salaries and Wages	-	2,536	-	-	2,536	2,359	177	-
Other Expenses	113	607	-	-	720	598	122	-
TOTAL EDUCATION FUNCTIONS	80,440	22,012	-	-	102,452	86,856	15,596	-
UNCLASSIFIED								
Veteran's Service Bureau								
Salaries and Wages	-	1,222	-	-	1,222	1,030	192	-
Other Expenses	-	27	-	-	27	27	-	-
County Transportation								
Other Expenses	9,000	-	-	-	9,000	9,000	-	-
Community Bus Service								
Salaries and Wages	-	13,838	4,000	-	17,838	16,921	917	-
Other Expenses	-	1,637	-	-	1,637	-	1,637	-
Utilities	131,975	356,547	-	23,000	465,522	158,865	306,657	-
TOTAL UNCLASSIFIED	140,975	373,271	4,000	23,000	495,246	185,843	309,404	-
SUBTOTAL OPERATIONS	858,088	1,374,329	599,212	611,212	2,220,417	1,521,537	736,345	(37,464)
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES								
Matching Funds for Grants	-	171,211	-	-	171,211	-	171,211	-
Local Share	-	-	-	-	-	-	-	-
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE	-	171,211	-	-	171,211	-	171,211	-
Contingent	-	-	-	-	-	-	-	-
TOTAL OPERATIONS INCLUDING CONTINGENT	858,088	1,545,540	599,212	611,212	2,391,628	1,521,537	907,556	(37,464)
County Debt Service								
Salem County Improvement Authority - Lease Payments	8,181	-	-	-	8,181	-	8,181	-
Total Capital Improvements	8,181	-	-	-	8,181	-	8,181	-
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, STATE OF NEW JERSEY

A-12

CURRENT FUND
 STATEMENT OF 2016 APPROPRIATION RESERVES (CONTINUED)
 Year Ended December 31, 2017

	Encumbrances 12/31/2016	Reserve 12/31/2016	Transfers		Balance After Transfer	Paid or Charged	Balance Lapsed	Overex- penditure
			To	From				
Deferred Charges and Statutory Expenditures - County								
Deferred Charges - Prior Year Bills								
Statutory Expenditures:								
Contribution to:								
Social Security	-	45,002	12,000	-	57,002	394	56,608	-
Public Employee's Retirement System	-	11,108	-	-	11,108	-	11,108	-
DCRP	-	19,901	-	-	19,901	-	19,901	-
Unemployment Insurance	-	4,405	-	-	4,405	-	4,405	-
Police and Fireman's Retirement System	-	14,348	-	-	14,348	-	14,348	-
Total Deferred Charges and Statutory Expenditures - County	-	94,764	12,000	-	106,764	394	106,370	-
Judgements	740	-	-	-	740	-	740	-
Total Capital Improvements	740	-	-	-	740	-	740	-
Total General Appropriations	<u>\$ 867,009</u>	<u>\$ 1,640,304</u>	<u>\$611,212</u>	<u>\$ 611,212</u>	<u>\$ 2,507,313</u>	<u>\$ 1,521,930</u>	<u>\$ 1,022,847</u>	<u>\$ (37,464)</u>
Ref	A	A				A-4	A-1	A-7

COUNTY OF SALEM, STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF RESERVES
Year Ended December 31, 2017

	Ref.	Total	Reconstruction of Various Roads	OOA Transportation Program	Repayment of Debt	Repair and Reconstruction of Roads, Bridges and Railroads
Balance, December 31, 2016	A	\$ 452,566	\$ 128,803	\$ 4,468	\$ 72,738	\$ 246,557
Increased by:						
Receipt	A-4	94,168	-	-	94,168	-
Decreased by						
Anticipated as Revenue in 2017 Budget	A-2	120,000	-	-	120,000	-
Balance, December 31, 2017	A	<u>\$ 426,734</u>	<u>\$ 128,803</u>	<u>\$ 4,468</u>	<u>\$ 46,906</u>	<u>\$ 246,557</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
 STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE
 Year Ended December 31, 2017

	Balance 12/31/2016	Anticipated as Revenue in 2017		Received	Cancelled/ Adjustment	Balance 12/31/2017
		Budget	By 40A:4-87			
Federal Grants:						
Salem County Area Plan Grant	\$ 277,415	\$ 837,775	\$ 3,029	\$ 309,771	\$ -	\$ 808,448
Sandy	7,500	-	-	-	-	7,500
Public Health Preparedness & Response for Bioterrorism	285,614	265,340	164,578	300,900	-	414,632
Multijurisdictional Narcotics Task Force Grant	177,378	130,786	-	154,971	-	153,193
Victims of Crime Act Grant Program (VOCA)	12,433	61,126	-	22,407	-	51,152
State of NJ - Department of Military & Veterans Affairs - Veterans Transportation Program	7,577	-	13,000	10,164	-	10,413
NJ Transportation Trust Fund Authority - Murphy's Bridge Design of Hook Road	1,000,000	-	-	-	-	1,000,000
	-	150,005	-	-	-	150,005
US Department of Agriculture - Rural Development	-	-	60,000	60,000	-	-
US Department of Agriculture - Rural Development - Enterprise Grant	10,841	-	-	-	-	10,841
Small Cities Housing Rehab	16,100	-	-	-	-	16,100
State Homeland Security Program (SHSP)	204,165	-	-	162,321	-	41,844
SJTPO - Salem Hancock's Bridge Road (CR 658)	2,711	-	-	-	-	2,711
NJ Transportation Trust Fund Authority - Jesse's Bridge	1,000,000	1,000,000	-	-	-	2,000,000
NJDCA - County-Wide Code Enforcement	-	250,000	-	-	-	250,000
New Jersey DOT - Cohansey Friesburg Road	76,847	999,000	-	8,694	-	1,067,153
New Jersey DOT - Woodstown Road	71,398	1,220,000	-	11,947	59,451	1,220,000
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
New Jersey DOT - Replacement of Centerton Bridge	-	-	1,000,000	-	-	1,000,000
New Jersey DOT - Harmersville- 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 Penns Grove Township	65,686	-	-	-	-	65,686
Small Cites - ARC Parking Lot	300,000	-	-	20,692	-	279,308
HMEP Planning & Training	16,700	-	-	5,917	-	10,783
NJ Dept of Health - Seniors Farmers Market Nutrition	500	-	500	1,000	-	-
Design Mill and Overlay	100,004	100,005	1,716,832	-	-	1,916,841
Federal Aid - Commissioner's Pike, CR #581, Phase IV	857,849	-	-	322,285	-	535,564
Federal Aid - Centerton Traffic Signal	-	-	34,785	-	-	34,785
CDBG Disaster Recovery (Greenville Bridge)	38,126	-	-	-	-	38,126
Wastewater Management Plan	175,169	-	-	18,750	72,624	83,795
Subregional Transportation Planning Program	96,283	-	34,400	9,842	-	120,841
Crop Insurance Education	164,233	-	175,646	-	-	339,879
Tiger III	4,420,000	-	-	-	-	4,420,000
2015 Federal Aid Program	222,585	-	-	211,895	10,690	-
Victims of Crime (SART/SANE)	24,267	-	77,900	96,087	6,080	-
New Freedom (Section 5317)	1,168	-	-	-	-	1,168
New Jersey Transit Section 5311 (Section 5317)	261,832	-	-	-	-	261,832
Total Federal Grants	11,295,960	5,014,037	3,280,670	1,727,644	148,844	17,714,179

COUNTY OF SALEM, STATE OF NEW JERSEY

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FEDERAL AND STATE GRANT FUND
 STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE (CONTINUED)
 Year Ended December 31, 2017

	Balance 12/31/2016	Anticipated as Revenue in 2017		Received	Cancelled/ Adjustment	Balance 12/31/2017
		Budget	By 40A:4-87			
State Grants:						
Alcoholic Treatment Program						
#15-539-ADA-01	10,534	-	-	-	-	10,534
#16-539-ADA-01	116,285	-	-	56,993	-	59,292
NJ Dept of Health - Right to Know	6,591	8,786	-	8,786	-	6,591
Bulletproof Vest Partnership	14,067	-	-	4,153	-	9,914
SCBG - ADA Grant Agreement #08-2115-00 - Johnson Building	73,618	-	-	-	-	73,618
Project Lifesaver	-	-	50,000	50,000	-	-
Short Line Track Rehabilitation	-	672,840	3,000,000	3,663,693	-	9,147
County Environmental Health Act (CEHA)	137,382	-	134,282	114,956	-	156,708
Medication Assisted Treatment	-	-	200,000	200,000	-	-
N.J. Transit Dept. of Transportation - Short Line Track Rehab. Phase VI	1,891,127	-	-	-	-	1,891,127
Senior Citizen and Disabled Resident Transportation Program	583,069	327,180	-	263,840	-	646,409
FTA Small Urban & Rural Area Public Transportation (5311)	-	235,154	-	44,989	-	190,165
Municipal Alliance to Prevent Alcoholism & Drug Abuse	320,453	-	137,801	114,942	-	343,312
Alcohol & Drug Abuse Services	-	233,916	-	-	-	233,916
Replacement of Webster's Mill Bridge	250,000	-	-	250,000	-	-
Early Intervention Program	20,407	-	-	-	-	20,407
EIP COLA Funds	9,983	-	-	-	-	9,983
Special Child Health and Early Intervention	41,652	-	40,966	49,807	-	32,811
Mental Health Administration	42,009	-	-	-	-	42,009
Juvenile Justice Commission Family Court Services	83,996	100,261	-	84,324	-	99,933
Juvenile Justice Commission State/Community Partnership	166,416	200,966	-	168,435	-	198,947
Justice Assistance Grant (JAG)	-	3,648	-	-	-	3,648

COUNTY OF SALEM, STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
 STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE (CONTINUED)
 Year Ended December 31, 2017

	Balance 12/31/2016	Anticipated as Revenue in 2017		Received	Cancelled/ Adjustment	Balance 12/31/2017
		Budget	By 40A:4-87			
Prosecutor Insurance Fraud Reimbursement	80,694	250,000	-	271,532	-	59,162
Local Arts Program	11,710	46,843	-	53,868	-	4,685
MIPPA Outreach & Enrollment	1,000	40,000	40,000	33,500	-	47,500
State Health Insurance Assistance Program (SHIP)	21,807	-	33,000	33,599	-	21,208
Local Bridges, Future Needs - Kings Highway, CR #620	815,234	-	-	-	-	815,234
2014 Co Aid Improvement (Willow Grove Dam)	2,241,262	-	-	1,231,592	-	1,009,670
State Rail Plan	563,802	-	-	556,345	-	7,457
NJ Dept of Transportation - County Aid - ATP	7,095,000	-	-	914,864	-	6,180,136
State Aid Highway Project - 2017 County Aid Improvement Program	-	2,399,200	-	-	-	2,399,200
Emergency Housing Repair Fund	4,995	-	-	-	-	4,995
One Stop / WIA	1,619,051	-	-	1,382,810	-	236,241
NJ Dept of Emergency Management - RERP	148,636	5,733	258,988	230,638	-	182,718
Title IV-D	388,942	-	-	-	-	388,942
Mosquito Identification and Control Activities	29,000	-	4,150	32,857	-	293
Work First New Jersey - TANF	-	-	508,788	-	-	508,788
Clean Communities	-	500	-	500	-	-
Workforce Development Partnership Program	-	-	707,027	-	-	707,027
Body Armor Replacement - Prosecutor	-	-	2,187	2,187	-	-
Body Armor Replacement - Sheriff	-	-	17,855	17,855	-	-
PASP - Personal Assistance Services	-	11,114	-	9,262	-	1,852
Historical Commission Grant	(10,733)	14,310	-	-	-	3,577
Health & Wellness Foundation - Healthy Community Development	-	-	20,000	20,000	-	-
Health & Wellness Foundation - Preparedness	-	-	2,500	2,500	-	-
Health & Wellness Foundation - Chlorine Incident	-	-	2,500	2,500	-	-
Health & Wellness Foundation - Rec Park	10,000	-	-	10,000	-	-
Total State Grants	16,787,989	4,550,450	5,160,044	9,881,327	-	16,617,156
	<u>\$ 28,083,949</u>	<u>\$ 9,564,487</u>	<u>\$ 8,440,714</u>	<u>\$ 11,608,971</u>	<u>\$ 148,844</u>	<u>\$ 34,331,335</u>
	A	A-2	A-2	A-9	A-9	A

COUNTY OF SALEM, STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
 STATEMENT OF RESERVES FOR FEDERAL AND STATE GRANT FUND-APPROPRIATED
 Year Ended December 31, 2017

	Balance	2017 Appropriations		County Match	Liquidation of Prior Year Encumbrance	Paid or Charged	Cancellation	Overexpenditure	Balance
	12/31/2016	Budget	By 40A:4-87						12/31/2017
Federal Grants:									
Salem County Area Plan Grant	\$ 515,171	\$ 837,775	\$ 3,029	\$ -	\$ 122,305	\$ 813,262	\$ -	\$ -	\$ 665,019
Public Health Preparedness & Response for Bioterrorism	202,386	265,340	-	-	-	236,688	-	-	231,038
Multijurisdictional Task Force									
2016	71,514	-	-	-	-	71,514	-	-	-
2017	-	130,786	-	-	-	54,213	-	-	76,573
Victims of Crime Act Grant Program (VOCA)	-	61,126	34,301	-	-	58,654	-	-	36,773
CDBG Disaster Recovery (Greenville Bridge)	28,502	-	-	-	-	-	-	-	28,502
Cancer Education & Early Detection Program	-	-	-	-	84	-	-	-	84
Small Cities Housing Rehab	7,456	-	-	-	-	-	-	-	7,456
State Homeland Security Program (SHSP)	148,380	-	164,578	-	55,698	267,332	-	-	101,324
SJTPO - Salem Hancock's Bridge Road, PE (CR 658)	40,572	-	-	-	-	-	-	-	40,572
New Jersey DOT - Replacement of Centerton Bridge	-	-	1,000,000	-	69,675	69,675	-	-	1,000,000
New Jersey DOT - Pennsville-Auburn Rd, County Road #551, Phase II	286,674	-	-	-	-	-	-	-	286,674
New Jersey DOT - Cohansey Friesburg Road	73,967	999,000	-	-	-	812,385	-	-	260,582
New Jersey DOT - Woodstown Road	68,215	1,220,000	-	-	-	703,170	59,451	-	525,595
New Jersey DOT - Hook Road	-	150,005	-	-	-	75,374	-	-	74,631
New Jersey DOT - SC Mill & Overlay	36,361	100,005	1,716,832	-	-	71,477	-	-	1,781,721
New Jersey DOT - Pennsville Auburn Road, County Road #551, Phase II	588,039	-	-	-	-	-	-	-	588,039
New Jersey DOT - Harmersville- 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
Federal Aid - Commissioner's Pike, CR #581, Phase III	484,065	-	-	-	133,308	81,808	-	-	535,566
Federal Aid - Install Centerline Rumble	-	-	-	-	15,828	5,138	10,690	-	-
Federal Aid - Centerton Traffic Signal	-	-	34,785	-	-	34,785	-	-	-
Subregional Transportation Planning Program	105,854	-	43,000	-	-	23,953	-	-	124,901
Tiger III	1,339,104	-	-	-	-	1,289,227	-	-	49,877
Crop Insurance Education	183,517	-	175,646	-	-	214,806	-	-	144,357
Victims of Crime (SART/SANE)	1,258	-	99,882	-	809	93,876	6,080	-	1,993
HMEP Planning & Training	2,053	-	-	-	-	-	-	-	2,053
Small Cities - ARC Parking Lot	295,700	-	-	-	-	262,217	-	-	33,483
Wastewater Management Plan	33,562	-	-	-	-	-	-	-	33,562
Stormwater Management	19,613	-	-	-	-	-	-	-	19,613
Total Federal Grants:	5,127,563	3,764,037	3,272,053	-	397,707	5,239,552	76,220	-	7,245,587

COUNTY OF SALEM, STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
 STATEMENT OF RESERVES FOR FEDERAL AND STATE GRANT FUND-APPROPRIATED (CONTINUED)
 Year Ended December 31, 2017

	Balance	2017 Appropriations		County Match	Liquidation of Prior Year Encumbrance	Paid or Charged	Cancellation	Overexpenditure	Balance
	12/31/2016	Budget	By 40A-4-87						12/31/2017
#13-582-ADA-00	10,390	-	-	-	-	-	-	-	10,390
#14-582-ADA-00	12,005	-	-	-	-	-	-	-	12,005
#15-582-ADA-00	21,569	-	-	-	-	(27)	-	-	21,596
#16-582-ADA-00	6,361	-	-	-	34,214	12,875	-	-	27,700
#17-582-ADA-00	-	233,916	-	-	-	221,422	-	-	12,494
Veterans Transportation	7,565	-	13,000	-	1,087	15,174	-	-	6,478
NJ Dept of Health - Right to Know	4,704	8,786	-	-	-	8,912	-	-	4,578
Mosquito Identification and Control Activities	293	-	4,150	-	4,576	4,576	-	-	4,443
New Jersey Department of Correction - MAT Grant	-	-	200,000	-	-	-	-	-	200,000
PSFASC Wastewater Management Plan	39,882	-	-	-	32,742	-	72,624	-	-
SCBG - ADA Grant Agreement #08-2115-00 Johnson Building	95,801	-	-	-	-	-	-	-	95,801
Short Line Track Rehabilitation Phase VI 2014	917,820	672,840	3,000,000	-	-	3,000,000	-	-	1,590,660
N.J. Department of Environmental Protection									
County Environmental Health Act (CEHA)	31,645	-	265,632	-	-	206,563	-	-	90,715
Senior Citizen and Disabled Resident Transportation Program	395,158	327,180	-	-	94,450	569,748	-	-	247,040
FTA Small Urban & Rural Area Public Transportation (5311)	224,752	235,154	-	-	59,173	169,538	-	-	349,540
Municipal Alliance to Prevent Alcoholism & Drug Abuse	183,653	-	137,801	-	2,000	118,780	-	-	204,674
Clean Communities	-	500	-	-	-	500	-	-	-
Special Child Health and Early Intervention	39,314	-	56,846	-	364	52,500	-	-	44,025
Juvenile Justice Commission Family Court Services	100,261	100,261	-	-	-	122,374	-	-	78,148
Juvenile Justice Commission State/Community Partnership	162,026	200,966	-	-	-	247,145	-	-	115,847
Juvenile Assistance Grant Program - Megan's Law	-	3,648	-	-	-	2,736	-	-	912
Pascale Sykes Initiative	-	-	-	-	740	740	-	-	-
Prosecutor Insurance Fraud Reimbursement	12,428	250,000	-	-	-	211,130	-	-	51,298
Prosecutor Victim Witness Advocacy	12,433	-	-	-	-	-	-	-	12,433
Local Arts Program	9,636	46,843	-	-	1,675	45,486	-	-	12,668
State Health Insurance Assistance Program (SHIP)	6,348	-	33,000	-	6,441	33,947	-	-	11,842
MIPPA Outreach & Enrollment	-	40,000	40,000	-	-	40,114	-	-	39,886
Healthy Communities Initiative	16,068	-	-	-	84	881	-	-	15,271
Body Armor Replacement - Sheriff	29,828	-	17,855	-	1,517	20,440	-	-	28,760
Body Armor Replacement - Prosecutor	4,452	-	2,187	-	-	2,812	-	-	3,827
Medical Reserve Support	4,115	-	-	-	-	3,500	-	-	615
Project Lifesaver	2,394	-	50,000	-	-	35,393	-	-	17,001
USDOC - State Criminal Alien Assistance Program (SCAAP)	15,782	-	-	-	-	1,661	-	-	14,121
State Aid Highway Projects:									
County Aid improvement Program									
2012	-	-	-	-	1,284,092	1,284,092	-	-	-
2013	503,418	-	-	-	1,300,936	1,804,354	-	-	-
2014	3,368,579	-	-	-	414,325	1,584,403	-	-	2,198,502
2017	-	2,399,200	-	-	-	464,806	-	-	1,934,394
NJ Transportation Trust Fund Authority - Murphy's Bridge	1,000,000	-	-	-	-	-	-	-	1,000,000
NJ Transit Corp - Section 5317 Grant	-	-	-	-	-	-	-	-	-
NJDCA - Countywide Code Enforcement	-	250,000	-	-	-	-	-	-	250,000

COUNTY OF SALEM, STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
 STATEMENT OF RESERVES FOR FEDERAL AND STATE GRANT FUND-APPROPRIATED (CONTINUED)
 Year Ended December 31, 2017

	Balance	2017 Appropriations		County Match	Liquidation of Prior Year Encumbrance	Paid or Charged	Cancellation	Cancellation	Balance
	12/31/2016	Budget	By 40A:4-87						12/31/2017
NJ Transportation Trust Fund Authority - Jesse's Bridge	1,000,000	1,000,000	-	-	-	-	-	-	2,000,000
Local Bridges, Future Needs - Kings Highway, CR #620	137,061	-	-	-	-	-	-	-	137,061
Local Bridges, Future Needs - Lake Palantine 2012	239,871	-	-	-	-	-	-	-	239,871
One Stop / WIA	1,323,258	-	-	-	91,914	1,190,166	-	-	225,006
Work First New Jersey - TANF	-	-	508,788	-	-	-	-	-	508,788
NJ Dept of Emergency Management - RERP	122,706	5,733	258,988	-	25,930	421,050	-	7,693	-
State Rail Plan	534,086	-	-	-	-	495,880	-	-	38,207
Workforce Development Partnership Program	-	-	707,027	-	-	-	-	-	707,027
PASP - Personal Assistance Services	926	11,114	-	-	-	11,114	-	-	926
Historical Commission Grant	750	14,310	-	-	-	9,983	-	-	5,077
Title IV-D	386,261	-	-	-	-	-	-	-	386,261
NJ Dept of Transportation - County Aid - ATP	4,730,000	-	-	-	-	-	-	-	4,730,000
NJ Dept of Law & Public Safety - Hazmat Training	-	-	-	-	-	-	-	-	-
OOA Contract Adjustments	5,068	-	-	-	-	-	5,068	-	-
Surface Water Quality Monitoring	20,000	-	-	-	-	-	-	-	20,000
Salem Wellness Foundation - Flu Clinics	2,145	-	-	-	131	2,145	-	-	131
Bulletproof Vest Partnership	26,798	-	-	-	3,675	8,633	-	-	21,840
Senior Farmer Market Nutrition Program	-	-	500	-	-	500	-	-	-
Right to Farm Activities Grant	8,452	-	-	-	-	-	-	-	8,452
Salem County AG Development Board	5,000	-	60,000	-	15,000	35,000	-	-	45,000
Healthy Salem Healthy Body	15,000	-	-	-	-	11,161	-	-	3,839
Health & Wellness Foundation - Rec Park	14,193	-	-	-	-	14,148	-	-	46
Health & Wellness Foundation - Healthy Community Development	15,569	-	20,000	-	3,688	16,388	-	-	22,869
Health & Wellness Foundation - Alcohol & Drug Residential Services	18,881	-	-	-	5,729	1,176	-	-	23,434
Health & Wellness Foundation - Specialized Transportation	166,000	-	-	-	-	42,692	-	-	123,308
Health & Wellness Foundation - Preparedness	-	-	2,500	-	-	2,491	-	-	9
Health & Wellness Foundation - Chlorine Incident	-	-	2,500	-	-	2,223	-	-	278
County Match	-	-	-	325,000	-	325,000	-	-	-
Total State Grants:	<u>16,010,706</u>	<u>5,800,450</u>	<u>5,380,774</u>	<u>325,000</u>	<u>3,384,484</u>	<u>12,876,321</u>	<u>77,692</u>	<u>7,693</u>	<u>17,955,095</u>
Total Grants	<u>\$ 21,138,270</u>	<u>\$ 9,564,487</u>	<u>\$ 8,652,827</u>	<u>\$ 325,000</u>	<u>\$ 3,782,191</u>	<u>\$ 18,115,873</u>	<u>\$ 153,912</u>	<u>\$ 7,693</u>	<u>\$ 25,200,683</u>
Ref.	A	A-3	A-3	A-3,9			A-9	A	A
Reserve for Encumbrances	A					\$ 8,323,843			
Disbursed	A-9					9,467,785			
Match						325,000			
Reimbursements						(755)			
						<u>\$ 18,115,873</u>			

COUNTY OF SALEM, STATE OF NEW JERSEY

A-16

FEDERAL AND STATE GRANT FUND
 STATEMENT OF RESERVES FOR FEDERAL AND STATE GRANT FUNDS – UNAPPROPRIATED
 Year Ended December 31, 2017

<u>Grant Description:</u>	Balance December 31, 2016	Received	Appropriated	Balance December 31, 2017
DCJ - Victims Witness Advocacy	\$ -	\$ 26,204	\$ -	\$ 26,204
Atlantic City Electric Family Tour Grant	-	4,000	-	4,000
	<u>\$ -</u>	<u>\$ 30,204</u>	<u>\$ -</u>	<u>\$ 30,204</u>
<u>Ref.</u>	A		A-2	A

TRUST FUNDS

COUNTY OF SALEM, STATE OF NEW JERSEY

B-3

**TRUST FUNDS
STATEMENT OF CASH PER N.J.S. 40A:5-5 - TREASURER
Year Ended December 31, 2017**

	<u>Ref.</u>	<u>Trust Other Fund</u>	<u>Open Space and Farmland Preservation</u>
Balance - December 31, 2016	B	\$ 2,032,819	\$ 3,786,433
Increased by Receipts:			
Reserve for Trust Funds	B-6	37,584,936	
Interest Earned on Investments	B-1,8	-	8,704
Open Space Tax Levy	B-5	-	993,773
Added & Omitted Taxes	B-5	-	-
Reserve for Open Space Trust Fund	B-7	-	716,360
Due to Current Fund	B-9	635,851	1,849,812
Interfunds		576	35,161
		<u>38,221,362</u>	<u>3,603,810</u>
		40,254,181	7,390,243
Decreased by Disbursements:			
Principal and Interests on Open Space Debt	B-2	-	751,817
Reserve for Trust Funds	B-6	37,525,520	-
Reserve for Open Space Trust Fund	B-7	-	1,269,458
Payment to Current Fund	B-9	636,140	1,837,112
		<u>38,161,660</u>	<u>3,858,388</u>
Balance - December 31, 2017	B	<u>\$ 2,092,521</u>	<u>\$ 3,531,855</u>
	<u>Ref</u>	B	B

COUNTY OF SALEM, STATE OF NEW JERSEY

B-4

TRUST FUNDS
STATEMENT OF CASH
OPEN SPACE AND FARMLAND PRESERVATION STATEMENT OF INVESTMENTS
Year Ended December 31, 2017

	<u>Ref</u>	
Balance - December 31, 2016	B	\$ 497,651
Decreased by Disbursements:		38,650
Balance - December 31, 2017	B	<u>\$ 459,001</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

B-5

TRUST FUNDS
 OPEN SPACE AND FARMLAND PRESERVATION STATEMENT OF TAXES RECEIVABLE
 Year Ended December 31, 2017

Balance - December 31, 2016	<u>Ref.</u> B		\$ 847
Increased by:			
2017 Tax Levy:			
Open Space		986,971	
Added and Omitted		<u>6,802</u>	
	B-7		<u>993,773</u>
			994,620
Decreased by:			
Taxes Collected			
Open Space tax	B-3	986,971	
Added and Omitted Tax	B-3	<u>3,313</u>	
			990,284
Balance - December 31, 2017	B		<u><u>\$ 4,336</u></u>

COUNTY OF SALEM, STATE OF NEW JERSEY

B-6

**TRUST FUNDS
STATEMENT OF RESERVE FOR TRUST FUNDS
Year Ended December 31, 2017**

	Balance December 31, 2016	Receipts	Disbursements	Balance December 31, 2017
Reserve for:				
Accumulated Absence Trust	\$ 150,239	\$ 140,317	\$ 82,488	\$ 208,068
Commodities Resale Program	16,407	140,017	120,543	35,881
County Auction	3,553	-	-	3,553
County Clerk	251,432	46,646	187,320	110,758
Engineering Escrow	26,672	5,250	3,749	28,173
Environmental Enforcement	376,747	129,514	122,123	384,137
First Responder Dinner	130	3,945	3,945	130
Hospitalization	1	-	-	1
Housing Revitalization	72,192	173	-	72,365
Motor Vehicle Fines	174,403	221,240	61,984	333,659
Net Payroll Account	-	16,698,617	16,698,113	504
Parvin Bequest	55,829	11,691	67,519	-
Payroll Agency	282,868	19,529,308	19,483,415	328,762
Performance Bond-Woods Laurel Hills	3,375	-	-	3,375
Prosecutor's Office:				
Asset Maintenance Account	6,145	85	3,960	2,270
Auto Law Enforcement Trust Account	6,490	517	-	7,007
County Law Enforcement Trust Account	72,016	28,682	25,537	75,161
Federal County Law Enforcement Trust Account	65,192	40,470	36,950	68,712
Municipal Law Enforcement Trust Account	32,250	10,903	5,302	37,851
Seized Assets Trust Account	15,568	48,019	35,523	28,064
Road Opening Deposits	16,198	1,500	-	17,698
SCAPG - Nutrition Program	16,120	8,044	22,840	1,324
SCAPG - Parvin	55,427	11,175	64,112	2,490
Self Insurance	1,446	274,072	230,000	45,519
Sheriff's Trust	38,266	16,624	9,970	44,920
Surrogate Fees	72,569	11,059	12,253	71,375
Tax Appeals Filing Fees	27,707	14,788	7,117	35,377
Unemployment Claims	44	-	-	44
Veteran's Deductions	6,953	10,900	2,962	14,892
Weights & Measures	106,093	26,092	12,921	119,263
Workers' Compensation	80,484	155,289	224,874	10,899
	<u>\$ 2,032,817</u>	<u>\$ 37,584,936</u>	<u>\$ 37,525,520</u>	<u>\$ 2,092,233</u>
Ref.	B	B-3	B-3	B

COUNTY OF SALEM, STATE OF NEW JERSEY

B-7

TRUST FUNDS
 OPEN SPACE AND FARMLAND PRESERVATION
 STATEMENT OF RESERVE FOR FUTURE USE
 Year Ended December 31, 2017

Balance - December 31, 2016	B		\$ 4,284,931
Increased by:			
2017 Tax Levy	B-1, B-5	993,773	
Reserve Receipts	B-2, B-3	716,360	
Interest on Deposits	B-3	<u>8,704</u>	
			<u>1,718,837</u>
			6,003,768
Decreased by:			
Reserve Disbursements	B-2, B-3	1,269,458	
Principal and Interests on Open Space Debt	B-2	<u>751,817</u>	
			<u>2,021,275</u>
Balance - December 31, 2017	B		<u>\$ 3,982,493</u>
Cash			\$ 3,531,856
Investments			446,301
Taxes Receivable			4,336
Due to Current Fund			<u>(12,700)</u>
Reserve for Future Use			<u>\$ 3,982,493</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

B-8

TRUST FUNDS
STATEMENT OF DUE FROM/(TO) CURRENT FUND
Year Ended December 31, 2017

	<u>Ref</u>	
Balance - December 31, 2016	B	\$ 2
Increased by:		
Receipt	B-3	635,851
Decreased by:		
Payment	B-3	636,140
Balance - December 31, 2017	B	<u>\$ (288)</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

B-9

TRUST FUNDS
OPEN SPACE AND FARMLAND PRESERVATION
STATEMENT OF DUE FROM/(TO) CURRENT FUND
Year Ended December 31, 2017

	<u>Ref</u>	
Balance - December 31, 2016	B	\$ -
Increased by:		
Disbursements	B-3	1,837,112
Decreased by:		
Receipts	B-3	1,849,812
Balance - December 31, 2017	B	<u>\$ (12,700)</u>

CAPITAL FUND

COUNTY OF SALEM, STATE OF NEW JERSEY

C-2

CAPITAL FUND
 SCHEDULE OF CASH – CHIEF FINANCIAL OFFICER
 Year Ended December 31, 2017

	<u>Ref.</u>		
Balance, December 31, 2016	C,C-3	\$	2,957,645
Increased by Receipts			
BAN Premium	C-1, C-3	\$	66,765
Due from Current Fund	C-4		3,807,648
Due from Grant Fund	C-4A		3,047,476
Encumbrances Liquidated			336,928
Bond Anticipation Note Proceeds	C-9		<u>7,645,000</u>
			14,903,817
Decreased by Disbursements:			
Paid to Current Fund	C-4		3,807,648
Improvement Authorizations	C-7		1,140,746
Accrued Interest on Bonds	C-13		69,405
Bond Anticipation Note Payment	C-9		<u>7,960,000</u>
			12,977,799
Balance, December 31, 2017	C,C-3	<u>\$</u>	<u>4,883,663</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

C-3

CAPITAL FUND
ANALYSIS OF CASH
Year Ended December 31, 2017

	Balance December 31, 2016	Receipts		Disbursements		Transfers		Balance December 31, 2017	
		Bonds, BANs, & Loans Issued	Miscellaneous	Improvement Authorization	Miscellaneous	From	To		
Fund Balance	\$ 41,987	\$ -	\$ 66,765	\$ -	\$ -	\$ -	\$ -	\$ 108,752	
Capital Improvement Fund	3,937	-	-	-	-	-	-	3,937	
Reserve for County Aid	4,713	-	-	-	-	-	-	4,713	
Grants Receivable	(3,037,923)	-	-	-	-	3,009,553	3,047,476	(3,000,000)	
Contracts Payable	1,829,548	-	-	339,292	-	288	-	1,489,968	
Accrued Interest on Bond Sale	227,952	-	-	-	-	69,405	-	158,547	
Dam Restoration Loan Receivable	(1,300,000)	-	-	-	-	-	-	(1,300,000)	
IMPROVEMENT AUTHORIZATIONS:									
Ord. No.									
96-01	Acquisition of Various Equip.etc.	151,745	-	24,238	-	-	-	127,507	
99-01	Renovation of Emergency Operations Center	881	-	-	-	-	-	881	
04-03	Acquisition of Easement/Rights to Various Property	653,938	-	15,675	-	-	-	638,263	
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	-	(96)	-	-	-	1,111,945	
08-03	Reserve for interest Earned - County Aid Improvement Program	300,927	-	74,303	-	-	-	226,624	
08-06	Acquisition of Various Equipment, etc.	571,692	-	54,985	-	-	-	516,707	
09-02	Reconstruct. and Maint. of Various County Roads, Bridges and Dams	1,138	-	-	-	-	-	1,138	
10-8	Acquisition of Various Equipment, etc.	1,478	-	-	-	-	-	1,478	
11-2	Reconstruct. and Maint. of Various County Roads, Bridges and Dams	1,327	-	1,328	-	-	31,770	31,770	
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	293,023	-	130,407	-	-	-	162,615	
12-2	Various Improvements to Roadways, Bridges Railroads and Other Public Property Damaged by Hurricane Irene	290,115	-	62,406	-	-	-	227,709	
12-5	Internet County Aid Improvement Grant	3,028	-	-	-	-	-	3,028	
13-2	Interest earned for County aid Improvement Grant	1,258	-	-	-	-	-	1,258	
13-3	Various Improvements	7,003	-	7,003	-	-	-	-	
13-4	Information Technology Upgrade	14,287	-	12,030	-	-	-	2,257	
13-7	Various Improvements to Salem Co. College	201,333	-	-	-	-	-	201,333	
14-3	Various Improvements to Salem Co. Vocational Technical High School	(364)	-	-	-	-	-	(364)	
16-5	Various Capital Improvements	1,300,737	-	(175,824)	-	-	-	1,476,561	
17-1	Various County Short Line Railroad Prt Area Improvements	-	3,000,000	595,000	-	-	-	2,405,000	
		<u>\$ 2,957,644</u>	<u>\$ 3,000,000</u>	<u>\$ 66,765</u>	<u>\$ 1,140,746</u>	<u>\$ -</u>	<u>\$ 3,079,246</u>	<u>\$ 3,079,247</u>	<u>\$ 4,883,663</u>
Ref.		C-2	C-1, C-2	C-7				C-2	

COUNTY OF SALEM, STATE OF NEW JERSEY

C-4

CAPITAL FUND
STATEMENT OF DUE FROM (TO) CURRENT FUND
Year Ended December 31, 2017

Balance December 31, 2016	<u>Ref.</u> C	\$	-
Increased by:			
Disbursed to Current Fund	C-2, C-3		3,807,648
Decreased by:			
Received from Current Fund	C-2, C-3		3,807,648
Balance December 31, 2017	C	<u>\$</u>	<u>-</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

C-4A

CAPITAL FUND
STATEMENT OF DUE FROM (TO) GRANT FUND
Year Ended December 31, 2017

Balance December 31, 2016	<u>Ref.</u> C	\$	3,037,923
Increased by:			
Disbursed to Current Fund	C-2, C-3		3,009,553
Decreased by:			
Received from Current Fund	C-2, C-3		3,047,476
Balance December 31, 2017	C	<u>\$</u>	<u>3,000,000</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

C-5

CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
Year Ended December 31, 2017

	<u>Ref.</u>	
Balance - December 31, 2016	C	\$ 35,234,000
Decreased by:		
Payment of Bond Principal:		
2017 Budget Appropriations	C-8	2,363,000
Open Space Trust	B-2	532,000
State of New Jersey	C-8	205,000
		<u>3,100,000</u>
Balance - December 31, 2017	C	<u>\$ 32,134,000</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

CAPITAL FUND
 STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
 Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance December 31, 2016	Current Year Authorization	Funded by		Balance December 31, 2017	Analysis of Balance December 31, 2017		
				Grants	Current Fund		Financed by Notes	Unexpended Improvement Authorizations	Expenditures
04-04	Creation of a Revolving Loan Fund for Town Center Revitalization Projects	\$ 350,000	\$ -	\$ -	\$ 25,000	\$ 325,000	\$ 325,000	\$ -	\$ -
11-04	Repair and Reconstruction of Roads, Bridges and Railroads Damaged by Floods	7,610,000	-	-	290,000	7,320,000	7,320,000	-	-
14-03	Repair and Reconstruction of Roads, Bridges and Railroads Damaged by Floods	364	-	-	-	364	-	364	-
17-01	Various County Short Line Railroad Port Area Improvements	-	3,800,000	3,000,000	-	800,000	-	800,000	-
		<u>\$ 7,960,364</u>	<u>\$ 3,800,000</u>	<u>\$ 3,000,000</u>	<u>\$ 315,000</u>	<u>\$ 8,445,364</u>	<u>\$ 7,645,000</u>	<u>\$ 800,364</u>	<u>\$ -</u>
Ref.		C	C-7	C, C-7, C-14	A-3	C	C-9	C-14	

COUNTY OF SALEM, STATE OF NEW JERSEY

CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2017

Project	Ordinance		December 31, 2016		Authorized	Liquidation of Prior Year Encum. Payable	Paid or Charged	Expended	Due from Federal & State Grant Fund	December 31, 2017	
	Date	Amount	Funded	Unfunded						Funded	Unfunded
96-01 Acquisition of Various Pieces of Equipment and Construction of Various Capital Improvements	7/7/96	\$ 2,500,000	\$ 151,745	\$ -	\$ -	\$ 49,682	\$ 73,919	\$ 24,238	\$ -	\$ 127,507	\$ -
99-01 Renovation of Salem County Emergency Operations Centr.	2/3/99	810,000	881	-	-	-	-	-	-	881	-
04-03 Acquisition of Easement and/or Development Rights to Various Parcels of Real Property	8/18/04	9,000,000	653,938	-	-	-	15,675	15,675	-	638,263	-
04-04 Creation of a Revolving Loan Fund for Town Center Revitalization Projects	8/18/04	3,000,000	-	274,380	-	-	-	-	-	-	274,380
06-05 Reserve for Reconstruction of Various County Roads	11/15/06	1,400,000	63	-	-	-	-	-	-	63	-
07-07 Construction of Improvements to the Camp Karney Dam Structure and Spillway	7/18/07	1,300,000	1,111,849	-	-	43,839	43,742	(96)	-	1,111,945	-
08-03 Reserve for Interest Earned for County Aid Improvement Program Reconstruction of Various County Roads	5/21/08	404,254	300,927	-	-	-	74,303	74,303	-	226,624	-
08-06 Acquisition of Various Pieces of Equipment and Construction of Various Improvements	8/20/08	9,850,000	571,692	-	-	158,466	213,451	54,985	-	516,707	-
09-02 Reconstruction and Maintenance of Various County Roads, Bridges and Dams	10/7/09	2,982,000	1,138	-	-	-	-	-	-	1,138	-
10-08 Acquisition of Various Pieces of Equipment and Construction of Various Improvements	11/17/10	6,750,000	1,478	-	-	2,450	2,450	-	-	1,478	-
11-02 Reconstruction and Maintenance of Various County Roads, Bridges and Dams	5/4/11	1,200,000	1,327	-	-	776	2,104	1,328	31,770	31,770	-
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	293,023	-	-	566,209	696,617	130,407	-	162,616	-
12-02 Various Improvements to Roadways, Bridges, Railroads and Other Public Property Damaged by Hurricane Irene	5/14/12	3,400,000	290,115	-	-	-	62,406	62,406	-	227,709	-
12-04 Recon./Maint. Of Various County Roads, Bridges and Dams	7/18/12	430,000	-	-	-	1,158	1,158	-	-	-	-
12-05 Interest County Aid Improvement Grant	7/18/12	3,028	3,028	-	-	-	-	-	-	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	7,003	-	-	-
13-04 Information Technology Upgrade	12/4/13	1,750,000	14,287	-	-	-	12,030	12,030	-	2,257	-
13-07 Various Improvements to Salem Community College	12/4/13	1,500,000	201,333	-	-	-	-	-	-	201,333	-
16-005 Various Capital Improvements	8/3/16	4,000,000	1,300,737	-	-	1,006,968	831,144	(175,824)	-	1,476,561	-
17-001 Various County Short Line Railroad Prt Area Improvements	9/6/17	3,800,000	-	-	3,800,000	-	595,000	595,000	-	2,405,000	800,000
			<u>\$ 4,913,414</u>	<u>\$ 274,380</u>	<u>\$ 3,800,000</u>	<u>\$ 1,829,548</u>	<u>\$ 2,631,002</u>	<u>\$ 801,454</u>	<u>\$ 31,770</u>	<u>\$ 7,143,730</u>	<u>\$ 1,074,380</u>
	Ref.		C	C	C-6	C				C	C
Debt Authorized	C-14				\$ 800,000		\$ -				
Disbursed	C-2				-		1,140,746				
Grants Receivable	C, C-6, C-14				3,000,000		-				
Contracts Payable	C-11				-		1,490,256				
					<u>\$ 3,800,000</u>		<u>\$ 2,631,002</u>				

COUNTY OF SALEM, STATE OF NEW JERSEY

CAPITAL FUND
STATEMENT OF SERIAL BONDS
Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance December 31, 2016	Paid by Budget Appropriation	Balance December 31, 2017
			Date	Amount				
General Obligation Refunding Bonds, Series 2007	3/29/07	\$ 5,250,000	12/1/18	485,000	5.0%	\$ 1,440,000	\$ 455,000	\$ 985,000
			12/1/19	500,000	5.0%			
Governmental Loan Revenue Bonds, Series 2008A	5/28/08	3,600,000	4/15/18	430,000	3.75%	840,000	410,000	430,000
Special Services Refunding School Bonds, Series 2015	5/1/15	3,885,000	10/1/18	35,000	2.00%	3,830,000	35,000	3,795,000
			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%						
Special Services School Bonds, Series 2008	10/30/08	\$ 6,000,000	10/1/18	285,000	5.0%	555,000	270,000	285,000
Governmental Loan Revenue Bonds, Series 2009	3/18/2009	9,854,000	3/15/18	440,000	5.00%	1,320,000	425,000	895,000
			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%						

COUNTY OF SALEM, STATE OF NEW JERSEY

CAPITAL FUND
STATEMENT OF SERIAL BONDS (CONTINUED)
Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance December 31, 2016	Paid by Budget Appropriation	Balance December 31, 2017
			Date	Amount				
Governmental Obligation Bonds, Series 2011	5/18/2011	6,300,000	5/1/18	405,000	2.25%	4,580,000	395,000	4,185,000
			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%			
County College Bonds, Series 2012	3/15/2012	\$ 2,100,000	3/15/18	260,000	2.00%	1,560,000	260,000	1,300,000
			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%			
			3/15/23	260,000	3.00%			
County College Bonds, Series 2014	6/27/2014	2,700,000	3/15/18	160,000	2.00%	2,460,000	160,000	2,300,000
			3/15/19	165,000	2.00%			
			3/15/20	175,000	2.00%			
			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%						
General Obligation Refunding Bonds, Series 2014	6/27/2014	4,765,000	4/1/18	435,000	4.00%	4,365,000	415,000	3,950,000
			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%			
			4/1/25	540,000	5.00%			

COUNTY OF SALEM, STATE OF NEW JERSEY

CAPITAL FUND
 STATEMENT OF SERIAL BONDS (CONTINUED)
 Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance December 31, 2016	Paid by Budget Appropriation	Balance December 31, 2017						
			Date	Amount										
General Obligation Refunding Bonds, Series 2016	9/20/2016	6,035,000	3/15/18	25,000	4.00%	6,035,000	25,000	6,010,000						
			3/15/19	25,000	4.00%									
			3/15/20	500,000	4.00%									
			3/15/21	520,000	4.00%									
			3/15/22	540,000	4.00%									
			3/15/23	570,000	4.00%									
			3/15/24	590,000	4.00%									
			3/15/25	615,000	3.00%									
			3/15/26	635,000	2.00%									
			3/15/27	655,000	2.00%									
			3/15/28	665,000	2.00%									
			3/15/29	670,000	2.13%									
			General Obligation Bonds, Series 2016	10/5/2016	6,949,000				10/1/18	250,000	2.00%	6,949,000	250,000	6,699,000
10/1/19	299,000	4.00%												
10/1/20	440,000	4.00%												
10/1/21	440,000	4.00%												
10/1/22	440,000	4.00%												
10/1/23	450,000	2.00%												
10/1/24	450,000	2.00%												
10/1/25	450,000	2.00%												
10/1/26	480,000	2.00%												
10/1/27	500,000	2.00%												
10/1/28	500,000	2.00%												
10/1/29	500,000	2.13%												
10/1/30	500,000	2.25%												
10/1/31	500,000	2.38%												
10/1/32	500,000	2.50%												
						<u>\$ 33,934,000</u>	<u>\$ 3,100,000</u>	<u>\$ 30,834,000</u>						
						C		C						
Paid by Current						Ref. C-5	\$ 2,363,000							
Paid by Open Space Trust						B-2	532,000							
Paid by State of New Jersey						C-5	205,000							
							<u>\$ 3,100,000</u>							

COUNTY OF SALEM, STATE OF NEW JERSEY

CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Maturity Date	Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
04-04	Creation of a Revolving Loan Fund for Town Center Revitalization Projects	8/27/08	6/22/17	6/22/18	1.30%	\$ 350,000	\$ 325,000	\$ 350,000	\$ 325,000
11-04	Repair and Reconstruction of Roads, Bridges and Railroads Damaged by Floods	6/29/12	6/22/17	6/22/18	0.80%	<u>7,610,000</u>	<u>7,320,000</u>	<u>7,610,000</u>	<u>7,320,000</u>
					Ref.	<u>\$ 7,960,000</u>	<u>\$ 7,645,000</u>	<u>\$ 7,960,000</u>	<u>\$ 7,645,000</u>
						C			C
					Reissued		\$ 7,645,000	\$ 7,645,000	
					Budget Appropriation		-	315,000	
							<u>\$ 7,645,000</u>	<u>\$ 7,960,000</u>	

COUNTY OF SALEM, STATE OF NEW JERSEY

C-10

CAPITAL FUND
 STATEMENT OF NEW JERSEY DAM RESTORATION LOAN
 Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date of Issue	Amount of Original Loan	Outstanding Loan Maturities December 31, 2017		Interest Rate	Balance December 31, 2016	Balance December 31, 2017
				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	2018	\$ 63,349	2%		
				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			
							<u>\$ 1,300,000</u>	<u>\$ 1,300,000</u>
						Ref.	C	C

COUNTY OF SALEM, STATE OF NEW JERSEY

C-11

CAPITAL FUND
STATEMENT OF CONTRACTS PAYABLE
Year Ended December 31, 2017

Balance December 31, 2016	<u>Ref.</u> C	\$	1,829,548
Increased by:			
Charges to Improvement Authorizations	C-3, C-7		1,489,968
Decreased by:			
Liquidation of Prior Year Contracts	C-7		1,829,548
Balance December 31, 2017	C	<u>\$</u>	<u>1,489,968</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

C-12

CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2017

	<u>Ref.</u>	
Balance December 31, 2016	C	\$ <u>3,937</u>
Balance December 31, 2017	C	\$ <u><u>3,937</u></u>

COUNTY OF SALEM, STATE OF NEW JERSEY

C-13

CAPITAL FUND
STATEMENT OF ACCRUED INTEREST PAYABLE
Year Ended December 31, 2017

	<u>Ref.</u>		
Balance December 31, 2016	C	\$	227,952
Decreased by:			
Payment	C-2		69,405
Balance December 31, 2017	C	<u>\$</u>	<u>158,547</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

C-14

CAPITAL FUND
 STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
 Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance December 31, 2016	Authorized	Issued	Grants Receivable	Balance December 31, 2017
14-003	Various Improvements to Salem County Vocational Technical High School	\$ 364	\$ -	\$ -	\$ -	\$ 364
17-001	Various County Short Line Railroad Port Area Improvements	-	3,800,000	-	3,000,000	800,000
		<u>\$ 364</u>	<u>\$ 3,800,000</u>	<u>\$ -</u>	<u>\$ 3,000,000</u>	<u>\$ 800,364</u>
	<u>Ref.</u>	C	C-6, C-7		C, C-6, C-7	C, C-6

OUTSIDE OFFICES

COUNTY OF SALEM, STATE OF NEW JERSEY

D

COUNTY CLERK
STATEMENT OF ASSETS, LIABILITIES AND RESERVES
December 31, 2017

		December 31,	
	<u>Ref</u>	<u>2017</u>	<u>2016</u>
ASSETS			
Cash	D-1	\$ 94,614	\$ 121,692
		<u>94,614</u>	<u>121,692</u>
LIABILITIES AND RESERVES			
Reserve for Trust Fund		2,824	3,386
Due to State of New Jersey		50	4,034
Due to County Treasurer		91,741	114,272
		<u>\$ 94,614</u>	<u>\$ 121,692</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

D-1

COUNTY CLERK
STATEMENT OF CASH
Year Ended December 31, 2017

	<u>Ref</u>	
Balance - December 31, 2016	D	\$ 121,692
Increased by Receipts:		
County Recording Fees	216,035	
Realty Transfer Tax Fees	1,140,543	
State Trade Names	1,094	
Trust	28,956	
Copies	10,679	
Search	300	
Notary	385	
Photos	4,150	
Preservation Fund	325,587	
Tax Relief	217,065	
Interest Earned on Deposits	281	
State Millionaire Realty Transfer Fees	58,158	
Miscellaneous	-	
		<u>2,003,233</u>
		2,124,925
Decreased by Disbursements:		
Interest Paid to County Treasurer's Office	281	
Turned over to Treasurer:		
Current Fund Anticipated Revenue	220,713	
Trust Funds	45,031	
State Realty Tax Fees	974,760	
Preservation Fund	329,108	
Public Health Priority Fund	83,377	
Extraordinary Aid Fund	156,536	
State Trade Names	1,094	
County Tax Relief	219,412	
		<u>2,030,311</u>
Balance - December 31, 2017	D	<u>\$ 94,614</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

E

SURROGATE'S OFFICE
STATEMENT OF ASSETS, LIABILITIES AND RESERVES
December 31, 2017

ASSETS	Reference	December 31,	
		2017	2016
Cash	E-1	\$ 12,033	\$ 14,544
Investments - Probate Division:			
Savings and Loan Association	E-2	3,029,569	3,186,919
Certificates of Deposit	E-3	151,270	83,000
		<u>\$ 3,192,872</u>	<u>\$ 3,284,463</u>
LIABILITIES AND RESERVES			
Salem County Court Probate Division		\$ 3,180,839	\$ 3,269,919
Attorney's Deposits		6,392	5,712
Due to County Treasurer		5,642	8,832
		<u>\$ 3,192,872</u>	<u>\$ 3,284,463</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

E-1

SURROGATE'S OFFICE
 STATEMENT OF CASH
 Year Ended December 31, 2017

	<u>Reference</u>		
Balance - December 31, 2016	E	\$	14,544
Increased by Receipts:			
Wills		\$	46,962
Letters of Administration			7,147
Guardianship			1,923
Affidavits			5,396
Research			1,600
Superior Court Fees			27,676
Miscellaneous			2,119
Interest Earned on Deposits			19
Attorney Escrow Receipts			8,434
			<u>101,276</u>
			115,820
Decreased by Disbursements:			
Interest Paid to County Treasurer's Office			14
Turned over to Treasurer:			
Current Fund Anticipated Revenue			84,863
Trust Fund			10,888
Refunds			252
Attorney Escrow Payments			7,769
			<u>103,786</u>
Balance - December 31, 2017	E	\$	<u><u>12,033</u></u>

COUNTY OF SALEM, STATE OF NEW JERSEY

E-2

SURROGATE'S OFFICE
STATEMENT OF INVESTMENT - SAVINGS AND LOAN ASSOCIATION
Year Ended December 31, 2017

Balance - December 31, 2016	<u>Reference</u> E	\$ 3,186,919
Increased by Receipts		
Monthly Deposits	\$ 685,179	
Interest Earned on Deposits	<u>54,082</u>	
		<u>739,261</u>
		3,926,180
Decreased by Disbursements:		
Monthly Withdrawals	895,832	
Income Tax Withholdings	<u>780</u>	
		<u>896,612</u>
Balance - December 31, 2017	E	<u>\$ 3,029,569</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

E-3

SURROGATE'S OFFICE
STATEMENT OF INVESTMENT - CERTIFICATE OF DEPOSIT
Year Ended December 31, 2017

Balance - December 31, 2016	<u>Reference</u> E	\$	83,000
Increased by Receipts			
Issuance of Savings Certificates	\$	126,273	
Interest Earned on Deposits		<u>3,742</u>	
			<u>130,015</u>
			213,015
Decreased by Disbursements:			
Redemption of Savings Certificates		58,003	
Interest Transferred to Minor's Account		<u>3,742</u>	
			<u>61,745</u>
Balance - December 31, 2017	E	\$	<u><u>151,270</u></u>

COUNTY OF SALEM, STATE OF NEW JERSEY

F

SHERIFF'S OFFICE
STATEMENT OF ASSETS, LIABILITIES AND RESERVES
December 31, 2017

	<u>Reference</u>	December 31,	
		<u>2017</u>	<u>2016</u>
ASSETS			
Cash		\$ 295,376	\$ 342,691
		<u>\$ 295,376</u>	<u>\$ 342,691</u>
LIABILITIES AND RESERVES			
Fees and Executions		\$ 295,258	\$ 342,573
Due to County Treasurer	F-2	118	118
		<u>\$ 295,376</u>	<u>\$ 342,691</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

F-1

SHERIFF'S OFFICE
 STATEMENT OF CASH
 Year Ended December 31, 2017

	<u>Reference</u>		
Balance - December 31, 2016	F	\$	342,691
Increased by Receipts:			
Sales and Executions		\$	2,320,192
County Fees			222,913
Sheriff's Trust			16,528
Interest Earned on Deposits			813
			<u>2,560,446</u>
			<u>2,903,137</u>
Decreased by Disbursements:			
Interest Paid to County Treasurer's Office			813
Turned over to Treasurer:			
Current Fund Anticipated Revenue			222,913
Trust Fund			16,528
Refunds			1,899,978
Advertising			371,263
Deed			43,800
Garnishments			52,466
			<u>2,607,761</u>
Balance - December 31, 2017	F	\$	<u><u>295,376</u></u>

COUNTY OF SALEM, STATE OF NEW JERSEY

F-2

SHERIFF'S OFFICE
 SCHEDULE OF SHERIFF'S FEES DUE TO COUNTY TREASURER'S OFFICE
 Year Ended December 31, 2017

	<u>Reference</u>		
Balance - December 31, 2016	F	\$	118
Increased by Receipts:			
Fees Collected		\$	222,913
Trust Fund			16,528
Interest Earned on Deposits			813
			<u>240,255</u>
			240,373
Decreased by Disbursements:			
Interest Paid to County Treasurer's Office			813
Turned over to Treasurer:			
Current Fund Anticipated Revenue			222,913
Trust Fund			16,528
			<u>240,255</u>
Balance - December 31, 2017	F	<u>\$</u>	<u>118</u>

COUNTY OF SALEM, STATE OF NEW JERSEY

H

JAIL PRISONER'S WELFARE FUND
 STATEMENT OF CASH
 Year Ended December 31, 2017

	Balance December 31, 2016	Receipts		Disbursements		Balance December 31, 2017
		Interest	Other	County Treasurer	Other	
Warden						
Inmate Account	\$ 46,036	\$ 145	\$ 648,603	\$ -	\$ 637,568	\$ 57,216
Welfare Account	129,837	364	235,453	-	207,787	157,866
Bail Account	1	19	539,181	-	539,200	1
Miscellaneous	205	-	237,682	231,974	5,758	155
Home Detention	680	4	25,490	-	25,444	730
	<u>176,759</u>	<u>531</u>	<u>1,686,409</u>	<u>231,974</u>	<u>1,415,756</u>	<u>215,970</u>
Work Release	109	1	-	-	-	110
	<u>109</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110</u>
Total	<u>\$ 176,868</u>	<u>\$ 532</u>	<u>\$ 1,686,409</u>	<u>\$ 231,974</u>	<u>\$ 1,415,756</u>	<u>\$ 216,080</u>

INDEPENDENT AUDITORS' 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

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

We have audited, 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 requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the County of Salem (the "County"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 6, 2018, 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 the purpose of 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's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of current year findings and recommendations, we identified certain deficiencies in internal control that we consider to be material weaknesses. We consider the deficiencies described in the accompanying schedule of current year findings and recommendations as findings 2017-001 through 2017-003 to be material weaknesses.

INDEPENDENT AUDITORS' 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* (CONTINUED)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as Findings 2017-002 and 2017-003.

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 subjected 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* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Warren A. Broudy, CPA, CGFM, PSA, CGMA
Registered Municipal Accountant
License No. 554

**MERCADIEN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS**

September 6, 2018

COUNTY OF SALEM, STATE OF NEW JERSEY

GENERAL COMMENTS

Year Ended December 31, 2017

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4

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.

	<u>Bid Threshold</u>	<u>Quotation Threshold</u>
Base amount	\$17,500	\$2,625
With qualified purchasing agent	\$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:11-5.

Any interpretation as to possible violation of the N.J.S. 40A:11-4 and N.J.A.C. 5:30-14 would be in the province of the County solicitor.

The County does not have a Qualified Purchasing Agent.

Collection of Interest on Delinquent Taxes

Pursuant to R.S. 54:4-74, County taxes are due and payable in quarterly installments on the 15th 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 2017. Earnings from interest on cash equivalents, investments and deposits are shown as revenue in the various accounts and funds of the County for 2017.

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

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS Year Ended December 31, 2017

Finding 2017-001

Criteria

Management is responsible for establishing and maintaining effective internal control over the financial reporting and disbursement functions.

Condition

Several instances of inadequate recordkeeping and internal control were noted in the following areas:

- Bank accounts were not reconciled timely or correctly.
- Year-end adjusting entries between Current and Trust Fund accounts were not properly or timely recorded.
- Of the 87 disbursements sampled, we noted issues with 7 disbursements:
 - For 2 of the 7 disbursements which were related to insurance payments, purchase orders lacked evidence of approval by the purchasing agent and the CFO and no supporting documentation was provided as of the audit report date.
 - For all 7 disbursements, checks were signed by two individuals as authorized by the cash management plan however, they lacked the third signature which was customary on all checks issued from the current fund during the year.

Cause

The County's prior CFO and Treasurer did not consistently follow the County's accounts payable and purchasing process, the New Jersey Local Public Contracts Law, as well as standard policies and procedures related to completion of bank reconciliations and year end adjusting entries.

Effect

An opportunity exists for misappropriation of assets, material misstatement of the financial statements, and possible noncompliance with certain compliance requirements.

Recommendation

We recommend that the County adopt a written policy for effective internal controls in the financial reporting and purchasing processes.

Management Response

Salem County's former CFO issued 2 checks (099009 in the amount of \$15,000 and 099008 for \$215,000) for payments of insurance claims on Sunday, December 31, 2017 which did not follow standard public accounting practices for New Jersey public entities. These payments were made without supporting documentation, vendor vouchers, claimants' certifications and three signatures of approval. Additionally, 6 payments/checks totaling \$137,518.11 were issued for payments to vendors from December 21 to December 28, 2017, which did not bear all 3 signatures of approval and which circumvented the County's purchasing and Freeholder bill approval process. Staff changes have occurred in the County CFO office, Treasurer's position and Purchasing Agent position as well as County Administration. Administration and the Freeholder Board are exercising more due diligence in executing their fiduciary responsibility. This staff is making every effort to follow all County policies and procedures, in addition to complying with all rules and regulations mandated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services and Local Public Contracts Law.

COUNTY OF SALEM, STATE OF NEW JERSEY

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS Year Ended December 31, 2017

Finding 2017-002

Criteria

Management is responsible for monitoring budget to actual expenditures to avoid over-expenditures as of December 31, 2017.

Condition

Over-expenditures of grant and appropriation reserves in the amounts of \$7,693 and \$37,464, respectively, were noted at year end.

Cause

The County's budget did not provide adequate provisions to fund expenditures and internal controls were overridden resulting in over expenditures.

Effect

Management override of controls and noncompliance with requirements of audit.

Recommendation

We recommend the County adopt a written policy for effective internal controls in the finance and purchasing functions. We also recommend that the County Finance staff continue to monitor its appropriations throughout the year to avoid over-expenditures and instances of override of budget controls.

Management Response

County Finance has developed budget tools to monitor expenditures against budgeted appropriations and new budget procedures. Over-expenditures which may occur during the course of the year in certain line items are discussed with the responsible Department Head and County Administrator and will be reconciled with transfers before year end.

Finding 2017-003

Criteria

Management is responsible for compliance with the applicable rules and regulations mandated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services and Local Public Contracts Law.

Condition

Several instances of noncompliance were noted in the following areas:

- Capital improvement ordinance 2011-04 was charged for purposes other than those approved by the Freeholder Board. Documentation of a Freeholder approved amendment to reallocate unused funds from the original ordinance purpose was not provided.
- Change orders exceeding 20% of the original contract were not properly advertised in accordance with State of New Jersey, Department of Community Affairs, Division of Local Government Services and Local Public Contracts Law.
- A bid was rejected due to all responsible bids exceeding the allowable and appropriated budget. Supporting documentation was not available in order to determine if bids actually exceeded the allowable budget.

COUNTY OF SALEM, STATE OF NEW JERSEY

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS Year Ended December 31, 2017

Finding 2017-003 (Continued)

Condition (continued)

- Cancellation of available Trust Fund balances to the Current Fund was completed without proper Freeholder Board resolution.
- Required GASB 45 actuarial valuation was not completed timely.

Cause

The County did not consistently follow rules and regulations promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and Local Public Contracts Law. The County Finance and Treasury staff did not adhere to internal controls and standard operating procedures in managing its fiduciary responsibility.

Effect

The potential for over expenditure of the budget as well as loss of state aid due to non-compliance with the applicable rules and regulations mandated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services and Local Public Contracts Law.

Recommendation

We recommend the County establish policies and procedures to monitor its compliance with the rules and regulations mandated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services and Local Public Contracts Law.

Management Response

The County is making every effort to comply with all rules and regulations mandated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services and Local Public Contracts Law. An updated Purchasing Policy Manual will be adopted, and training will occur with all Departments to insure understanding of the rules. The Finance department is present at Department Head meetings and is accessible to all staff for education and compliance matters. A County Administrator has been appointed and is charged with overseeing all County staff and their adherence to rules and regulations which govern Public service with particular attention to Fiduciary responsibilities and internal controls.

COUNTY OF SALEM, STATE OF NEW JERSEY

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended December 31, 2016

Finding 2016-001

Condition

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

Status

The condition still exists as current year finding 2017-002.

STATISTICAL SECTION

COUNTY OF SALEM, STATE OF NEW JERSEY

OFFICIALS IN OFFICE

Board of Chosen Freeholder

Melissa L. DeCastro	Freeholder Director	Term Expires 12/31/2018
Charles V. Hassler	Deputy Director	Term Expires 12/31/2020
Benjamin H. Laury	Freeholder	Term Expires 12/31/2018
Lee R. Ware	Freeholder	Term Expires 12/31/2019
R. Scott Griscom	Freeholder	Term Expires 12/31/2019

Brenda Banks

Clerk of the Board of Chosen Freeholders

Officials

Michael M. Mulligan, Esq.
John Willadsen
Jeffrey Ridgway

County Counsel
County Finance Officer
Director of Operations

COUNTY OF SALEM, STATE OF NEW JERSEY

SCHEDULE OF TAX RATE, TAX LEVY AND TAX COLLECTIONS

Comparative Schedule of Tax Rates

	2017	2016	2015	2014	2013
County Tax Rate	\$ 1.123	\$ 1.070	\$ 0.980	\$ 0.947	\$ 0.946
County Open Space Tax Rate	0.020	0.020	0.020	0.020	0.020

Assessed Valuation

2017	\$ 4,934,856,756
2016	5,057,825,714
2015	5,265,472,749
2014	5,339,001,530
2013	5,453,646,338

Comparison of Tax Levies and Collections

Year	Tax Levy	Cash Collections	Percentage of Collection
2017	\$ 55,718,512	\$ 55,718,512	100%
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%