

COUNTY OF SALEM



STATE OF NEW JERSEY

REPORT OF AUDIT

FOR THE YEAR ENDED

DECEMBER 31, 2018

COUNTY OF SALEM
TABLE OF CONTENTS

<u>Exhibit No.</u>		<u>Page No.</u>
<u>PART I</u>		
	Independent Auditor's Report	2
	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	5
<u>CURRENT FUND</u>		
A	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	7
A-1	Statements of Operations and Changes in Fund Balance-- Regulatory Basis	8
A-2	Statement of Revenues--Regulatory Basis	9
A-3	Statement of Expenditures--Regulatory Basis	13
<u>TRUST FUND</u>		
B	Statement of Assets, Liabilities and Reserves--Regulatory Basis	24
B-1	Open Space and Farmland Preservation--Statement of Revenues and Other Credits to Income--Regulatory Basis	26
B-2	Open Space and Farmland Preservation--Statement of Expenditures and Other Charges to Income--Regulatory Basis	27
<u>GENERAL CAPITAL FUND</u>		
C	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	28
<u>GENERAL FIXED ASSETS ACCOUNT GROUP</u>		
D	Statement of General Fixed Asset Groups of Account-- Regulatory Basis	29
	Notes to Financial Statements	30
<u>SUPPLEMENTAL EXHIBITS</u>		
<u>CURRENT FUND</u>		
SA-1	Statement of Current Cash Per N.J.S.40A:5-5--Treasurer	72
SA-2	Statement of County Taxes Receivable	73
SA-3	Statement of Revenue Accounts Receivable	74
SA-4	Statement of 2017 Appropriation Reserves	75
SA-5	Statement of Mortgages Receivable	79
SA-6	Statement of Reserve for Repair and Construction of Roads, Bridges, And Railroads	79
SA-7	Statement of Due to Current Fund	80
SA-8	Statement of Federal and State Grants Receivable	81
SA-9	Statement of Reserves for Federal and State Grant Funds--Appropriated	83
SA-10	Statement of Reserves for Federal and State Grant Funds--Unappropriated	86

COUNTY OF SALEM
TABLE OF CONTENTS (CONT'D)

<u>Exhibit No.</u>		<u>Page No.</u>
<u>TRUST FUND</u>		
SB-1	Statement of Trust Cash per N.J.S.40A:5-5--Treasurer	88
SB-2	Statement of Due Current Fund	89
SB-3	Statement of Reserve for Trust Funds	90
SB-4	Statement of Taxes Receivable--Open Space/ Farmland Preservation	91
SB-5	Statement of Reserve for Future Use-- Open Space/ Farmland Preservation	92
<u>GENERAL CAPITAL FUND</u>		
SC-1	Statement of General Capital Cash per N.J.S.A.40:5-5--Treasurer	94
SC-2	Analysis of General Capital Cash	95
SC-3	Statement of Due from Current Fund	96
SC-4	Statement of Deferred Charges to Future Taxation--Funded	96
SC-5	Statement of Deferred Charges to Future Taxation--Unfunded	97
SC-6	Statement of Improvement of Authorizations	98
SC-7	Statement of Serial Bonds	99
SC-8	Statement of Capital Improvement Fund	102
SC-9	Schedule of New Jersey Dam Restoration Loan	103
SC-10	Statement of Bond Anticipation Notes	104
SC-11	Statement of Bonds and Notes Authorized But Not Issued	105
<u>OTHER OFFICIALS AND INSTITUTIONS</u>		
SE	County Clerk--Statements of Assets, Liabilities and Reserves-- Regulatory Basis	107
SE-1	County Clerk--Statement of Cash	108
SF	Surrogate's Office--Statements of Assets, Liabilities and Reserves-- Regulatory Basis	109
SF-1	Surrogate's Office--Statement of Cash--Surrogate	110
SF-2	Surrogate's Office--Statement of Investment--Savings and Loan Association	111
SF-3	Surrogate's Office--Statement of Investment--Certificate of Deposit	111
SG	Sheriff's Office--Statements of Assets, Liabilities and Reserves-- Regulatory Basis	112
SG-1	Sheriff's Office--Statement of Cash	113
SG-2	Sheriff's Office--Statement of Sheriff's Fees Due County	113
SH	Jail Prisoners' Welfare Fund-- Statements of Assets, Liabilities and Reserves-- Regulatory Basis	114
SH-1	Jail Prisoners' Welfare Fund--Statements of Cash	115

COUNTY OF SALEM
TABLE OF CONTENTS (CONT'D)

Exhibit No.

Page No.

PART II

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

Schedule of Financial Statement Findings 117

Summary Schedule of Prior Year Audit Findings and Questioned Costs
as Prepared by Management 118

OFFICIALS IN OFFICE AND SURETY BONDS 119

APPRECIATION 120

COUNTY OF SALEM
PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT

The Honorable Director and
Members of the County Board of Chosen Freeholders
County of Salem
Salem, New Jersey 08079

Report on the Financial Statements

We have audited the accompanying statement of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the County of Salem, State of New Jersey, as of December 31, 2018, and the related statement of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in note 1 to the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the County of Salem, State of New Jersey, as of December 31, 2018, or the results of its operations and changes in fund balance for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the County of Salem, State of New Jersey, as of December 31, 2018, and the results of its operations and changes in fund balance - regulatory basis of such funds for the year then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2018, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the year ended December 31, 2018, the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle resulted in a material note disclosure (see note 17). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Prior Period Financial Statements

The financial statements of the County as of December 31, 2017, were audited by other auditors whose report dated September 6, 2018, expressed an adverse opinion under accounting principles generally accepted in the United States of America and a qualified opinion under the regulatory basis of accounting.

Other Information

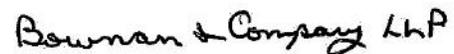
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

The supplemental statements and schedules presented for the various funds 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2019 on our consideration of the County of Salem, State of New Jersey, 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 solely 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 the effectiveness of the County's 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.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Henry J. Ludwigsen
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
December 30, 2019

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Director and
Members of the County Board of Chosen Freeholders
County of Salem
Salem, New Jersey 08079

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the County of Salem, State of New Jersey, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 30, 2019. That report indicated that the County of Salem's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting pronouncement. The financial statements of the County of Salem, State of New Jersey, as of December 31, 2017, were audited by other auditors whose report dated September 6, 2018, expressed an adverse opinion under accounting principles generally accepted in the United States of America and a qualified opinion under the regulatory basis of accounting.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Salem's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Salem's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Salem'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Salem'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Henry J. Ludwigsen
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
December 30, 2019

COUNTY OF SALEM
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Regular Fund:			
Cash	SA-1	\$ 13,585,669.90	\$ 9,478,791.75
Receivables and Other Assets with Full Reserves:			
Taxes Receivable	SA-2	200,314.40	61,325.71
Revenue Accounts Receivable	SA-3	96,200.00	
Due from Federal and State Grant Fund	SA-7	2,286,115.51	784,298.66
Due from Open Space Trust Fund	SB-5		12,699.51
Due from Trust Other Fund	SA-1		287.85
Mortgages Receivable	SA-5	380,232.12	410,621.00
Total Receivables and Other Assets with Full Reserves		<u>2,962,862.03</u>	<u>1,269,232.73</u>
Deferred Charges:			
Overexpenditure of Appropriation Reserves	A-3		37,464.31
		-	<u>37,464.31</u>
Total Regular Fund		<u>16,548,531.93</u>	<u>10,785,488.79</u>
Federal and State Grant Fund:			
Grants Receivable	SA-8	44,571,841.75	34,331,335.24
Overexpenditure of Grant Reserve	A-3		7,692.80
Total Federal and State Grant Fund		<u>44,571,841.75</u>	<u>34,339,028.04</u>
		<u>\$ 61,120,373.68</u>	<u>\$ 45,124,516.83</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves	A-3,SA-4	\$ 2,915,504.60	\$ 3,332,452.79
Reserve for Encumbrances	A-3,SA-4	1,924,380.44	1,314,330.79
Accounts Payable	SA-4	142,948.77	
Due General Capital Fund	SC-3	4,110.31	
Due Open Space Trust Fund	SB-5	1,987,300.49	
Reserve for Reconstruction of Various County Roads	A	128,803.35	128,803.35
Transportation OOA Program	A	4,468.11	4,468.11
Reserve for Payment of Debt	A	46,906.16	46,906.16
Reserve for Repair and Reconstruction of Roads, Bridges and Railroads	SA-6	246,557.13	246,557.13
		7,400,979.36	5,073,518.33
Reserve for Receivables	A	2,962,862.03	1,269,232.73
Fund Balance	A-1	6,184,690.54	4,442,737.73
Total Regular Fund		<u>16,548,531.93</u>	<u>10,785,488.79</u>
Federal and State Grant Fund:			
Due Current Fund	SA-7	2,286,115.51	784,298.66
Reserve for Encumbrances	SA-9	5,041,083.14	8,323,842.84
Reserve for Appropriated Grants	SA-9	37,214,439.10	25,200,682.54
Reserve for Unappropriated Grants	SA-10	30,204.00	30,204.00
Total Federal and State Grant Fund		<u>44,571,841.75</u>	<u>34,339,028.04</u>
		<u>\$ 61,120,373.68</u>	<u>\$ 45,124,516.83</u>

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

COUNTY OF SALEM
CURRENT FUND

Statements of Operations and Changes in Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
REVENUE AND OTHER INCOME REALIZED:		
Fund Balance Realized	\$ 3,579,188.64	\$ 1,890,172.56
Miscellaneous Revenue Anticipated	41,062,806.79	36,023,332.00
Receipts from Current Taxes	58,157,686.32	55,718,511.67
Non-Budget Revenues	2,411,785.85	1,205,193.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,951,290.64	1,022,847.00
Cancellation of Budget Appropriations		3,582,362.00
Cancellation of Grants - Appropriated Reserves		153,911.97
Interfunds Returned	12,987.36	
Mortgage Receivable	30,388.88	25,093.00
	<u>107,206,134.48</u>	<u>99,621,423.20</u>
Total Income	<u>107,206,134.48</u>	<u>99,621,423.20</u>
EXPENDITURES:		
Budget Appropriations:		
Operations:		
Salaries and Wages	29,344,125.00	30,958,502.00
Other Expenses	56,472,976.08	50,681,136.00
Capital Improvements	650,000.00	
Debt Service	5,908,460.51	5,505,747.00
Deferred Charges and Statutory Expenditures	8,007,614.59	7,738,605.00
Judgements		125,500.00
Other Debits to Income:		
Interfund Advances	1,501,816.85	423,336.00
Cancellation of Grants Receivable		148,844.37
Overexpenditure of Appropriation Reserves		37,464.31
	<u>101,884,993.03</u>	<u>95,619,134.68</u>
Total Expenditures	<u>101,884,993.03</u>	<u>95,619,134.68</u>
Excess in Revenues	5,321,141.45	4,002,288.52
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred		
Charges to the Budget of the Succeeding Year		
Overexpenditure of Appropriation Reserves		37,464.31
	<u>5,321,141.45</u>	<u>4,039,752.83</u>
Statutory Excess to Fund Balance	<u>5,321,141.45</u>	<u>4,039,752.83</u>
FUND BALANCE:		
Balance January 1	<u>4,442,737.73</u>	<u>2,293,157.46</u>
	9,763,879.18	6,332,910.29
Decreased by:		
Utilized as Revenue	<u>3,579,188.64</u>	<u>1,890,172.56</u>
Balance December 31	<u>\$ 6,184,690.54</u>	<u>\$ 4,442,737.73</u>

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

COUNTY OF SALEM
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2018

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget 2018</u>	<u>Special N.J.S.A. 40A:4-87</u>		
Surplus Anticipated	\$ 3,579,188.64		\$ 3,579,188.64	
Miscellaneous Revenues:				
Local Revenues:				
County Clerk	453,000.00		453,000.00	
Surrogate	72,000.00		71,715.47	\$ (284.53)
Sheriff	59,000.00		59,000.00	
Office on Aging	15,000.00		15,665.00	665.00
SCIA	212,000.00		212,000.00	
Interest on Investments and Deposits	14,000.00		108,986.99	94,986.99
Constitutional Officers Salary Reimbursement	96,200.00			(96,200.00)
Refunds - Public Health Department	34,000.00		37,684.00	3,684.00
Planning Board - Development Review Fees	5,500.00		30,219.00	24,719.00
Due from Lower Alloways Creek Township	2,195,000.00		2,195,000.00	
One Stop Administration/Rent	45,000.00		41,275.96	(3,724.04)
Bail Forfeiture	17,000.00		14,413.00	(2,587.00)
Home Detention	22,000.00		19,900.78	(2,099.22)
Jail Miscellaneous	159,000.00		152,847.17	(6,152.83)
County Dispatch Services:				
Elmer Borough	10,700.00		10,700.00	
Woodstown Borough	32,000.00		32,000.00	
City of Salem	129,010.00		129,010.00	
Lower Alloways Creek	39,795.30		39,795.30	
Pennsville	135,000.00		135,000.00	
Carneys Point	105,000.00		105,000.00	
Penns Grove	155,000.00		155,000.00	
Inmate Health Reimbursement to Salem County	5,000.00		3,962.41	(1,037.59)
Jail Telephone	39,000.00		47,230.92	8,230.92
Fire School	68,000.00		55,615.00	(12,385.00)
Revolving Loan Fund	4,000.00		4,096.47	96.47
Meals on Wheels Rent	7,000.00		12,750.00	5,750.00
State Prisoners	11,000.00		11,808.00	808.00
Lease for Farmland	6,595.00		100.00	(6,495.00)
Prior Year Expenses	170,000.00			(170,000.00)
Vo-Tech GED Program Lease	6,000.00			(6,000.00)
Settlement	50,000.00		40,000.00	(10,000.00)
State Aid:				
State Aid - County College Bonds (NJSA 18A:64A-22.6)	364,931.26		364,931.26	
Public Health Priority Funding - 1977	62,500.00		82,958.75	20,458.75
Debt Service - State Aid (Type I) - Vocational Education Bonds	353,822.50		376,453.00	22,630.50
State Assumption of Costs of County Social & Welfare Service & Psychiatric Facilities				
Social and Welfare Services (c.66,P.L. 1990):				
Supplemental Social Security Income	196,238.00		229,363.00	33,125.00
Psychiatric Facilities (c.73,P.L. 1990):				
Maintenance of Patients in State Institutions for Mental Diseases	992,382.00		992,382.00	
Maintenance of Patients in State Institutions for Mentally Retarded	1,601,770.00		1,601,770.00	
Board of County Patients in State and Other Institutions	20,000.00		11,245.50	(8,754.50)

(continued)

COUNTY OF SALEM
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2018

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget 2018</u>	<u>Special N.J.S.A. 40A:4-87</u>		
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations				
Area Plan Grant	\$ 840,812.00	\$ 17,244.00	\$ 858,056.00	
Alcohol and Drug Abuse Services: #03-539-ADA-00-Comprehensive Program	227,800.00		227,800.00	
Alliance to Prevent Alcoholism and Drug Abuse		137,801.00	137,801.00	
Senior Citizen and Disabled Resident Transportation Program	332,284.00		332,284.00	
PASP - Personal Attendant Services	11,114.10		11,114.10	
Prosecutor's Insurance Fund	249,232.16		249,232.16	
Local Art Program	46,843.00		46,843.00	
Juvenile Justice Commission State/Community Partnership	200,966.00		200,966.00	
Juvenile Justice Commission Family Court Services	100,261.00		100,261.00	
Victims of Crime Act (VCS-60-15)		201,043.00	201,043.00	
Victims of Crime Act (VCS-60-15) SART/FNE		120,894.00	120,894.00	
Workforce Development Program		609,411.00	609,411.00	
Prosecutor Victim Witness Advocacy	172,235.00		172,235.00	
NJ OEM	55,000.00		55,000.00	
FTA Small Urban & Rural Area Public Transportation (5311)	251,098.50		251,098.50	
Historical Commission Grant	14,310.00		14,310.00	
N.J. Dept. of Health Div. of Family Health Services - Child Health Transportation - County Aid	4,842,538.00		4,842,538.00	
Homeland Security Grant		160,543.91	160,543.91	
Childhood Lead Exposure Prevention Project		207,000.00	207,000.00	
Emergency Services - Radio Emergency Response Plan (RERP)		247,006.85	247,006.85	
State Health Insurance Assistance Program (SHIP)	33,000.00		33,000.00	
NJDOT Centeron Traffic Signal Improvements - Design		1,621.99	1,621.99	
Senior Farmers Market Nutrition - Salem OAA		500.00	500.00	
Health and Wellness Foundation - 5311	74,949.50	17,000.00	91,949.50	
Work First New Jersey WFNJ		670,251.00	670,251.00	
SCIA - Clean Communities		500.00	500.00	
2013 Local Bridge Future Needs		34,400.00	34,400.00	
2015 Local Bridge Future Needs		1,000,000.00	1,000,000.00	
2018 Local Bridge Future Needs Program		1,000,000.00	1,000,000.00	
2018 Local Freight Impact Fund		1,259,308.00	1,259,308.00	
2017 Salem County Mill and Overlay Resurfacing Program		950,000.00	950,000.00	
Comprehensive Cancer Control Plan		1,837,971.50	1,837,971.50	
Salem County Railroad Rehabilitation Program		6,014,192.49	6,014,192.49	
Public Health Preparedness and Response to Bioterrorism		265,340.00	265,340.00	
Early Intervention - Case Management		41,018.00	41,018.00	
Title IV-D		147,769.00	147,769.00	
NJDHSS - Right to Know Program		8,786.00	8,786.00	
Atlantic City Electric - Fam Tour 2018		4,000.00	4,000.00	
Veterans Transportation Grant		13,000.00	13,000.00	

(continued)

COUNTY OF SALEM
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2018

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget 2018</u>	<u>Special N.J.S.A. 40A:4-87</u>		
Special Items of General Revenue Anticipated with Prior Written Consent of Director of				
Local Government Services - Other Special Items				
Added Assessments	\$ 174,000.00		\$ 193,741.72	\$ 19,741.72
Salem County Area Office on Aging	58,000.00		58,000.00	
Reserve for JACC/CAP				
Salem County Bus Service - NJ Transit Contract	1,350,000.00		1,536,799.48	186,799.48
County Welfare Office - Social Services	127,000.00		82,648.29	(44,351.71)
Rent - Agriculture Building	92,925.00		92,925.00	
911 Rental Tower Space				
Board of Male Inmates in County Jail	5,975,000.00		7,360,886.57	1,385,886.57
Repayment of Application Fee - ARC of Salem County				
Board of Federal Inmates in County Jail	700,000.00		352,264.54	(347,735.46)
Gloucester County Alternative Youth Shelter Beds	70,000.00		73,240.00	3,240.00
Rent Communication Tower	18,000.00		19,500.00	1,500.00
Reserve for Payment of Type I School Debt	30,000.00			(30,000.00)
Title Section IV-D Reimbursement for State of NJ	284,496.84		284,496.84	
BOSS Reimbursements and Administrative Fees	130,000.00		206,338.00	76,338.00
Constitutional Officers - Increased Fees (P.L. 2001, c.370):				
County Clerk	100,000.00		177,091.59	77,091.59
Sheriff	100,000.00		178,849.78	78,849.78
Total Miscellaneous Revenues	<u>24,799,410.16</u>	<u>\$ 14,966,601.74</u>	<u>41,062,806.79</u>	<u>1,296,794.89</u>
Amount to Be Raised by Taxation - County Purpose Tax	<u>58,157,686.32</u>		<u>58,157,686.32</u>	
Budget Totals	<u>86,536,285.12</u>	<u>14,966,601.74</u>	<u>102,799,681.75</u>	<u>1,296,794.89</u>
Miscellaneous Revenue Not Anticipated			<u>2,411,785.85</u>	<u>2,411,785.85</u>
	<u>\$ 86,536,285.12</u>	<u>\$ 14,966,601.74</u>	<u>\$ 105,211,467.60</u>	<u>\$ 3,708,580.74</u>

(Continued)

COUNTY OF SALEM
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2018

Analysis of Realized Revenue

Miscellaneous Revenue Not Anticipated:

State of New Jersey:	
Reimburse November General Election	\$ 23,000.00
Veterans Burials	18,356.00
CEHA Indirect Costs	13,135.00
Legal Settlements	1,727,199.16
Road Repairs	27,724.04
Rent	6,986.25
Board of Elections / Copies & Supplies	331.45
County Auction	11,947.64
Garnishees	553.64
OPRA Fees	33.00
Prosecutor - County Fines	580.83
Prosecutor - Discovery	76.90
Prosecutor - Restitution	7,684.25
Vending Services	1,704.00
Refunds and Reimbursements of Prior Year Expenses	376,482.13
Miscellaneous	<u>195,991.56</u>
	<u><u>\$ 2,411,785.85</u></u>

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

COUNTY OF SALEM
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations		Paid or Charged			Unexpended Balance Cancelled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>Administrative Functions</u>						
Administrative and Executive						
Salaries and Wages	\$ 120,000.00	\$ 102,000.00	\$ 95,725.58		\$ 6,274.42	
Other Expenses	25,500.00	25,500.00	7,865.60	\$ 1,400.97	16,233.43	
Purchase Department and Inventory Control						
Salaries and Wages	124,000.00	117,000.00	116,225.21		774.79	
Other Expenses	12,750.00	12,750.00	12,745.31		4.69	
Clerk of the Board						
Salaries and Wages	110,000.00	105,000.00	105,000.00			
Other Expenses	16,200.00	16,200.00	10,030.19	2,573.67	3,596.14	
Personnel/HR						
Salaries and Wages	230,000.00	219,000.00	216,106.52		2,893.48	
Other Expenses	190,000.00	190,000.00	156,211.46	30,003.54	3,785.00	
Grant Management						
Other Expenses	14,850.00	14,850.00			14,850.00	
Treasurer (Department of Finance)						
Salaries and Wages	205,000.00	180,000.00	175,734.25		4,265.75	
Other Expenses	90,000.00	50,000.00	20,912.54	1,525.63	27,561.83	
Bond Costs	30,000.00	30,000.00	7,855.05		22,144.95	
County Auditor	135,000.00	135,000.00	125,300.00		9,700.00	
Information Technology Center						
Other Expenses	620,000.00	587,300.00	555,951.39		31,348.61	
County Adjuster's Office						
Salaries and Wages	10,000.00	10,000.00	10,000.00			

(continued)

COUNTY OF SALEM
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations		Paid or Charged			Unexpended Balance Cancelled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
Board of Taxation						
Salaries and Wages	\$ 136,000.00	\$ 136,000.00	\$ 133,406.14		\$ 2,593.86	
Other Expenses	25,000.00	25,000.00	23,881.97	\$ 354.97	763.06	
County Counsel						
Salaries and Wages	171,360.00	171,360.00	163,855.53		7,504.47	
Other Expenses	12,000.00	12,000.00	9,035.98	1,178.10	1,785.92	
Consultant Expenses	145,000.00	145,000.00	91,909.57		53,090.43	
Labor Counsel						
Other Expenses	75,000.00	101,000.00	92,414.98		8,585.02	
Special Counsel						
Other Expenses	35,000.00	111,500.00	97,636.04	12,356.21	1,507.75	
War Veterans Burial And Grave Decorations						
Other Expenses	8,900.00	8,900.00	8,477.61	422.39		
Veteran's Service Bureau						
Salaries and Wages	47,000.00	47,000.00	46,390.14		609.86	
Other Expenses	850.00	2,850.00	953.76	1,820.25	75.99	
Printer Maintenance	15,905.00	15,905.00	8,564.07	600.00	6,740.93	
Total General Government	2,605,315.00	2,571,115.00	2,292,188.89	52,235.73	226,690.38	-
Insurance						
Workmen's Compensation	839,000.00	639,000.00	627,259.17		11,740.83	
Other Insurance Premiums	90,500.00	50,500.00	46,660.14		3,839.86	
Self-Insurance AL/GL	906,211.00	866,211.00	815,579.72	78.00	50,553.28	
Group Insurance Dental	235,000.00	218,000.00	214,696.11	1,551.50	1,752.39	
Group Insurance Hospitalization	10,000,000.00	10,400,000.00	9,460,854.54	913,572.35	25,573.11	
Post Retirement Health Benefits	283,000.00	183,000.00	166,812.59	14,499.95	1,687.46	
State Disability Insurance	99,000.00	39,000.00	32,620.13		6,379.87	
Total Insurance	12,452,711.00	12,395,711.00	11,364,482.40	929,701.80	101,526.80	-

(continued)

COUNTY OF SALEM
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations		Paid or Charged			Unexpended Balance Cancelled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
Public Safety Functions						
Department of Emergency Services						
Salaries an Wages	\$ 338,000.00	\$ 338,000.00	\$ 255,158.18		\$ 82,841.82	
Other Expenses	27,000.00	27,000.00	25,280.69	\$ 1,684.14	35.17	
911 Center						
Salaries and Wages	2,126,000.00	2,126,000.00	1,846,506.89		279,493.11	
Other Expenses	95,000.00	95,000.00	89,496.86	5,052.40	450.74	
Sheriff's Office						
Salaries an Wages	3,100,000.00	2,900,000.00	2,768,649.36		131,350.64	
Other Expenses	190,000.00	190,000.00	97,403.31	85,766.61	6,830.08	
Jail						
Salaries an Wages	14,645,000.00	14,645,000.00	13,195,836.47		449,163.53	\$ 1,000,000.00
Other Expenses	1,565,000.00	1,565,000.00	1,058,022.09	238,351.67	268,626.24	
Bail Forfeitures	15,000.00	15,000.00	14,300.00		700.00	
Inmate Medical	750,000.00	750,000.00	511,484.32	112,167.62	126,348.06	
Alternative Youth Shelter						
Other Expenses	584,513.00	584,513.00	535,803.60	48,709.40	0.00	
Prosecutor's Office						
Salaries an Wages	4,140,000.00	4,040,000.00	4,003,772.25		36,227.75	
Other Expenses	300,550.00	300,550.00	217,225.70	69,447.74	13,876.56	
County Medical Examiner						
Other Expenses	180,000.00	183,500.00	182,461.28		1,038.72	
Juvenile Detention and Domestic Relations Court						
Other Expenses	380,000.00	380,000.00	333,178.19	45,716.56	1,105.25	
Total Public Safety Functions	28,436,063.00	28,139,563.00	25,134,579.19	606,896.14	1,398,087.67	1,000,000.00

(continued)

COUNTY OF SALEM
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations		Paid or Charged			Unexpended Balance Cancelled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
<u>Public Works Functions</u>						
Engineer						
Salaries and Wages	\$ 295,000.00	\$ 295,000.00	\$ 289,404.41		\$ 5,595.59	
Other Expenses	104,050.00	84,050.00	70,259.49	\$ 12,427.06	1,363.45	
County Planning Board						
Salaries and Wages	50,500.00	50,500.00	48,729.67		1,770.33	
Other Expenses	12,500.00	2,500.00	1,602.47	50.00	847.53	
Weights and Measures						
Salaries and Wages	69,500.00	69,500.00	68,663.00		837.00	
Other Expenses	150.00	150.00	9.00	3.00	138.00	
Roads and Bridges						
Salaries and Wages	1,400,000.00	1,400,000.00	1,394,651.82		5,348.18	
Other Expenses	180,000.00	180,000.00	168,527.35	11,383.14	89.51	
Snow Removal	100,000.00	100,000.00	100,000.00			
Facilities Management						
Salaries and Wages	861,000.00	861,000.00	807,040.85		53,959.15	
Other Expenses	350,000.00	350,000.00	282,213.35	29,303.43	38,483.22	
Mosquito Extermination Commission						
Other Expenses	137,250.00	137,250.00	111,667.50	24,016.02	1,566.48	
Vehicle Maintenance						
Other Expenses	275,000.00	310,000.00	270,790.32	25,010.93	14,198.75	
Utilities	2,100,000.00	2,500,000.00	1,909,954.06	193,386.09	396,659.85	
Total Public Works Functions	5,934,950.00	6,339,950.00	5,523,513.29	295,579.67	520,857.04	-

(continued)

COUNTY OF SALEM
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations		Paid or Charged			Unexpended Balance Cancelled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
<u>Health and Human Services</u>						
Office on the Disabled						
Other Expenses	\$ 1,500.00	\$ 1,500.00	\$ 1,173.74		\$ 326.26	
Office on Aging						
Salaries and Wage	55,000.00	82,037.00	82,037.00			
Other Expenses	94,000.00	66,963.00	65,406.80	\$ 1,556.20		
County Welfare Board						
Administration	1,807,839.62	1,807,839.62	1,807,839.62			
Services	178,939.46	178,939.46	178,939.46			
Local: Temporary Assistance Needy Family	25,495.00	25,495.00	25,495.00			
State: Assistance to Supplemental Security Income Receipts	196,238.00	196,238.00	196,238.00			
Economic Development						
Salaries and Wage	26,500.00	26,500.00	25,555.13		944.87	
Other Expenses	61,000.00	61,000.00	41,955.24	5,005.00	14,039.76	
Womens Services						
Other Expenses	2,000.00	2,000.00			2,000.00	
Health Department						
Salaries and Wage	557,685.00	557,685.00	498,320.96		59,364.04	
Other Expenses						
Nursing Services	32,525.00	32,525.00	26,079.78	5,852.83	592.39	
Administrative	120,000.00	120,000.00	105,033.99	11,677.81	3,288.20	
Enviromental	13,900.00	13,900.00	7,300.59	951.65	5,647.76	
Maintence of Patients in State Institutions - MTL ST (N.J.S.A. 30:4-79)						
State	992,382.00	992,382.00	992,382.00			
Local	425,306.00	425,306.00	425,306.00			
Maintence of Patients in State Institutions - MTL RETD (N.J.S.A 30-4-79)						
State Share	1,601,770.00	1,601,770.00	1,601,770.00			
Total Health and Human Services	6,192,080.08	6,192,080.08	6,080,833.31	25,043.49	86,203.28	-

(continued)

COUNTY OF SALEM
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations		Paid or Charged			Unexpended Balance Cancelled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
<u>Education Functions</u>						
Salem Community College	\$ 3,630,030.00	\$ 3,630,030.00	\$ 3,630,030.00			
Reimbursements for Residents						
Attending Out of County Two YR Colleges (N.J.S.A 18A:64A-23)	200,000.00	200,000.00	135,124.13	\$ 379.30	\$ 64,496.57	
Salem County Vocational Technical School	1,828,758.00	1,828,758.00	1,828,758.00			
County Special Services School District						
Annual Appropriations (N.J.S.A 18A:46-29)	39,375.00	39,375.00	39,375.00			
Office of County Superintendent of Schools						
Salaries and Wage	106,743.00	105,043.00	104,015.67		1,027.33	
Other Expenses	3,825.00	5,525.00	5,091.17	298.51	135.32	
Total Education Functions	5,808,731.00	5,808,731.00	5,742,393.97	677.81	65,659.22	-
<u>Community Services</u>						
County Clerk						
Salaries	496,000.00	461,000.00	458,097.18		2,902.82	
Other Expenses	9,550.00	9,550.00	7,285.94	1,000.00	1,264.06	
Election Costs	95,000.00	95,000.00	94,999.99		0.01	
Board of Elections						
Salaries and Wage	241,000.00	241,000.00	228,186.20		12,813.80	
Other Expenses	167,900.00	170,600.00	163,548.35	4,140.35	2,911.30	
Commision on Women						
Other Expenses	1,350.00	1,350.00	1,350.00			
County Surrogate						
Salaries and Wage	305,000.00	305,000.00	303,309.90		1,690.10	
Other Expenses	32,000.00	32,000.00	25,857.78	6,043.46	98.76	
Total Community Services	1,347,800.00	1,315,500.00	1,282,635.34	11,183.81	21,680.85	-

(continued)

COUNTY OF SALEM
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations		Paid or Charged			Unexpended Balance Cancelled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
<u>Transportation and Agricultural Services</u>						
Parks and Playgrounds						
Other Expenses	\$ 1,405.00	\$ 1,405.00	\$ 848.66		\$ 556.34	
Culture & Heritage						
Salaries and Wage	26,500.00	26,500.00	25,555.13		944.87	
Other Expenses	6,400.00	6,400.00	6,107.48	\$ 145.00	147.52	
County Extension Services						
Salaries and Wage	130,000.00	130,000.00	125,332.26		4,667.74	
Other Expenses	19,000.00	19,000.00	3,586.94	1,060.46	14,352.60	
Community Bus						
Salaries and Wage	597,000.00	597,000.00	541,438.55		55,561.45	
Other Expenses	216,000.00	216,000.00	213,297.76	1,856.53	845.71	
Total Transportation and Agricultural	996,305.00	996,305.00	916,166.78	3,061.99	77,076.23	-
<u>Unclassified</u>						
Accumulated Leave Compensation	140,000.00	140,000.00	140,000.00			
Total Unclassified:	140,000.00	140,000.00	140,000.00	-	-	-
Total Operations within "Caps"	63,913,955.08	63,898,955.08	58,476,793.17	1,924,380.44	2,497,781.47	\$ 1,000,000.00
Contingent	15,000.00	15,000.00	-	-	-	15,000.00
Total Operations Including Contigent - within "Caps"	63,928,955.08	63,913,955.08	58,476,793.17	1,924,380.44	2,497,781.47	1,015,000.00

(continued)

COUNTY OF SALEM
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations		Paid or Charged			Unexpended Balance Cancelled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
<u>Public & Private Programs offset by Revenues</u>						
Area Plan Grant (N.J.S.A. 40A-87 - \$17,244.00)	\$ 840,812.00	\$ 858,056.00	\$ 858,056.00			
Alcohol and Drug Abuse Services	227,800.00	227,800.00	227,800.00			
Senior Citizen and Disabled Resident Transportation Program	332,284.00	332,284.00	332,284.00			
PASP - Personal Attendant Services	11,114.10	11,114.10	11,114.10			
Childhood Lead Exposure Prevention Project (N.J.S.A. 40A-87 \$207,000.00)		207,000.00	207,000.00			
Prosecutor's Insurance Fund	249,232.16	249,232.16	249,232.16			
Local Arts Program	46,843.00	46,843.00	46,843.00			
Prosecutor Witness Protection Advocacy	172,235.00	172,235.00	172,235.00			
Juvenile Justice Commission State/Community Partnership	200,966.00	200,966.00	200,966.00			
Juvenile Justice Commission Family Court Services	100,261.00	100,261.00	100,261.00			
Public Health Preparedness and Response to Bioterrorism (N.J.S.A. 40A-87 - \$265,340.00)		265,340.00	265,340.00			
NJ OEM	55,000.00	55,000.00	55,000.00			
Emergency Services - Radio Emergency Response Plan (RERP) (N.J.S.A. 40A-87 - \$247,006.85)		247,006.85	247,006.85			
SCIA Clean Communities (N.J.S.A. 40A-87 - \$500.00)		500.00	500.00			
FTA Small Urban & Rural Area Public Transportation (5311)	251,098.50	251,098.50	251,098.50			
Historical Commission Grant	14,310.00	14,310.00	14,310.00			
NJDHSS - Right to Know Program (N.J.S.A. 40A-87 - \$8,786.00)		8,786.00	8,786.00			
Salem County Mill and Overlay (N.J.S.A. 40A-87 - \$1,837,971.50)		1,837,971.50	1,837,971.50			
2018 Local Bridges, Future Needs (N.J.S.A. 40A-87 - \$1,259,308.00)		1,259,308.00	1,259,308.00			
2018 Local Freight Impact Fund (N.J.S.A. 40A-87 - \$950,000.00)		950,000.00	950,000.00			
2015 Local Bridge, Future Needs (N.J.S.A. 40A-87 - \$1,000,000.00)		1,000,000.00	1,000,000.00			
2013 Local Bridge, Future Needs (N.J.S.A. 40A-87 - \$1,000,000.00)		1,000,000.00	1,000,000.00			
Matching Funds for Grants	325,000.00	325,000.00	195,311.00		\$ 129,689.00	
Transportation - County Aid	4,842,538.00	4,842,538.00	4,842,538.00			
2018 Salem County Railroad Rehab Program (N.J.S.A. 40A-87 - \$6,014,192.49)		6,014,192.49	6,014,192.49			

(continued)

COUNTY OF SALEM
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations		Paid or Charged			Unexpended Balance Cancelled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
State Homeland Security Grant Program (N.J.S.A. 40A-87 - \$160,543.91)		\$ 160,543.91	\$ 160,543.91			
NJ DOT - Centerton Traffic Signal Improvements - Design (N.J.S.A. 40A-87 - \$1,621.99)		1,621.99	1,621.99			
Atlantic City Electric - Fam Tour 2018 (N.J.S.A. 40A-87 - \$4,000.00)		4,000.00	4,000.00			
Victims of Crime (SART/SANE) (N.J.S.A. 40A-87 - \$120,894.00)		120,894.00	120,894.00			
Victims of Crime (VCS-60-15) (N.J.S.A. 40A-87 - \$201,043.00)		201,043.00	201,043.00			
Veterans Transportation Grant (N.J.S.A. 40A-87 - \$13,000.00)		13,000.00	13,000.00			
Subregional Planning Program 2019 (N.J.S.A. 40A-87 - \$34,400.00)		34,400.00	34,400.00			
Alliance to Prevent Alcoholism & Drug Abuse (N.J.S.A. 40A-87 - \$137,801.00)		137,801.00	137,801.00			
Special Child Health and Early Intervention (N.J.S.A. 40A-87 - \$41,018.00)		41,018.00	41,018.00			
State Health Insurance Assistance Program (SHIP)	\$ 33,000.00	33,000.00	33,000.00			
Work First New Jersey TANF (N.J.S.A. 40A-87 - \$670,251.00)		670,251.00	670,251.00			
Workforce Development Partnership Program (N.J.S.A. 40A-87 - \$609,411.00)		609,411.00	609,411.00			
Title IV-D Sheriff (N.J.S.A. 40A-87 - \$147,769.00)		147,769.00	147,769.00			
Senior Farmers' Market Nutrition Program (N.J.S.A. 40A-87 - \$500.00)		500.00	500.00			
Health and Wellness Foundation - 5311 (N.J.S.A. 40A-87 - \$17,000.00)	74,949.50	91,949.50	91,949.50			
N.J. Dept. of Health Div. of Family Health Services - Child Health	174,101.00	174,101.00	174,101.00			
Total Public and Private Programs offset by Revenue	7,951,544.26	22,918,146.00	22,788,457.00	-	\$ 129,689.00	-

(continued)

COUNTY OF SALEM
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations		Paid or Charged			Unexpended Balance Cancelled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
Total Operations Including Contingent	\$ 71,880,499.34	\$ 86,832,101.08	\$ 81,265,250.17	\$ 1,924,380.44	\$ 2,627,470.47	\$ 1,015,000.00
Detail:						
Salary & Wages	30,719,788.00	30,344,125.00	28,132,704.25	-	1,211,420.75	1,000,000.00
Operating Expenses (Including Contingent)	41,160,711.34	56,487,976.08	53,132,545.92	1,924,380.44	1,416,049.72	15,000.00
Down Payments on Improvements						
Capital Improvement Fund	650,000.00	650,000.00	650,000.00		-	
County Debt Service						
Payment of Bond Principal						
County College Bonds	635,000.00	635,000.00	635,000.00			
Vocational School Bonds	253,150.00	253,150.00	253,150.00			
Other Bonds	1,550,950.00	1,550,950.00	1,550,950.00			
Bond Anticipation Notes	640,000.00	640,000.00	639,620.00			380.00
Interest on Bonds						
County College Bonds	93,101.00	93,101.00	93,100.01			0.99
Vocational School Bonds	91,957.00	91,957.00	91,957.00			
Other Bonds	563,384.00	563,384.00	563,383.50			0.50
Interest on Notes	168,925.00	168,925.00	168,925.00			
Lease Payments						
Salem County Improvement Authority						
County Jail	1,912,375.00	1,912,375.00	1,912,375.00			
Total County Debt Service	5,908,842.00	5,908,842.00	5,908,460.51	-	-	381.49
Deferred Charges and Statutory Expenditures						
Deferred Charges:						
Prior Year Overexpenditure of Appropriation Reserve	37,464.31	37,464.31	37,464.31			
Overexpenditure of Grants Appropriated	7,692.80	7,692.80	7,692.80			
Prior Year Bills:						
2013 IRS Form 941 Tax, Penalty & Interest	45,000.00	45,000.00			45,000.00	
Hurricane Irene Deobligation	90,880.67	90,880.67	90,880.67			
Total Deferred Charges	181,037.78	181,037.78	136,037.78	-	45,000.00	-

(continued)

COUNTY OF SALEM
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations		Paid or Charged			Unexpended Balance Cancelled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
<u>Statutory Expenditures:</u>						
Contributions to:						
Public Employees Retirement System	\$ 1,865,205.00	\$ 1,865,205.00	\$ 1,752,100.36		\$ 8,775.45	\$ 104,329.19
Social Security System (O.A.S.I)	2,307,000.00	2,307,000.00	2,215,236.86		91,763.14	
DCRP Group Life and Disability Employer Share	22,000.00	37,000.00	34,300.87		2,699.13	
Police and Retirement System of NJ	3,535,701.00	3,535,701.00	3,535,701.00			
Unemployment Insurance	186,000.00	186,000.00	46,203.59		139,796.41	
Total Statutory Expenditures	7,915,906.00	7,930,906.00	7,583,542.68	-	243,034.13	104,329.19
Total General Appropriations	\$ 86,536,285.12	\$ 101,502,886.86	\$ 95,543,291.14	\$ 1,924,380.44	\$ 2,915,504.60	\$ 1,119,710.68
Original Budget		\$ 86,536,285.12				
Appropriated by N.J.S.A. 40A-87		14,966,601.74				
Reserve for Federal and State Grants Funds - Appropriated			\$ 22,788,457.00			
Due General Capital Fund			4,110.31			
Deferred Charges			45,157.11			
Reimbursements			(2,671,175.76)			
Disbursed			75,376,742.48			
		\$ 101,502,886.86	\$ 95,543,291.14			

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

COUNTY OF SALEM
TRUST FUND
 Statements of Assets, Liabilities and Reserves--Regulatory Basis
 As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>December 31, 2018</u>	<u>Balance</u> <u>December 31, 2017</u>
Trust Other Funds:			
Cash - Treasurer	SB-1	\$ 1,903,264.97	\$ 2,092,520.85
Due from Payroll Trust to Agency Trust	B		15.34
		<u>1,903,264.97</u>	<u>2,092,536.19</u>
Open Space and Farmland Preservation Trust:			
Cash - Treasurer	SB-1	1,116,098.09	3,531,856.00
Certificates of Deposit	SB-5	497,650.76	497,650.76
Due Current Fund	SB-5	1,987,300.49	
Taxes Receivable	SB-4	3,621.90	1,142.52
		<u>3,604,671.24</u>	<u>4,030,649.28</u>
Total Trust Funds		<u>\$ 5,507,936.21</u>	<u>\$ 6,123,185.47</u>
<u>LIABILITIES AND RESERVES</u>			
Trust Other Funds:			
Due Agency Trust from Payroll Trust	B		\$ 15.34
Due Current Fund	SB-2		287.85
Reserve for:			
Accumulated Absences Trust	SB-3	\$ 196,357.47	208,067.84
Commodities Resale Program	SB-3	49,265.05	35,881.13
County Auction	SB-3	3,552.92	3,552.92
County Clerk	SB-3	60,836.71	110,758.17
Engineering Escrow	SB-3	28,533.40	28,173.00
Environmental Enforcement	SB-3	322,697.61	384,136.93
First Responder Dinner	SB-3	2,630.95	129.68
Hospitalization	SB-3	1.38	1.38
Housing Revitalization	SB-3	72,643.12	72,364.76
Motor Vehicle Fines	SB-3	151,417.72	333,659.30
Net Payroll Account	SB-3	4,052.69	504.17
Parvin Bequest	SB-3	4,504.01	0.01
Payroll Agency	SB-3	378,294.87	328,761.91
Performance Bond - Woods Laurel Hills	SB-3	3,375.00	3,375.00
Prosecutor's Office:			
Asset Maintenance Account	SB-3	2,337.11	2,269.54
Auto Law Enforcement Trust Account	SB-3	7,253.79	7,006.75
County Law Enforcement Trust Account	SB-3	65,762.74	75,161.37
Federal County Law Enforcement Trust Account	SB-3	81,548.71	68,711.86
Municipal Law Enforcement Trust Account	SB-3	33,928.84	37,851.42
Seized Assets Trust Account	SB-3	24,488.38	28,064.02
Road Opening Deposits	SB-3	17,828.44	17,698.44

(Continued)

COUNTY OF SALEM
TRUST FUND
 Statements of Assets, Liabilities and Reserves--Regulatory Basis
 As of December 31, 2018 and 2017

	Ref.	Balance December 31, 2018	Balance December 31, 2017
Trust Other Funds (Cont'd):			
Reserves (Cont'd):			
SCAPG - Nutrition Program	SB-3	\$ 2,754.61	\$ 1,323.83
SCAPG - Parvin	SB-3	12,411.67	2,489.88
Self Insurance	SB-3	63,408.69	45,518.89
Sheriff's Trust	SB-3	45,242.08	44,919.83
Surrogate Fees	SB-3	75,986.46	71,375.25
Tax Appeals Filing Fees	SB-3	37,001.88	35,377.23
Unemployment Claims	SB-3	44.16	44.04
Veterans Donations	SB-3	17,033.41	14,891.75
Weights & Measures	SB-3	119,624.31	119,263.38
Worker's Compensation	SB-3	18,446.79	10,899.32
		<u>1,903,264.97</u>	<u>2,092,536.19</u>
Open Space and Farmland Preservation Trust:			
Due Current Fund	SB-5		12,699.51
Reserve for Open Space and Farmland Preservation	SB-5	3,604,671.24	4,017,949.77
		<u>3,604,671.24</u>	<u>4,030,649.28</u>
		<u>\$ 5,507,936.21</u>	<u>\$ 6,123,185.47</u>

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

COUNTY OF SALEM
TRUST FUND - OPEN SPACE AND FARMLAND PRESERVATION
Statement of Revenues and Other Credits to Income--Regulatory Basis
For the Year Ended December 31, 2018

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Amount to be Raised by Taxation	\$ 1,006,954.29	\$ 1,013,003.29	\$ 6,049.00
Reserve for Open Space Trust	422,246.47	422,246.47	
Miscellaneous	4,000.00	2,634,358.99	2,630,358.99
	<u>\$ 1,433,200.76</u>	<u>\$ 4,069,608.75</u>	<u>\$ 2,636,407.99</u>

Analysis of Realized Revenues

Amount to be Raised by Taxation:

Accrued Revenue:

Open Space Tax Levy

\$ 1,006,954.29

Added and Omitted Tax Levy

6,049.00

\$ 1,013,003.29

Miscellaneous:

Receipts:

Settlement Receipts

2,621,068.74

Interest on Deposits

13,290.25

\$ 2,634,358.99

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

COUNTY OF SALEM
TRUST FUND - OPEN SPACE AND FARMLAND PRESERVATION
Statement of Expenditures and Other Charges to Income--Regulatory Basis
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>			
Debt Service:					
Payment of Bond Principal	\$ 555,900.00	\$ 555,900.00	\$ 555,900.00		
Interest on Bonds	202,300.76	202,300.76	202,300.76		
Acquisition of Farmland	675,000.00	675,000.00	675,000.00		
	<u>\$ 1,433,200.76</u>	<u>\$ 1,433,200.76</u>	<u>\$ 1,433,200.76</u>	<u>-</u>	<u>-</u>

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

COUNTY OF SALEM
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Cash	SC-1	\$ 9,470,752.97	\$ 4,883,663.14
Dam Restoration Loan Receivable	SC-2	1,300,000.00	1,300,000.00
Grants Receivable	SC-6		3,000,000.00
Due from Current Fund	SC-3	4,110.31	
Deferred Charges to Future Taxation:			
Funded	SC-4	31,524,000.00	32,134,000.00
Unfunded	SC-5	10,531,384.00	8,445,364.00
		<u>\$ 52,830,247.28</u>	<u>\$ 49,763,027.14</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Reserve for County Aid Program	C	\$ 4,712.74	\$ 4,712.74
Accrued Interest on Bond Sale	C	158,547.15	158,547.15
Serial Bonds Payable	SC-7	30,224,000.00	30,834,000.00
Bond Anticipation Notes Payable	SC-10	10,531,000.00	7,645,000.00
Improvement Authorizations:			
Funded	SC-6	5,335,444.93	7,143,730.59
Unfunded	SC-6	3,112,361.55	1,074,380.00
Contracts Payable	SC-6	1,564,863.35	1,489,967.70
Dam Restoration Loan Payable	SC-9	1,300,000.00	1,300,000.00
Reserve for Payment of Debt	SC-2	111,628.60	
General Capital Fund Fund Balance	C	108,752.23	108,752.23
Capital Improvement Fund	SC-8	378,936.73	3,936.73
		<u>\$ 52,830,247.28</u>	<u>\$ 49,763,027.14</u>

There were Bonds and Notes authorized, but not issued in the amount of \$384.00 and \$800,364.00 for the years ended December 31, 2018 and 2017, respectively.

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

COUNTY OF SALEM
GENERAL FIXED ASSETS ACCOUNT GROUP
Statement of General Fixed Asset Groups of Accounts -- Regulatory Basis
For the Year Ending December 31, 2018

	Balance <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2018</u>
General Fixed Assets:				
Land and Buildings	\$ 22,110,931.36			\$ 22,110,931.36
Equipment and Vehicle	<u>14,040,343.00</u>	\$ 264,783.00	\$ 725,343.57	<u>13,579,782.43</u>
Total General Fixed Assets	<u>\$ 36,151,274.36</u>	<u>\$ 264,783.00</u>	<u>\$ 725,343.57</u>	<u>\$ 35,690,713.79</u>
Total Investment in General Fixed Assets	<u>\$ 36,151,274.36</u>	<u>\$ 264,783.00</u>	<u>\$ 725,343.57</u>	<u>\$ 35,690,713.79</u>

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

COUNTY OF SALEM
Notes to Financial Statements
For the Year Ended December 31, 2018

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The County of Salem 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 Salem County there are fifteen political subdivisions, consisting of one city, eleven townships and three boroughs. The population of the County of Salem according to the official 2010 census is 66,083.

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 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 of Salem are not presented in accordance with Governmental Accounting Standards Board (GASB) Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. If the provisions of the aforementioned GASB Statements had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the County, the primary government:

Salem County Improvement Authority
199 East Broadway
Salem, NJ 08079

Salem Community College
460 Hollywood Avenue
Carneys Point, NJ 08069

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

Special Services School
District of the County of Salem
328-B North Broadway
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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the County contain all funds and account groups in accordance with the *Requirements of Audit* (the "*Requirements*") 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* 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*, the County accounts for its financial transactions through the use of separate funds and an account group 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 Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Budgets and Budgetary Accounting - The County must adopt an annual budget for its current and open space and farmland preservation trust 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 eighteen 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. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the County requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

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 assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), 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 acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The County is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the County's basic financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

General Fixed Assets (Cont'd) - 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 include 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 is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures 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 an amount available for anticipation as revenue in future years' 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. Other amounts that are due to the County which are susceptible to accrual are recorded as receivables with offsetting reserves and recorded as revenue when received.

County Taxes - Every municipality within the County is responsible for levying, collecting and remitting county taxes for the County of Salem. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations for every municipality is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations for every municipality are charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

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

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled 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 year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital fund.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

For the year ended December 31, 2018, the County adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of adopting Statement No. 75, the County was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their postemployment benefits plan. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only required financial statement disclosures. There exists no impact on the financial statements of the County.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be recovered. Although the County does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the County in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the County relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2018, the County had bank balances of \$28,296,488.79 that were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 27,044,625.46
Uninsured and Uncollateralized	<u>1,251,863.33</u>
Total	<u><u>\$ 28,296,488.79</u></u>

Note 3: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

	<u>Year Ended</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County Tax Rate	\$ 1.164	\$ 1.141	\$ 1.066	\$ 0.980	\$ 0.947
County Open Space and Farmland Preservation Tax Rate	\$ 0.020	\$ 0.020	\$ 0.020	\$ 0.020	\$ 0.020

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2018	\$ 5,034,771,435
2017	4,934,856,756
2016	5,057,825,714
2015	5,265,472,749
2014	5,339,001,530

<u>Year</u>	<u>Tax Levy</u>	<u>Total Collections</u>	<u>Percentage of Collections</u>
2018	\$ 58,157,686	\$ 58,157,686	100.00%
2017	55,718,512	55,718,512	100.00%
2016	52,933,660	52,933,660	100.00%
2015	51,448,093	51,448,093	100.00%
2014	50,310,877	50,310,877	100.00%

Note 4: FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2018	\$ 6,184,691	\$ 4,016,681	64.95%
2017	4,442,739	3,579,189	80.56%
2016	2,293,158	1,890,173	82.43%
2015	4,725,780	3,365,558	71.22%
2014	6,928,995	4,415,186	63.72%

Note 5: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2018:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 2,286,116	\$ 1,991,411
Federal and State Grant		2,286,116
Open Space Trust	1,987,300	
General Capital	4,110	
	<u>\$ 4,277,527</u>	<u>\$ 4,277,527</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2019, the County expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 6: PENSION PLANS

A substantial number of the County's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several County employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Prudential Financial for 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, required supplementary information and detailed information about the PERS and PFRS plan's fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the County, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the County. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program 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 New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (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 \$5,000.00 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 \$5,000.00 annually.

Note 6: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the 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 21, 2010
- 4 Members who were eligible to enroll after May 21, 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.

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

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

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

Note 6: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Defined Contribution Retirement Program - 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

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10% in State fiscal year 2018. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The County's contractually required contribution rate for the year ended December 31, 2018 was 15.20% of the County's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2018, the County's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$1,802,833.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2017, the County's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$1,833,242.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$892,600.51.

Note 6: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the active member contribution rate was 10% in State fiscal year 2018. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The County's contractually required contribution rate for the year ended December 31, 2018 was 29.15% of the County's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2018, the County's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$3,054,255.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2017, the County's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$2,926,941.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$1,066,283.61.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the County, for the year ended December 31, 2018 was 3.25% of the County's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the County, to the pension plan for the year ended December 31, 2018 is \$340,079.00, and was payable by April 1, 2019. Based on the PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the County, to the pension plan for the year ended December 31, 2017 was \$285,964.00, which was paid on April 1, 2018.

Note 6: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Defined Contribution Retirement Program - The 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, 2018, employee contributions totaled \$47,594.32, and the County's contributions were \$25,959.98. There were no forfeitures during the year.

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

Public Employees' Retirement System - At December 31, 2018, the County's proportionate share of the PERS net pension liability was \$35,686,847.00. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. 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 employers, actuarially determined. For the June 30, 2018 measurement date, the County's proportion was 0.1812480983%, which was a decrease of -0.0166421710% from its proportion measured as of June 30, 2017.

At December 31, 2018, the County's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$1,694,916.00. This expense is not recognized by the County because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the County's contribution to PERS was \$1,833,242.00, and was paid on April 1, 2018.

Police and Firemen's Retirement System - At December 31, 2018, the County's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

County's Proportionate Share of Net Pension Liability	\$ 42,274,043.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the County	<u>5,742,230.00</u>
	<u>\$ 48,016,273.00</u>

Note 6: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. 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 employers and the State of New Jersey, actuarially determined. For the June 30, 2018 measurement date, the County's proportion was 0.3124086669%, which was a decrease of 0.0183122320% from its proportion measured as of June 30, 2017. Likewise, at June 30, 2018, the State of New Jersey's proportion, on-behalf of the County, was 0.3124086669%, which was a decrease of 0.0183122320% from its proportion, on-behalf of the County, measured as of June 30, 2017.

At December 31, 2018, the County's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$4,719,275.00. This expense is not recognized by the County because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the County's contribution to PFRS was \$2,926,941.00, and was paid on April 1, 2018.

At December 31, 2018, the State's proportionate share of the PFRS pension expense, associated with the County, calculated by the Plan as of the June 30, 2018 measurement date is \$340,079.00. This on-behalf expense is not recognized by the County because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2018, the County had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 680,554.00	\$ 430,083.00	\$ 1,110,637.00	\$ 184,013.00	\$ 174,940.00	\$ 358,953.00
Changes of Assumptions	5,880,601.00	3,628,658.00	9,509,259.00	11,410,756.00	10,834,107.00	22,244,863.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	334,744.00	231,277.00	566,021.00
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions	1,836,010.00	4,351,579.00	6,187,589.00	4,020,344.00	2,421,673.00	6,442,017.00
County Contributions Subsequent to the Measurement Date	901,417.00	1,527,128.00	2,428,545.00	-	-	-
	<u>\$ 9,298,582.00</u>	<u>\$ 9,937,448.00</u>	<u>\$ 19,236,030.00</u>	<u>\$ 15,949,857.00</u>	<u>\$ 13,661,997.00</u>	<u>\$ 29,611,854.00</u>

\$901,417.00 and \$1,527,128.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2019. These amounts were based on an estimated April 1, 2020 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2018 to the County's year end of December 31, 2018.

Note 6: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The County will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	5.00	-	5.00	-
June 30, 2016	5.00	-	5.00	-
June 30, 2017	-	5.00	-	5.00
June 30, 2018	-	5.00	-	5.00
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73

Note 6: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2019	\$ (45,574.00)	\$ 1,791,923.00	\$ 1,746,349.00
2020	(560,947.00)	(346,538.00)	(907,485.00)
2021	(2,959,235.00)	(3,267,693.00)	(6,226,928.00)
2022	(2,884,362.00)	(2,371,707.00)	(5,256,069.00)
2023	(1,102,574.00)	(1,057,662.00)	(2,160,236.00)
	<u>\$ (7,552,692.00)</u>	<u>\$ (5,251,677.00)</u>	<u>\$(12,804,369.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

Note 6: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2018 are summarized in the following table:

Note 6: **PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2018 was 5.66% for PERS and 6.51% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension Plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current Plan members through 2046 for PERS and through 2062 for PFRS; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2046 for PERS and through 2062 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Note 6: PENSION PLANS (CONT'D)**Sensitivity of County's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Public Employees' Retirement System (PERS) - The following presents the County's proportionate share of the net pension liability at June 30, 2018, the Plan's measurement date, calculated using a discount rate of 5.66%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease <u>(4.66%)</u>	Current Discount Rate <u>(5.66%)</u>	1% Increase <u>(6.66%)</u>
County's Proportionate Share of the Net Pension Liability	<u>\$ 44,872,098.00</u>	<u>\$ 35,686,847.00</u>	<u>\$ 27,981,009.00</u>

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the County's annual required contribution. As such, the net pension liability as of June 30, 2018, the Plan's measurement date, for the County and the State of New Jersey, calculated using a discount rate of 6.51%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	PFRS		
	1% Decrease <u>(5.51%)</u>	Current Discount Rate <u>(6.51%)</u>	1% Increase <u>(7.51%)</u>
County's Proportionate Share of the Net Pension Liability	\$ 56,578,561.00	\$ 42,274,043.00	\$ 30,475,422.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the County	<u>7,685,262.28</u>	<u>5,742,230.00</u>	<u>4,139,582.30</u>
	<u>\$ 64,263,823.28</u>	<u>\$ 48,016,273.00</u>	<u>\$ 34,615,004.30</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and PFRS, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

Note 6: PENSION PLANS (CONT'D)**Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the County's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Six Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
County's Proportion of the Net Pension Liability	0.1812480983%	0.1978902693%	0.2024000348%
County's Proportionate Share of the Net Pension Liability	\$ 35,686,847.00	\$ 46,065,692.00	\$ 59,945,085.00
County's Covered Payroll (Plan Measurement Period)	\$ 11,944,984.00	\$ 12,994,764.00	\$ 13,034,372.00
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	298.76%	354.49%	459.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
County's Proportion of the Net Pension Liability	0.1853809517%	0.1806080846%	0.1878411900%
County's Proportionate Share of the Net Pension Liability	\$ 41,614,309.00	\$ 33,814,773.00	\$ 35,900,184.00
County's Covered Payroll (Plan Measurement Period)	\$ 11,865,488.00	\$ 11,696,100.00	\$ 11,871,648.00
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	350.72%	289.11%	302.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note 6: **PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the County's Contributions - Public Employees' Retirement System (PERS) (Last Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
County's Contractually Required Contribution	\$ 1,802,833.00	\$ 1,833,242.00	\$ 1,798,093.00
County's Contribution in Relation to the Contractually Required Contribution	<u>(1,802,833.00)</u>	<u>(1,833,242.00)</u>	<u>(1,798,093.00)</u>
County's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll (Calendar Year)	\$ 11,859,101.00	\$ 11,933,090.00	\$ 12,842,076.00
County's Contributions as a Percentage of Covered Payroll	15.20%	15.36%	14.00%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
County's Contractually Required Contribution	\$ 1,593,779.00	\$ 1,488,907.00	\$ 1,415,345.00
County's Contribution in Relation to the Contractually Required Contribution	<u>(1,593,779.00)</u>	<u>(1,488,907.00)</u>	<u>(1,415,345.00)</u>
County's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll (Calendar Year)	\$ 12,843,561.00	\$ 12,136,471.00	\$ 11,652,247.00
County's Contributions as a Percentage of Covered Payroll	12.41%	12.27%	12.15%

Note 6: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the County's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Six Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
County's Proportion of the Net Pension Liability	0.3124086669%	0.3307208989%	0.3100319083%
County's Proportionate Share of the Net Pension Liability	\$ 42,274,043.00	\$ 51,056,913.00	\$ 59,224,025.00
State's Proportionate Share of the Net Pension Liability associated with the County	<u>5,742,230.00</u>	<u>5,718,804.00</u>	<u>4,973,349.00</u>
Total	<u>\$ 48,016,273.00</u>	<u>\$ 56,775,717.00</u>	<u>\$ 64,197,374.00</u>
County's Covered Payroll (Plan Measurement Period)	\$ 10,415,676.00	\$ 10,771,828.00	\$ 9,879,932.00
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	405.87%	473.99%	599.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
County's Proportion of the Net Pension Liability	0.3031406092%	0.2524046448%	0.2539736183%
County's Proportionate Share of the Net Pension Liability	\$ 50,492,659.00	\$ 31,750,163.00	\$ 33,763,501.00
State's Proportionate Share of the Net Pension Liability associated with the County	<u>4,428,037.00</u>	<u>3,418,959.00</u>	<u>3,147,167.00</u>
Total	<u>\$ 54,920,696.00</u>	<u>\$ 35,169,122.00</u>	<u>\$ 36,910,668.00</u>
County's Covered Payroll (Plan Measurement Period)	\$ 9,599,900.00	\$ 7,886,060.00	\$ 8,013,528.00
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	525.97%	402.61%	421.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

Note 6: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the County's Contributions - Police and Firemen's Retirement System (PFRS) (Last Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
County's Contractually Required Contribution	\$ 3,054,255.00	\$ 2,926,941.00	\$ 2,527,816.00
County's Contribution in Relation to the Contractually Required Contribution	<u>(3,054,255.00)</u>	<u>(2,926,941.00)</u>	<u>(2,527,816.00)</u>
County's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll (Calendar Year)	\$ 10,478,405.00	\$ 10,185,316.00	\$ 10,643,108.00
County's Contributions as a Percentage of Covered Payroll	29.15%	28.74%	23.75%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
County's Contractually Required Contribution	\$ 2,464,081.00	\$ 1,938,642.00	\$ 1,852,935.00
County's Contribution in Relation to the Contractually Required Contribution	<u>(2,464,081.00)</u>	<u>(1,938,642.00)</u>	<u>(1,852,935.00)</u>
County's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll (Calendar Year)	\$ 9,991,339.00	\$ 9,540,873.00	\$ 8,048,663.00
County's Contributions as a Percentage of Covered Payroll	24.66%	20.32%	23.02%

Note 6: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***Changes in Benefit Terms

None

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017 and 5.66% 2018.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

For 2015, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually.

Police and Firemen's Retirement System (PFRS)Changes in Benefit Terms

In 2017, Chapter 26, P.L. 2016 increased the accidental death benefit payable to children if there is no surviving spouse to 70% of final compensation.

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 6.32% 2014, 5.79% 2015, 5.55% 2016, 6.14% 2017 and 6.51% 2018.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, the mortality improvement scale incorporated the Plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter.

For 2015, demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study.

Note 7: COMPENSATED ABSENCES

Under existing policies of the County, upon retirement employees will receive one-half of the accumulated unused sick leave to a maximum of \$15,000.00. Unused accumulated vacation is paid for at straight time. A maximum of ten vacation days may be carried over at the end of the year unless approval to carryover more is granted.

The accumulated cost of unused sick and vacation time has not been recorded in the financial statements as presented, however at December 31, 2018, it is calculated that accrued unused sick and vacation time payable are valued at \$860,909.35.

The County has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2018, the balance of the fund was \$196,357.47.

Note 8: 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.

Note 9: LEASE OBLIGATIONS

At December 31, 2018, the County had lease agreements in effect for the following:

Operating:
 Office Space (Engineering Department)
 Seven (7) Copier Agreements
 County Jail

Future minimum lease payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 2,000,502
2020	65,925
2021	27,378
2022	1,245

Rental payments under operating leases for the year 2018 were \$2,143,299.11.

Note 10: CAPITAL DEBT**General Debt – Serial Bonds**

General Obligation Refunding Bonds, Series 2007, - On March 29, 2007, the County issued \$4,285,000.00 with interest rates varying from 3.500% to 5.000%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of bonds is December 1, 2019.

Governmental Loan Revenue Bonds, Series 2009 - On March 18, 2009, the County issued \$9,854,000.00 with interest rates varying from 4.000% to 5.000%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of bonds is March 15, 2019.

Governmental Obligation Bonds, Series 2011, - On May 18, 2011, the County issued \$6,300,000.00 with interest rates varying from 2.000% to 4.000%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of bonds is May 1, 2026.

County College Bonds, Series 2012 - On March 15, 2012, the County issued \$2,100,000.00 of County College bonds with interest rates ranging from 2.000% to 3.000%. The purpose of the bonds was to fund improvements at the County College. The final maturity of the bonds is March 15, 2022.

County College Bonds, Series 2014 - On June 19, 2014, the County issued \$2,700,000.00 of County College bonds with interest rates ranging from 2.000% to 3.250%. The purpose of the bonds was to fund improvements at the County College. The final maturity of the bonds is March 15, 2029.

General Obligation Refunding Bonds, Series 2014, - On June 27, 2014, the County issued \$2,700,000.00 with interest rates varying from 2.000% to 5.000%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of bonds is April 1, 2025.

Special Services Refunding School Bonds, Series 2015 - On May 1, 2015, the County issued \$3,885,000.00 of Special Services Refunding School bonds with interest rates ranging from 1.000% to 3.500%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of the bonds is October 1, 2028.

General Obligation Refunding Bonds, Series 2016, - On September 20, 2016, the County issued \$6,035,000.00 with interest rates varying from 2.000% to 4.000%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of bonds is March 15, 2029.

Governmental Obligation Bonds, Series 2016, - On October 5, 2016, the County issued \$6,949,000.00 with interest rates varying from 2.000% to 4.000%. The purpose of the bonds was to fund various capital projects in the County and Vocational and Technical School. The final maturity of bonds is October 1, 2032.

County College Bonds, Series 2018 - On June 20, 2018, the County issued \$2,600,000.00 of County College bonds with interest rates ranging from 3.000% to 3.250%. The purpose of the bonds was to fund improvements at the County College. The final maturity of the bonds is March 15, 2033.

The following schedules represents the remaining debt service, through maturity, for the general improvement bonds and loans:

Note 10: CAPITAL DEBT (CONT'D)

The following schedules represents the remaining debt service, through maturity, for the general improvement bonds and loans:

General Debt - Serial Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 3,029,000	\$ 942,536	\$ 3,971,536
2020	2,765,000	819,256	3,584,256
2021	2,845,000	724,291	3,569,291
2022	2,915,000	633,391	3,548,391
2023	2,745,000	535,178	3,280,178
2024-2028	12,020,000	1,357,644	13,377,644
2029-2033	3,905,000	211,981	4,116,981
	<u>\$ 30,224,000</u>	<u>\$ 5,224,275</u>	<u>\$ 35,448,275</u>

General Debt - Loans

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 31,205	\$ 13,000	\$ 44,205
2020	63,349	25,061	88,410
2021	64,622	23,787	88,410
2022	65,921	22,489	88,410
2023	67,246	21,164	88,410
2024-2028	357,057	84,991	442,048
2029-2033	394,413	47,635	442,048
2034-2036	256,188	9,041	265,229
	<u>\$ 1,300,000</u>	<u>\$ 247,168</u>	<u>\$ 1,547,168</u>

Note 10: CAPITAL DEBT (CONT'D)

The following schedule represents the County's summary of debt for the current and two previous years:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 42,055,000	\$ 39,779,000	\$ 46,177,722
Total Issued	<u>42,055,000</u>	<u>39,779,000</u>	<u>46,177,722</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	384	800,364	364
Total Authorized but not Issued	<u>384</u>	<u>800,364</u>	<u>364</u>
Total Issued and Authorized but not Issued	<u>42,055,384</u>	<u>40,579,364</u>	<u>46,178,086</u>
<u>Deductions</u>			
General:			
Open Space Funds Held to Pay Bonds and Notes	3,604,671		
Accounts Receivable Chapter 12 County College Debt	2,890,000	215,000	6,643,722
Total Deductions	<u>6,494,671</u>	<u>215,000</u>	<u>6,643,722</u>
Net Debt	<u>\$ 35,560,713</u>	<u>\$ 40,364,364</u>	<u>\$ 39,534,364</u>

Summary of Statutory 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 statutory net debt of 0.719%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Debt Guaranteed by the County	\$ 10,677,453	\$ 10,677,453	
General Debt	42,055,384	6,494,671	\$ 35,560,713
	<u>\$ 52,732,837</u>	<u>\$ 17,172,124</u>	<u>\$ 35,560,713</u>

Net debt \$35,560,713.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$4,945,747,323.00, equals 0.719%.

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

2% of Equalized Valuation Basis (County)	\$ 98,914,946
Less: Net Debt	<u>35,560,713</u>
Remaining Borrowing Power	<u>\$ 63,354,233</u>

Note 11: COUNTY GUARANTEES

The County of Salem adopted resolutions in 2008 authorizing the guaranty for the Salem County Improvement Authority Correctional Facility Refunding Bonds of 2008. Bonds in the amount of \$3,780,000 were issued on April 9, 2008. At December 31, 2018, bonds in the amount of \$1,860,000 were outstanding. The final payment on these bonds is May 1, 2019. The County is the only participant in this authorization.

The County of Salem adopted resolutions in 2009 authorizing the guaranty for the Salem County Improvement Authority County Capital Improvement and Equipment Project Series 2009. Bonds in the amount of \$9,854,000 were issued on March 31, 2009. At December 31, 2018, bonds in the amount of \$455,000 were outstanding. The final payment on these bonds is March 15, 2019. The County is the only participant in this authorization.

The County of Salem adopted resolutions in 2016 authorizing the guaranty for the Salem County Improvement Authority County Lease Revenue Refunding Bonds (County Glass Blowing Project). Bonds in the amount of \$1,380,000 were issued on December 21, 2016. At December 31, 2018, bonds in the amount of \$1,345,000 were outstanding. The final payment on these bonds is April 15, 2028.

The County of Salem adopted resolutions in 2016 authorizing the guaranty for the Salem County Improvement Authority New Jersey Environmental Infrastructure Trust loans for the construction of Cell 11 of the landfill. Loans in the amount of totaling \$7,565,088.00 were issued on May 25, 2017. At December 31, 2018, loans in the amount of \$7,017,453.43 were outstanding. The final payment on these loans is March 1, 2036.

Note 12: OPEN SPACE AND FARMLAND 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 Salem County authorized the establishment of the Salem County Open Space and Farmland 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 purposed stated. Interest earned on the investment of these funds is credited to the Salem County Open Space and Farmland Preservation Trust Fund.

Note 13: TAX ABATEMENTS

Municipalities within the County are authorized to enter into property tax abatement agreements for commercial and industrial structures under N.J.S.A. 40A:21-1 (Chapter 441, P.L. 1991) known as the "Five Year Exemption and Abatement Law". Under this law, municipalities may grant property tax abatements for a period of five years from the date of completion of construction for the purpose of encouraging the construction of new commercial and industrial structures. The first calendar year following completion, 0 percent of taxes are due, and each subsequent calendar the percentage of taxes due increases by 20 percent. During the 6th calendar year, 100 percent of taxes are assessed and due. The property owner agrees that the payment in lieu of taxes shall be made to the municipality in quarterly installments on those dates when real estate tax payments are due. Failure to make timely payments shall result in interest being assessed at the highest rate permitted for unpaid taxes and a real property tax lien on the land.

For 2018, the Abstract of Ratables for Salem County indicated 1 of 15 municipalities abated property taxes under this program. The total assessed value abated was \$19,560.00. At a County tax rate of \$1.164, \$227.68 of taxes would be considered abated.

Note 14: 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 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 deficiencies 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 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 \$215,000.00 was repaid to the County of Salem.

Subsequent to 1984 through December 31, 2018 the Authority has not requested any advances resulting from deficiencies or for any other purpose.

Note 15: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the County expects such amount, if any, to be immaterial.

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 exceed applicable insurance coverages.

Note 16: CONCENTRATIONS

The County depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the County is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 17: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

A. COUNTY OF SALEM HEALTH BENEFITS PLAN

Plan Description and Benefits Provided - The County provides postretirement health care benefits through a health plan for retirees, which includes a medical and prescription plan. The County's plan provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: 1) retirement on a disability pension, 2) 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, 3) retirement at age 62 or older with at least 15 years of service with the County (adopted 1/17/2007, revised 7/17/2013), 4) retirement with 25 years or more of service credit in a state or locally-administered retirement system, provided the retiring employee was employed by the County as of August 1, 1991. Years of service are calculated based upon elapsed time. The plan is administered by the County; therefore, premium payments are made directly to the insurance carriers.

Employees Covered by Benefit Terms - As of December 31, 2018, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	209
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	421
	630

Total OPEB Liability

The County's total OPEB liability of \$351,467,531.00 was measured as of December 31, 2018 and was determined by an actuarial valuation as of this same date.

Actuarial Assumptions and Other Inputs - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.00%
Discount Rate	3.80%
Healthcare Cost Trend Rates	Year 1 Trend - 8.0%
	Ultimate Trend - 5.0%
	Grading Per Year - 0.5%
Retirees' Share of Benefit-Related Costs	0% - the County pays 100%
	of the benefit cost for retirees
	and their dependents.

The discount rate was based on an average of the Bond Buyer 20 Index, S&P Municipal Bond 20 Year High Grade Rate Index, and Fidelity GA AA 20 Years as of December 31, 2018.

Note 17: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. COUNTY OF SALEM HEALTH BENEFITS PLAN (CONT'D)****Actuarial Assumptions and Other Inputs (Cont'd)** - Mortality rates were based on the following:

RP-2014 Combined Healthy Male and Female Mortality Rates with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2018.

An experience study was not performed on the actuarial assumptions used in the December 31, 2018 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables either issued by the Society of Actuaries (SOA) or developed for the applicable State Pension system in which the County participates. The actuary has used their professional judgement in applying these assumptions to this Plan.

Changes in Total OPEB Liability

Balance at December 31, 2017		\$ 338,153,243.00
Changes for the Year:		
Service Cost	\$ 5,207,943.00	
Interest Cost	12,761,378.00	
Benefit Payments	(4,655,033.00)	
Changes in Assumptions	-	
Difference Between Expected and Actual Experience	<u>-</u>	
Net Changes		<u>13,314,288.00</u>
Balance at December 31, 2018		<u><u>\$ 351,467,531.00</u></u>

There were no noted changes of benefit terms or changes of assumptions and other inputs for the 2018 computational year.

Sensitivity of Total OPEB Liability to Changes in Discount Rate - The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage -point lower or 1-percentage-point higher than the current discount rate:

	1.00% Decrease (2.80%)	Current Discount Rate (3.80%)	1.00% Increase (4.80%)
Total OPEB Liability	<u>\$ 463,912,939.00</u>	<u>\$ 351,467,531.00</u>	<u>\$ 274,916,288.00</u>

Note 17: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. COUNTY OF SALEM HEALTH BENEFITS PLAN (CONT'D)**

Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates - The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1.00%</u> <u>Decrease</u>	<u>Healthcare</u> <u>Cost Trend</u> <u>Rate</u>	<u>1.00%</u> <u>Increase</u>
Total OPEB Liability	<u>\$ 263,482,217.00</u>	<u>\$ 351,467,531.00</u>	<u>\$ 477,497,680.00</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2018, the accrued OPEB expense was \$17,969,321.00. This accrued expense is not recognized by the County because of the regulatory basis of accounting as described in note 1. For the year ended December 31, 2018, the County did recognize \$4,655,033.00 in benefit payments as an expense. As of December 31, 2018, the County reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

Supplementary OPEB Information

In accordance with GASBS No. 75, the following information is also presented for the County's OPEB Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the State's Proportionate Share of the net OPEB Liability Associated with the County**Total OPEB Liability**

Service Cost	\$ 5,207,943.00
Interest Cost	12,761,378.00
Benefit Payments	(4,655,033.00)
Changes in Assumptions	-
Difference Between Expected and Actual Experience	-
	<hr/>
Net Change in Total OPEB Liability	13,314,288.00
Total OPEB Liability - Beginning of Year	<u>338,153,243.00</u>
Total OPEB Liability - End of Year	<u>\$ 351,467,531.00</u>
Covered-Employee Payroll	\$ 26,734,753.00
Total OPEB Liability as a Percentage of Covered-Employee Payroll	1314.65%

Note 17: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. COUNTY OF SALEM HEALTH BENEFITS PLAN (CONT'D)****Other Notes to Supplementary OPEB Information**

Changes of Benefit Terms:

None

Changes of Assumptions:

None

B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN**General Information about the OPEB Plan**

Plan Description and Benefits Provided – In addition to the County provide postemployment benefits to its retirees, the State of New Jersey (the “State”) provides benefits to certain County retirees and their dependents under a special funding situation as described below.

The State of New Jersey, on-behalf of the County, contributes to the State Health Benefits Local Government Retired Employees Plan (the “Plan”), which is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits’ (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug benefit coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

Note 17: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

Plan Description and Benefits Provided (Cont'd) - In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB plan.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, the County is considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the County does not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the County is required disclose:

- a) the State's proportion (percentage) of the collective net OPEB liability that is associated with the County,
- b) the State's proportionate share of the collective net OPEB liability that is associated with the County, and
- c) the State's proportionate share of the OPEB expense that is associated with the County.

Note 17: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

Contributions (Cont'd) - The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the County, is not known, however, under the Special Funding Situation, the State's OPEB expense, on-behalf of the County, is \$1,158,416.00 for the year ended December 31, 2018 representing 11.06% of the County's covered payroll.

OPEB Liability and OPEB Expense

OPEB Liability - At December 31, 2018 the State's proportionate Share of the Net OPEB liability associated with the County is \$38,267,961.00. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018.

The State's proportion of the net OPEB liability, on-behalf of the County, was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2017 through June 30, 2018. For the June 30, 2018 measurement date, the State's proportion on-behalf of the County was 0.615850% which was a increase of 0.008701% from its proportion measured as of the June 30, 2017 measurement date.

OPEB Expense - At December 31, 2018, the State's proportionate share of the OPEB expense associated with the County, calculated by the Plan as of the June 30, 2018 measurement date, is \$1,158,416.00. This on-behalf expense is not recognized by the County because of the regulatory basis of accounting as described in note 1.

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2018 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
Through 2026	1.65% - 8.98%
Thereafter	2.65% - 9.98%

* Salary Increases are Based on the Defined Benefit Plan that the Member is Enrolled in and his or her Age.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Note 17: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Actuarial Assumptions (Cont'd)**

Certain actuarial assumptions used in the July 1, 2017 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

100% of active members are considered to participate in the Plan upon retirement.

All of the Plan's investments are in the State of New Jersey Cash Management Fund ("CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. Government and Agency Obligations, Commercial Paper, Corporate Obligations and Certificates of Deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB Liability at June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the State. The source is 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Sensitivity of the net OPEB Liability to Changes in the Discount Rate

As previously mentioned, the OPEB Plan has a special funding situation where the State of New Jersey pays the County's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2018, the Plans measurement date, calculated using a discount rate of 3.87%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the County	\$ 44,898,436.30	\$ 38,267,961.00	\$ 32,971,713.47

Note 17: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The net OPEB Liability as of June 30, 2018, the Plans measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<u>1%</u> <u>Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rates</u>	<u>1%</u> <u>Increase</u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the County	\$ 31,921,613.83	\$ 38,267,961.00	\$ 46,481,076.71

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about the Plan, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Note 17: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Supplementary OPEB Information**

In accordance with GASB 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the State's Proportionate Share of the net OPEB Liability Associated with the County (Last 2 Years) –

	<u>Measurement Date Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
County's Proportion of the Net OPEB Liability	0.000000%	0.000000%
State's Proportion of the Net Pension Liability Associated with the County	<u>100.000000%</u>	<u>100.000000%</u>
	<u>100.000000%</u>	<u>100.000000%</u>
County's Proportionate Share of the Net OPEB Liability	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the County	<u>38,267,961.00</u>	<u>52,794,114.00</u>
Total	<u>\$ 38,267,961.00</u>	<u>\$ 52,794,114.00</u>
County's Covered Payroll (Plan Measurement Period)	\$ 10,135,752.00	\$ 10,441,485.00
County's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	377.554%	505.619%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%	1.03%

The amount of actual contributions that the State made on-behalf of the County is not known.

Other Notes to Supplementary OPEB Information**Changes in Benefit Terms - None**

Changes in Assumptions – In 2017, the discount rate changed to 3.58% from 2.85%. In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

Note 18: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The County maintains commercial insurance coverage for property, general liability, automobile liability, automobile physical damage, cyber liability, excess worker's compensation, pollution, storage tanks, railroad, blanket surety bonds, accident and health, excess and umbrella (GL/LEL/PEML/PEEPL) etc.

New Jersey Unemployment Compensation Insurance - The County has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the County is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The County is billed quarterly for amounts due to the State.

The following is a summary of County contributions, reimbursements to the State for benefits paid and the ending balance of the County's trust fund for the current and previous two years:

<u>Year</u>	<u>Trust Fund</u>			<u>Current Fund</u>
	<u>County Contributions</u>	<u>Interest Earnings</u>	<u>Ending Balance</u>	<u>Amount Reimbursed</u>
2018	-	\$ 0.12	\$ 44.16	\$ 37,788.35
2017	-	0.04	44.04	138,299.59
2016	-		44.00	88,905.30

Self-Insurance Plan - 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, 2018, the estimated payable for the workers' compensation insurance was \$297,370, 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 \$530,000, the amount that the records of the administrator of the plan show as the estimated maximum amount of potential claims reported, at December 31, 2018. 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, 2018. 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 2019 or future budgets. At December 31, 2018, the balances of the plans were as follows:

<u>Insurance Plan</u>	<u>Amount</u>
Reserve for Workers' Compensation - Trust Fund	\$ 18,446.79
Reserve for Self Insurance - Trust Fund	63,408.69
Hospitalization - Trust Fund	1.38

Note 19: SUBSEQUENT EVENTS

Authorization of Debt – Subsequent to December 31, the County authorized additional bond or notes as follows:

<u>Purpose</u>	<u>Date</u>	<u>Authorization</u>
Guaranty Payment of Principal of and Interest on County Guaranteed Solid Waste Revenue Bonds or Project Notes (Landfill Expansion Project-Phase II)	3/20/2019	\$ 8,900,000.00
Capital Improvements at and for certain facilities of Salem Community College	4/18/2019	1,500,000.00
Various Capital Improvements by and in the County of Salem	4/18/2019	5,714,283.00

Salem County Court Facilities

The County of Salem is currently in litigation with the Superior Court Vicinage 15 for improvement/construction to the Salem County facilities. By Order, the Superior Court may compel the County to make the improvements. It is anticipated that the estimated cost of the proposed improvements ordered by the Courts may range from \$30,000,000 to \$40,000,000. The design and construction of the proposed improvements will be mandated to start immediately following a decision of the appointed mediators.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

COUNTY OF SALEM
CURRENT FUND
Statement of Current Cash
Per N.J.S.A. 40A:5-5--Treasurer
For the Year Ended December 31, 2018

Balance December 31, 2017		\$	9,478,791.75
Increased by Receipts:			
County Taxes Receivable	\$ 58,351,428.04		
Revenue Accounts Receivable	18,275,919.07		
Miscellaneous Revenue Not Anticipated	2,411,785.85		
Federal and State Grants Receivable	12,352,639.49		
Mortgages Receivable	30,388.88		
Due from Trust Other Fund	287.85		
Due Open Space Trust	2,000,000.00		
Reimbursements:			
2018 Appropriations	2,671,175.76		
Federal and State Grants Appropriated	<u>525,077.32</u>		
			<u>96,618,702.26</u>
			106,097,494.01
Decreased by Disbursements:			
2018 Budget Appropriations	75,376,742.48		
2017 Budget Appropriations	2,552,544.17		
Reserve for Federal and State Grants - Appropriated	<u>14,582,537.46</u>		
			<u>92,511,824.11</u>
Balance December 31, 2018		\$	<u><u>13,585,669.90</u></u>

COUNTY OF SALEM
CURRENT FUND
 Statement of County Taxes Receivable
 For the Year Ended December 31, 2018

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>2018</u> <u>Tax Levy</u>	<u>Added/Omitted</u> <u>County Taxes</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Alloway Township		\$ 3,401,949.86	\$ 34,176.91	\$ 3,401,949.86	\$ 34,176.91
Carneys Point Township	\$ 32,085.12	6,899,688.62	92,845.22	6,931,773.74	92,845.22
Elmer Borough	465.94	1,265,622.26	3,499.92	1,266,088.20	3,499.92
Elsinboro Borough		1,208,581.10	2,174.41	1,210,755.51	
Lower Alloways Creek Township		3,457,674.80	5,917.88	3,463,592.68	
Mannington Township		2,146,659.29	9,173.90	2,155,833.19	
Oldmans Township		2,915,253.73	46,432.13	2,961,685.86	
Penns Grove Borough		1,469,987.51	1,568.45	1,471,555.96	
Pennsville Township		12,323,976.31	20,540.86	12,344,517.17	
Pilesgrove Township	15,161.93	5,134,603.28	17,433.49	5,149,765.21	17,433.49
Pittsgrove Township	13,612.72	7,656,721.63	52,358.86	7,670,334.35	52,358.86
Quinton Township		2,062,358.03	8,329.38	2,070,687.41	
Salem City		1,592,128.08		1,592,128.08	
Upper Pittsgrove Township		3,573,585.82	32,038.79	3,605,624.61	
Woodstown Borough		3,048,896.00	6,240.21	3,055,136.21	
	<u>\$ 61,325.71</u>	<u>\$ 58,157,686.32</u>	<u>\$ 332,730.41</u>	<u>\$ 58,351,428.04</u>	<u>\$ 200,314.40</u>
		County Taxes		\$ 58,157,686.32	
		County Added and Omitted Taxes		<u>193,741.72</u>	
				<u>\$ 58,351,428.04</u>	

COUNTY OF SALEM
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2018

	<u>Accrued</u>	<u>Collected</u>	<u>Balance Dec. 31, 2018</u>
Miscellaneous Revenues Anticipated:			
Local Revenues:			
County Clerk	\$ 453,000.00	\$ 453,000.00	
Surrogate	71,715.47	71,715.47	
Sheriff	59,000.00	59,000.00	
Office on Aging	15,665.00	15,665.00	
SCIA	212,000.00	212,000.00	
Interest on Investments and Deposits	108,986.99	108,986.99	
Constitutional Officers Salary Reimbursement	96,200.00		\$ 96,200.00
Refunds - Public Health Department	37,684.00	37,684.00	
Planning Board - Development Review Fees	30,219.00	30,219.00	
Due from Lower Alloways Creek Township	2,195,000.00	2,195,000.00	
One Stop Administration/Rent	41,275.96	41,275.96	
Bail Forfeiture	14,413.00	14,413.00	
Home Detention	19,900.78	19,900.78	
Jail Miscellaneous	152,847.17	152,847.17	
County Dispatch Services:			
Elmer Borough	10,700.00	10,700.00	
Woodstown Borough	32,000.00	32,000.00	
City of Salem	129,010.00	129,010.00	
Lower Alloways Creek	39,795.30	39,795.30	
Pennsville	135,000.00	135,000.00	
Carneys Point	105,000.00	105,000.00	
Penns Grove	155,000.00	155,000.00	
Inmate Health Reimbursement to Salem County	3,962.41	3,962.41	
Jail Telephone	47,230.92	47,230.92	
Fire School	55,615.00	55,615.00	
Revolving Loan Fund	4,096.47	4,096.47	
Meals on Wheels Rent	12,750.00	12,750.00	
State Prisoners	11,808.00	11,808.00	
Lease for Farmland	100.00	100.00	
Settlement	40,000.00	40,000.00	
State Aid:			
State Aid - County College Bonds (NJSA 18A:64A-22.6)	364,931.26	364,931.26	
Public Health Priority Funding - 1977	82,958.75	82,958.75	
Debt Service - State Aid (Type I) - Vocational Education Bonds	376,453.00	376,453.00	
State Assumption of Costs of County Social & Welfare Service & Psychiatric Facilities			
Social and Welfare Services (c.66,P.L. 1990):			
Supplemental Social Security Income	229,363.00	229,363.00	
Psychiatric Facilities (c.73,P.L. 1990):			
Maintenance of Patients in State Institutions for Mental Diseases	992,382.00	992,382.00	
Maintenance of Patients in State Institutions for Mentally Retarded	1,601,770.00	1,601,770.00	
Board of County Patients in State and Other Institutions	11,245.50	11,245.50	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of			
Local Government Services - Other Special Items			
Salem County Area Office on Aging	58,000.00	58,000.00	
Salem County Bus Service - NJ Transit Contract	1,536,799.48	1,536,799.48	
County Welfare Office - Social Services	82,648.29	82,648.29	
Rent - Agriculture Building	92,925.00	92,925.00	
Board of Male Inmates in County Jail	7,360,886.57	7,360,886.57	
Board of Federal Inmates in County Jail	352,264.54	352,264.54	
Gloucester County Alternative Youth Shelter Beds	73,240.00	73,240.00	
Rent Communication Tower	19,500.00	19,500.00	
Title Section IV-D Reimbursement for State of NJ	284,496.84	284,496.84	
BOSS Reimbursements and Administrative Fees	206,338.00	206,338.00	
Additional Fees:			
County Clerk	177,091.59	177,091.59	
County Sheriff	178,849.78	178,849.78	
	<u>\$ 18,372,119.07</u>	<u>\$ 18,275,919.07</u>	<u>\$ 96,200.00</u>

COUNTY OF SALEM
CURRENT FUND
Statement of 2017 Appropriation Reserves
For the Year Ended December 31, 2018

	<u>Balance Dec. 31, 2017</u>			<u>Balance After</u>	<u>Paid or</u>	<u>Balanced</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>Transfers</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed to</u> <u>Fund Balance</u>
General Government						
Administrative and Executive						
Board of Chosen Freeholders						
Salaries and Wages		\$ 4,574.00		\$ 4,574.00	\$ 1,353.24	\$ 3,220.76
Other Expenses	\$ 11,057.00	30.00	\$ 300.00	11,387.00	11,229.57	157.43
Purchase Department and Inventory Control						
Salaries and Wages		3,424.00		3,424.00	2,060.01	1,363.99
Other Expenses	245.00	2,713.00		2,958.00	730.44	2,227.56
Clerk of the Board						
Salaries and Wages		4,710.00		4,710.00	3,351.48	1,358.52
Other Expenses	1,150.00	635.00		1,785.00	1,414.02	370.98
Grant Management						
Other Expenses	4,200.00	2,800.00		7,000.00		7,000.00
Personnel/HR						
Salaries and Wages		6,597.00		6,597.00	5,196.14	1,400.86
Other Expenses	14,604.00	3,869.00	(3,900.00)	14,573.00	12,381.02	2,191.98
County Clerk						
Salaries and Wages		13,800.00		13,800.00	11,226.60	2,573.40
Other Expenses	424.00	1,418.00		1,842.00	693.00	1,149.00
Election Costs	19,543.00	25,457.00		45,000.00	19,543.00	25,457.00
Board of Elections						
Salaries and Wages		6,593.00		6,593.00	6,145.36	447.64
Other Expenses	42,074.00	493.00	1,000.00	43,567.00	36,497.55	7,069.45
County Treasurer's Office						
Salaries and Wages		6,470.00	3,900.00	10,370.00	10,303.50	66.50
Other Expenses	291.00	1,760.00		2,051.00	663.43	1,387.57
Bond Cost	3,000.00	3,110.00		6,110.00	1,500.00	4,610.00
Information Technology						
Other Expenses	48,562.00	141.00		48,703.00	48,561.62	141.38
County Adjuster's Office						
Other Expenses	25.00	5.00	350.00	380.00	192.18	187.82
Board of Taxation						
Salaries and Wages		3,992.00		3,992.00	3,026.17	965.83
Other Expenses	127.00	408.00		535.00	217.98	317.02
County Counsel						
Salaries and Wages		5,450.00		5,450.00	3,839.77	1,610.23
Other Expenses	278.00		3,300.00	3,578.00	1,782.69	1,795.31
County Surrogate						
Salaries and Wages		7,899.00		7,899.00	6,654.51	1,244.49
Other Expenses	3,383.00	141.00		3,524.00	3,435.86	88.14
Engineer						
Salaries and Wages		8,558.00		8,558.00	5,057.92	3,500.08
Other Expenses	3,425.00	11,475.00	22,829.24	37,729.24	7,592.34	30,136.90
Economic Development Office						
Salaries and Wages		699.00		699.00	588.22	110.78
Other Expenses	6,511.00	2,181.00		8,692.00	3,187.54	5,504.46

(Continued)

COUNTY OF SALEM
CURRENT FUND
Statement of 2017 Appropriation Reserves
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017		Transfers	Balance After Transfers	Paid or Charged	Balanced Lapsed to Fund Balance
	Encumbered	Reserved				
General Government						
Labor Counsel						
Other Expenses	\$ 560.00	\$ 11,844.00		\$ 12,404.00	\$ 1,383.20	\$ 11,020.80
Special Counsel						
Other Expenses		1,604.00		1,604.00	1,000.00	604.00
Cultural Heritage Commission						
Salaries and Wages		699.00		699.00	588.21	110.79
Other Expenses	1,687.00	73.00		1,760.00	1,717.76	42.24
Land Use Administration						
County Planning Board (R.S. 40:27-3)						
Salaries and Wages		2,332.00		2,332.00	1,126.02	1,205.98
Other Expenses	8,312.00	1,137.00		9,449.00	7,756.00	1,693.00
Code Enforcement and Administration						
Weights and Measures						
Salaries and Wages		1,836.00		1,836.00	1,553.46	282.54
Other Expenses	1.00	135.00		136.00	7.00	129.00
Insurance						
Workmen's Compensation		201,692.00		201,692.00		201,692.00
Other Insurance Premiums	748.00	45,757.00		46,505.00		46,505.00
Self-Insurance AL/GL		15,207.00		15,207.00		15,207.00
Group Insurance Dental	21,058.00	15,266.00		36,324.00	18,513.69	17,810.31
Group Insurance Hospitalization	5,320.00	738,216.00		743,536.00	214,420.89	529,115.11
Post Retirement Health Benefits	1,053.00	3,453.00		4,506.00	2,628.82	1,877.18
Contribution to:						
State Disability Insurance		74,689.00		74,689.00		74,689.00
Public Safety Functions						
"9-1-1"						
Salaries and Wages		75,104.00		75,104.00	54,733.23	20,370.77
Other Expenses	71,763.00	422.00		72,185.00	70,704.75	1,480.25
Department of Emergency Services						
Salaries and Wages		42,825.00		42,825.00	7,643.53	35,181.47
Other Expenses:						
Miscellaneous Other Expenses	2,533.00	331.00		2,864.00	2,518.72	345.28
Sheriff's Office						
Salaries and Wages		88,419.00		88,419.00	58,119.78	30,299.22
Other Expenses	27,054.00	4,260.00		31,314.00	29,003.86	2,310.14
Jail						
Salaries and Wages		666,009.00		666,009.00	374,034.10	291,974.90
Other Expenses	406,380.00	39,183.00		445,563.00	401,753.02	43,809.98
Bail Forfeitures	7,500.00			7,500.00	7,500.00	
Inmate Medical	98,547.00	218,247.00		316,794.00	99,565.88	217,228.12
Alternative Youth Shelter						
Contractual - Ranch Hope	47,754.00	47,755.00		95,509.00	95,508.66	0.34
Prosecutor's Office						
Salaries and Wages		126,948.00		126,948.00	126,947.91	0.09
Other Expenses	24,617.00	1,826.00		26,443.00	26,312.37	130.63
County Medical Examiner						
Other Expenses:						
Miscellaneous		753.00		753.00	358.05	394.95
Juvenile Detention and Domestic Relations Court						
Other Expenses	24,700.00	196,437.00		221,137.00	71,609.39	149,527.61

(Continued)

COUNTY OF SALEM
CURRENT FUND
Statement of 2017 Appropriation Reserves
For the Year Ended December 31, 2018

	<u>Balance Dec. 31, 2017</u>			<u>Balance After</u>	<u>Paid or</u>	<u>Balanced</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>Transfers</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed to</u> <u>Fund Balance</u>
<u>Public Works Functions</u>						
Street and Road Maintenance						
Roads and Bridges						
Salaries and Wages		\$ 32,475.00	\$ 2,500.00	\$ 34,975.00	\$ 34,869.14	\$ 105.86
Other Expenses	\$ 28,990.00	247.00		29,237.00	23,138.02	6,098.98
Facilities Management						
Salaries and Wages		22,962.00		22,962.00	19,544.86	3,417.14
Other Expenses	48,479.00	12,983.00		61,462.00	40,638.61	20,823.39
Snow Removal		2,037.00		2,037.00		2,037.00
Mosquito Extermination Commission (R.S. 26:9-13 et seq)	24,999.00	5,319.00		30,318.00	16,534.44	13,783.56
Vehicle Maintenance	13,391.00	61.00	5,500.00	18,952.00	14,174.31	4,777.69
<u>Health and Human Services</u>						
War Veterans Burial And Grave Decorations						
Other Expenses	3,150.00	99.00		3,249.00	3,230.22	18.78
Salem Area Office on Aging						
Salaries and Wages		2,600.00		2,600.00	1,496.22	1,103.78
Other Expenses	24.00	71.00		95.00	93.00	2.00
County Health Service - Interlocal Agreement (40:8A-1 et seq)						
Salaries and Wages		19,409.00		19,409.00	12,382.34	7,026.66
Nursing Services	6,945.00	672.00		7,617.00	6,471.47	1,145.53
Administration	55,271.00	6,675.00		61,946.00	61,836.65	109.35
Environmental	2,862.00	521.00		3,383.00	2,201.34	1,181.66
Commission on Women						
Other Expenses		1,350.00		1,350.00	1,350.00	
Maintenance of Patients in State Institutions						
Mental Diseases						
Local Share		10,306.00		10,306.00		10,306.00
<u>Parks and Recreation</u>						
Parks and Playgrounds						
Other Expenses		130.00		130.00		130.00
<u>Educational</u>						
Salem County Community College		28,827.00		28,827.00		28,827.00
Educational Programs for Employees						
Salaries and Wages		377.00		377.00	299.45	77.55
Reimbursements for Residents Attending Out-of- County Two Year Colleges (N.J.S.18A:64A-23)	1,266.00	103,651.00		104,917.00	104,916.67	0.33
County Extension Service - Farm and Home						
Demonstrations						
Salaries and Wages		4,834.00		4,834.00	3,263.04	1,570.96
Other Expenses		8,213.00		8,213.00	14.86	8,198.14
Office of County Superintendent of Schools						
Salaries and Wages		3,286.00		3,286.00	2,394.42	891.58
Other Expenses	997.00	603.00		1,600.00	1,158.57	441.43

(Continued)

COUNTY OF SALEM
CURRENT FUND
Statement of 2017 Appropriation Reserves
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017		Transfers	Balance After Transfers	Paid or Charged	Balanced Lapsed to Fund Balance
	Encumbered	Reserved				
<u>Unclassified</u>						
Veterans' Service Bureau						
Salaries and Wages		\$ 1,224.00		\$ 1,224.00	\$ 1,049.52	\$ 174.48
Other Expenses	\$ 29.00	48.00		77.00	50.00	27.00
Community Bus Service						
Salaries and Wages		18,504.00		18,504.00	12,180.15	6,323.85
Other Expenses	1,161.00	91.00		1,252.00	1,160.81	91.19
Printer Maintenance						
Other Expenses	1,000.00	3,396.00		4,396.00	1,001.00	3,395.00
Real Estate Tax						
Other Expenses		2,462.00		2,462.00		2,462.00
Utilities	201,238.00	17,096.00	\$ 60,000.00	278,334.00	273,969.91	4,364.09
<u>State and Federal Programs Off-set by Revenues:</u>						
Matching Funds for Grants		131,387.00		131,387.00	131,287.00	100.00
<u>Deferred Charges and Statutory Expenditures:</u>						
Prior Year Bills		8,700.00		8,700.00		8,700.00
Contribution to:						
Public Employees Retirement System		22,841.00		22,841.00	18,520.51	4,320.49
Social Security System (O.A.S.I.)		101,957.00	(95,779.24)	6,177.76	1,304.00	4,873.76
Police and Fireman's Retirement System		3,486.00		3,486.00	3,485.99	0.01
DCRP		1,252.00		1,252.00		1,252.00
Unemployment Insurance	16,042.79	439.79		16,482.58	16,042.96	439.62
TOTAL	\$ 1,314,330.79	\$ 3,332,452.79	-	\$ 4,646,783.58	\$ 2,695,492.94	\$ 1,951,290.64
					Cash Disbursed by Current Fund	\$ 2,552,544.17
					Accounts Payable	142,948.77
						<u>\$ 2,695,492.94</u>

COUNTY OF SALEM
CURRENT FUND
Statement of Mortgages Receivable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$	410,621.00
Decreased by:		
Receipts		30,388.88
Balance December 31, 2018	\$	380,232.12

Exhibit SA-6

COUNTY OF SALEM
CURRENT FUND
Schedule of Reserve for Repair and Reconstruction of Roads, Bridges and Railroads
As of December 31, 2018

Balance December 31, 2018	\$	246,557.13
---------------------------	----	------------

COUNTY OF SALEM
FEDERAL AND STATE GRANT FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 784,298.66
Increased by:		
Grant Fund Expenditures Paid by Current Fund		14,582,537.46
		15,366,836.12
Decreased by:		
Receipts Deposited in Current Fund:		
Federal and State Grants Receivable	\$ 12,352,639.49	
Reimbursements - Federal and State Grants Appropriated	525,077.32	
Budget Appropriation - Overexpenditure of Grant Appropriated	7,692.80	
Grant Matching Funds	195,311.00	
		13,080,720.61
Balance December 31, 2018		\$ 2,286,115.51

COUNTY OF SALEM
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2018

	Balance <u>Dec. 31, 2017</u>	<u>Accrued</u>	<u>Received</u>	Balance <u>Dec. 31, 2018</u>
Federal Grants:				
Salem County Area Plan Grant	\$ 808,448.00	\$ 858,056.00	\$ 786,361.00	\$ 880,143.00
Sandy	7,500.00			7,500.00
Public Health Preparedness & Response for Bioterrorism	414,631.68	265,340.00	200,664.00	479,307.68
Multijurisdictional Narcotics Task Force Grant	153,193.00		130,779.06	22,413.94
Victims of Crime Act Grant Program (VOCA)	51,152.00	321,937.00	334,776.75	38,312.25
State of NJ - Department of Military & Veterans Affairs - Veterans Transportation Program	10,413.33	13,000.00	15,829.65	7,583.68
NJ Transportation Trust Fund Authority - Murphy's Bridge	1,000,000.00		750,000.00	250,000.00
Design of Hook Road	150,005.14			150,005.14
US Department of Agriculture - Rural Development - Enterprise Grant	10,841.00			10,841.00
Small Cities Housing Rehab	16,100.00			16,100.00
State Homeland Security Program (SHSP)	41,843.68	160,543.91	165,441.02	36,946.57
SJTPO - Salem Hancock's Bridge Road (CR 658)	2,711.00			2,711.00
NJ Transportation Trust Fund Authority - Jesse's Bridge	2,000,000.00			2,000,000.00
NJDCA - County-Wide Code Enforcement	250,000.00			250,000.00
New Jersey DOT - Cohansey Friesburg Road	1,067,152.67			1,067,152.67
New Jersey DOT - Woodstown Road	1,220,000.00			1,220,000.00
New Jersey DOT - Pennsville Auburn Road, County Road #551, Phase II	283,625.00			283,625.00
New Jersey DOT - Pennsville Auburn Road, County Road #551, Phase III	588,039.00			588,039.00
New Jersey DOT - Replacement of Centerton Bridge	1,000,000.00			1,000,000.00
New Jersey DOT - Harmersville- Pecks Road CR 667, Phase II (ARRA)	286,085.00			286,085.00
SJTPO - Salem County Roadway Striping Program, Phase II	243,830.00			243,830.00
SJTPO - Salem County Safety Projects in Penns Grove Township	65,686.00			65,686.00
Small Cites - ARC Parking Lot	279,308.00		258,219.46	21,088.54
HMEP Planning & Training	10,783.03			10,783.03
NJ Dept of Health - Seniors Farmers Market Nutrition Design Mill and Overlay	1,916,841.14	500.00 1,837,971.50	500.00 17,382.79	3,737,429.85
Federal Aid - Commissioner's Pike, CR #581, Phase IV	535,564.06			535,564.06
Federal Aid - Centerton Traffic Signal	34,785.00	1,621.99		36,406.99
CDBG Disaster Recovery (Greenville Bridge)	38,126.00			38,126.00
Wastewater Management Plan	83,795.10			83,795.10
Subregional Transportation Planning Program	120,841.44	34,400.00	23,698.82	131,542.62
Crop Insurance Education	339,879.00		339,879.00	
Tiger III	4,420,000.00		4,409,029.75	10,970.25
Victims of Crime (SART/SANE)		172,235.00	64,230.23	108,004.77
New Freedom (Section 5317)	1,168.00			1,168.00
New Jersey Transit Section 5311 (Section 5317)	261,832.00			261,832.00
Total Federal Grants	17,714,179.27	3,665,605.40	7,496,791.53	13,882,993.14

(continued)

COUNTY OF SALEM
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2018

	Balance <u>Dec. 31, 2017</u>	<u>Accrued</u>	<u>Received</u>	Balance <u>Dec. 31, 2018</u>
State Grants:				
Alcoholic Treatment Program				
#15-539-ADA-01	\$ 10,534.00			\$ 10,534.00
#16-539-ADA-01	59,292.00		\$ 31,592.00	27,700.00
#18-539-ADA-01		\$ 227,800.00	198,859.00	28,941.00
NJ Dept of Health - Right to Know	6,590.90	8,786.00	8,786.00	6,590.90
Bulletproof Vest Partnership	9,914.36			9,914.36
SCBG - ADA Grant Agreement #08-2115-00 - Johnson Building	73,618.00			73,618.00
Short Line Track Rehabilitation	9,146.89			9,146.89
County Environmental Health Act (CEHA)	156,707.68		152,707.68	4,000.00
N.J. Transit Dept. of Transportation - Short Line Track Rehab. Phase VI	1,891,127.00			1,891,127.00
Senior Citizen and Disabled Resident Transportation Program	646,408.67	332,284.00	535,931.45	442,761.22
FTA Small Urban & Rural Area Public Transportation (5311)	190,164.54	251,098.50	228,264.57	212,998.47
Municipal Alliance to Prevent Alcoholism & Drug Abuse	343,312.37	137,801.00	115,444.06	365,669.31
Alcohol & Drug Abuse Services	233,916.00			233,916.00
Early Intervention Program	20,407.00			20,407.00
EIP COLA Funds	9,983.00			9,983.00
Special Child Health and Early Intervention	32,811.00	41,018.00	31,822.00	42,007.00
Childhood Lead Exposure Prevention		381,101.00	224,067.00	157,034.00
Mental Health Administration	42,009.00			42,009.00
Juvenile Justice Commission Family Court Services	99,933.37	100,261.00	105,386.73	94,807.64
Juvenile Justice Commission State/Community Partnership	198,946.92	200,966.00	254,816.87	145,096.05
Justice Assistance Grant (JAG) - Megan's Law	3,648.00		3,648.00	
Prosecutor Insurance Fraud Reimbursement	59,162.27	249,232.16	233,816.39	74,578.04
Local Arts Program	4,685.00	46,843.00	46,843.00	4,685.00
MIPPA Outreach & Enrollment	47,500.00		47,500.00	
State Health Insurance Assistance Program (SHIP)	21,208.00	33,000.00	25,855.00	28,353.00
Local Bridges, Future Needs - Kings Highway, CR #620	815,234.00		246,397.39	568,836.61
2014 Co Aid Improvement (Willow Grove Dam)	1,009,669.82			1,009,669.82
State Rail Plan	7,456.83			7,456.83
NJ Dept of Transportation - County Aid - ATP	6,180,135.81	4,842,538.00	670,626.00	10,352,047.81
Local Freight Impact Fund		950,000.00		950,000.00
Local Bridges, Future Needs		3,259,308.00		3,259,308.00
State Aid Highway Project - 2017 County Aid Improvement Program	2,399,200.00			2,399,200.00
Emergency Housing Repair Fund	4,995.00			4,995.00
One Stop / WIA	236,240.60	609,411.00	566,115.88	279,535.72
NJ Dept of Emergency Management - RERP	182,718.47	302,006.85	366,112.98	118,612.34
Title IV-D	388,942.00	147,769.00	1,766.20	534,944.80
Mosquito Identification and Control Activities	293.13			293.13
Work First New Jersey - TANF	508,788.00	670,251.00	710,209.10	468,829.90
Clean Communities		500.00	500.00	
Salem County Railroad Rehabilitation Program		6,014,192.49		6,014,192.49
Workforce Development Partnership Program	707,027.00			707,027.00
PASP - Personal Assistance Services	1,852.34	11,114.10	12,040.16	926.28
Historical Commission Grant	3,577.00	14,310.00	15,740.50	2,146.50
Health & Wellness Foundation - 5311		74,949.50		74,949.50
Healthy Salem - Health Body		17,000.00	17,000.00	
Total State Grants	16,617,155.97	18,923,540.60	4,851,847.96	30,688,848.61
Other Grants:				
Atlantic City Electric - Fam Tour 2018	-	4,000.00	4,000.00	-
Total All Grants	\$ 34,331,335.24	\$ 22,593,146.00	\$ 12,352,639.49	\$ 44,571,841.75

COUNTY OF SALEM
FEDERAL AND STATE GRANT FUND
 Statement of Reserve for Federal and State Grants--Appropriated
 For the Year Ended December 31, 2018

Program	Balance Dec. 31, 2017		Transferred from 2018 Budget Appropriation	Transferred from 2018 Budget By 40A:4-87	Refunds	Disbursed	Encumbered	Balance Dec. 31, 2018
	Appropriated	Encumbered						
Federal Grants:								
Salem County Area Plan Grant	\$ 665,018.62	\$ 89,065.10	\$ 840,812.00	\$ 17,244.00	\$ 326.90	\$ 724,348.27	\$ 138,480.49	\$ 749,637.86
Public Health Preparedness & Response for Bioterrorism	231,038.11			265,340.00		266,956.65		229,421.46
Multijurisdictional Task Force								
Grant #DE 2-18-17	76,573.00	54,213.00				130,779.06		6.94
Victims of Crime Act Grant Program (VOCA)	36,773.00			201,043.00	62,467.00	219,950.15		80,332.85
CDBG Disaster Recovery (Greenville Bridge)	28,502.00							28,502.00
Cancer Education & Early Detection Program	83.97	6.92					6.92	83.97
Small Cities Housing Rehab	7,456.00							7,456.00
State Homeland Security Program (SHSP)	101,323.51	96,708.22		160,543.91	575.69	181,289.20	14,484.50	163,377.63
SJTPO - Salem Hancock's Bridge Road, PE (CR 658)	40,572.00							40,572.00
New Jersey DOT - Replacement of Centerton Bridge	1,000,000.00	69,675.02						1,069,675.02
New Jersey DOT - Pennsville-Auburn Rd, County Road #551, Phase II	286,674.00							286,674.00
New Jersey DOT - Cohansey Friesburg Road	260,582.48	322,303.26				142,726.32	190,202.08	249,957.34
New Jersey DOT - Woodstown Road	525,594.73	694,405.27				574,016.94	120,388.33	525,594.73
New Jersey DOT - Hook Road	74,631.00	1,246.24					1,246.24	74,631.00
New Jersey DOT - SC Mill & Overlay	1,781,720.86	148.28				992,716.88	162,471.80	626,680.46
New Jersey DOT - Pennsville Auburn Road, County Road #551, Phase III	588,038.64							588,038.64
New Jersey DOT - Harmersville- Pecks Road Cr 667, Phase II (ARRA)	286,085.00							286,085.00
New Jersey DOT - Salem County Mill and Overlay Resurfacing Program				1,837,971.50				1,837,971.50
SJTPO - Salem County Roadway Striping Program, Phase II	243,830.00							243,830.00
SJTPO - Salem County Safety Projects in Penn Grove Township	65,686.00							65,686.00
Federal Aid - Commissioner's Pike, CR #581, Phase III	535,565.59							535,565.59
Federal Aid - Centerton Traffic Signal		34,784.66		1,621.99		35,539.71		866.94
Subregional Transportation Planning Program	124,900.92	11,497.76		34,400.00	8,600.00	19,264.65	833.11	159,300.92
Tiger III	49,876.57	614,960.55				29,803.80	585,156.75	49,876.57
Crop Insurance Education	144,357.20				52,218.04	124,492.70		72,082.54
Victims of Crime (SART/SANE)	1,993.14	1,573.11		120,894.00	37,247.00	66,519.02		95,188.23
HMEP Planning & Training	2,052.77							2,052.77
Small Cities - ARC Parking Lot	33,483.29	65,349.17				56,002.42		42,830.04
Wastewater Management Plan	33,562.00							33,562.00
Total Federal Grants	7,245,587.40	2,055,936.56	840,812.00	2,639,058.40	161,434.63	3,564,405.77	1,213,270.22	8,165,153.00

(Continued)

COUNTY OF SALEM
FEDERAL AND STATE GRANT FUND
 Statement of Reserve for Federal and State Grants--Appropriated
 For the Year Ended December 31, 2018

Program	Balance		Transferred from 2018 Budget Appropriation	Transferred from 2018 Budget By 40A:4-87	Refunds	Disbursed	Encumbered	Balance Dec. 31, 2018
	Dec. 31, 2017 Appropriated	Encumbered						
State Grants:								
Comprehensive Alcohol								
#13-582-ADA-00	\$ 10,389.68							\$ 10,389.68
#14-582-ADA-00	12,005.29							12,005.29
#15-582-ADA-00	21,595.59							21,595.59
#16-582-ADA-00	27,699.71							27,699.71
#17-582-ADA-00	12,494.19	\$ 92,265.75			\$ 18,760.00	\$ 11,833.86		111,686.08
#18-582-ADA-00			\$ 227,800.00		17,835.00	139,642.64	\$ 77,927.00	28,065.36
Veterans Transportation	6,478.00	3,261.00		\$ 13,000.00		14,087.00	1,087.00	7,565.00
NJ Dept of Health - Right to Know	4,578.11			8,786.00		7,977.72		5,386.39
Mosquito Identification and Control Activities	4,443.40							4,443.40
New Jersey Department of Correction - MAT Grant	200,000.00					43,998.69		156,001.31
SCBG - ADA Grant Agreement #08-2115-00 Johnson Building	95,801.33							95,801.33
Short Line Track Rehabilitation Phase VI 2014	1,590,660.42	3,000,000.00				3,441,612.07	184,437.93	964,610.42
County Environmental Health Act (CEHA)	90,714.59				131,350.00	138,848.93		83,215.66
Senior Citizen and Disabled Resident Transportation Program	247,040.37	155,485.65	332,284.00			475,209.08	40,083.88	219,517.06
FTA Small Urban & Rural Area Public Transportation (5311)	349,539.86	32,652.12	251,098.50			194,277.64	9,750.00	429,262.84
Municipal Alliance to Prevent Alcoholism & Drug Abuse	204,674.44	3,277.84		137,801.00		127,415.66	4,823.71	213,513.91
Clean Communities		25.00		500.00		475.00	25.00	25.00
Special Child Health and Early Intervention	44,024.83	195.18		41,018.00	15,880.00	50,133.24		50,984.77
Childhood Lead Exposure Prevention Project			174,101.00	207,000.00		257,962.51	4,235.50	118,902.99
Juvenile Justice Commission Family Court Services	78,148.20	10,299.66	100,261.00			93,901.22		94,807.64
Juvenile Justice Commission State/Community Partnership	115,846.92	28,425.00	200,966.00			173,693.03		171,544.89
Juvenile Assistance Grant Program - Megan's Law	912.00					912.00		
Prosecutor Insurance Fraud Reimbursement	51,298.13		249,232.16			279,587.25		20,943.04
Prosecutor Victim Witness Advocacy	12,433.00		172,235.00		43,059.00	171,937.76		55,789.24
Local Arts Program	12,668.00	8,400.00	46,843.00			49,900.00	2,993.00	15,018.00
State Health Insurance Assistance Program (SHIP)	11,842.14	38.01	33,000.00			31,778.45		13,101.70
MIPPA Outreach & Enrollment	39,886.32	38.01				39,923.98		0.35
Healthy Communities Initiative	15,271.18	369.83				694.53		14,946.48
Body Armor Replacement - Sheriff	28,759.77	4,690.00				11,965.00	21,484.37	0.40
Body Armor Replacement - Prosecutor	3,827.18	1,295.00				5,122.18		
Medical Reserve Support	615.34							615.34
Project Lifesaver	17,000.65	33,000.00				49,854.30		146.35
USDOC - State Criminal Alien Assistance Program (SCAAP)	14,121.20	19.68				1,923.03	9,332.50	2,885.35
State Aid Highway Projects:								
County Aid improvement Program								
2012		325,650.06				143,480.54	182,169.52	
2013		650,225.40				218,637.92	431,587.48	
2014	2,198,501.86	1,219,818.92				938,052.12	1,426,947.88	1,053,320.78
2017	1,934,394.35	464,805.65				117,231.24	347,574.41	1,934,394.35
2018			4,842,538.00					4,842,538.00
NJ Transportation Trust Fund Authority - Murphy's Bridge	1,000,000.00					600,575.18	399,424.82	
Local Freight Impact Fund				950,000.00				950,000.00
NJDCA - Countywide Code Enforcement	250,000.00							250,000.00
NJ Transportation Trust Fund Authority - Jesse's Bridge	2,000,000.00							2,000,000.00
Salem County Railroad Rehabilitation Program				6,014,192.49				6,014,192.49
Local Bridges, Future Needs - Kings Highway, CR #620	137,060.64						192.79	136,867.85
Local Bridges, Future Needs - Lake Palantine 2012	239,870.75				136,758.69	11,708.60		364,920.84
Local Bridges, Future Needs				3,259,308.00		63,337.31		3,195,970.69
One Stop / WIA	225,005.53	55,605.53		609,411.00		818,823.31		71,198.75

(continued)

COUNTY OF SALEM
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants--Appropriated
For the Year Ended December 31, 2018

Program	Balance Dec. 31, 2017		Transferred from 2018 Budget	Transferred from 2018 Budget	Refunds	Disbursed	Encumbered	Balance Dec. 31, 2018
	Appropriated	Encumbered	Appropriation	By 40A:4-87				
State Grants (cont'd):								
Work First New Jersey - TANF	\$ 508,788.00			\$ 670,251.00		\$ 468,078.88		\$ 710,960.12
NJ Dept of Emergency Management - RERP		\$ 146,233.19	\$ 55,000.00	247,006.85		257,050.35		191,189.69
State Rail Plan	38,206.75							38,206.75
Workforce Development Partnership Program	707,027.00							707,027.00
PASP - Personal Assistance Services	926.15		11,114.10			12,040.15		0.10
Historical Commission Grant	5,077.00	3,833.00	14,310.00			19,660.00		3,560.00
Title IV-D	386,260.97			147,769.00				534,029.97
NJ Dept of Transportation - County Aid - ATP	4,730,000.00					1,389,910.82	\$ 675,817.13	2,664,272.05
Surface Water Quality Monitoring	20,000.00							20,000.00
Salem Wellness Foundation - Flu Clinics	130.80					130.80		
Bulletproof Vest Partnership	21,840.00							21,840.00
Senior Farmer Market Nutrition Program				500.00		500.00		
Right to Farm Activities Grant	8,452.15							8,452.15
Salem County AG Development Board	45,000.00					45,000.00		
Healthy Salem Healthy Body	3,839.08	897.94		17,000.00		10,079.91	1,094.88	10,562.23
Health & Wellness Foundation - Rec Park	45.63	7,970.00				7,970.00		45.63
Health & Wellness Foundation - Healthy Community Development	22,869.42	4,966.06				20,427.17	3,574.12	3,834.19
Health & Wellness Foundation - Alcohol & Drug Residential Services	23,434.00							23,434.00
Health & Wellness Foundation - Specialized Transportation	123,308.34	10,884.03				53,223.95	3,250.00	77,718.42
Health & Wellness Foundation - Preparedness	9.38	1,388.77				1,381.47		16.68
Health & Wellness Foundation - Chlorine Incident	277.50	1,890.00				2,167.50		
Health & Wellness Foundation - 5311			74,949.50					74,949.50
County Match			195,311.00					195,311.00
Total State Grants	17,955,095.14	6,267,906.28	6,981,043.26	12,323,543.34	\$ 363,642.69	11,014,133.99	3,827,812.92	29,049,283.80
Other Grants:								
Atlantic City Electric - Fam Tour 2018				4,000.00		3,997.70		2.30
Total Other Grants	-	-	-	4,000.00	-	3,997.70	-	2.30
Total All Grants	\$ 25,200,682.54	\$ 8,323,842.84	\$ 7,821,855.26	\$ 14,966,601.74	\$ 525,077.32	\$ 14,582,537.46	\$ 5,041,083.14	\$ 37,214,439.10

COUNTY OF SALEM
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants--Unappropriated
For the Year Ended December 31, 2018

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Federal</u> <u>and State</u> <u>Grants</u> <u>Receivable</u>	<u>Anticipated</u> <u>as</u> <u>Budgeted</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Federal Grants:				
Salem County Area Plan Grant		\$ 858,056.00	\$ 858,056.00	
Public Health Preparedness & Response for Bioterrorism		265,340.00	265,340.00	
Victims of Crime Act Grant Program (VOCA)		321,937.00	321,937.00	
State Homeland Security Program (SHSP)		160,543.91	160,543.91	
New Jersey DOT - Salem County Mill and Overlay Resurfacing Program		1,837,971.50	1,837,971.50	
SJTPO - Subregional Planning Program		34,400.00	34,400.00	
Federal Aid - Centerton Traffic Signal		1,621.99	1,621.99	
		<hr/>	<hr/>	
Total Federal Grants	-	3,479,870.40	3,479,870.40	-
State Grants:				
DCJ - Victims Witness Advocacy	\$ 26,204.00			\$ 26,204.00
#18-582-ADA-00		227,800.00	227,800.00	
Veterans Transportation		13,000.00	13,000.00	
NJ Dept of Health - Right to Know		8,786.00	8,786.00	
Senior Citizen and Disabled Resident Transportation Program		332,284.00	332,284.00	
FTA Small Urban & Rural Area Public Transportation (5311)		251,098.50	251,098.50	
Municipal Alliance to Prevent Alcoholism & Drug Abuse		137,801.00	137,801.00	
Clean Communities		500.00	500.00	
Special Child Health and Early Intervention		41,018.00	41,018.00	
Childhood Lead Exposure Prevention Project		381,101.00	381,101.00	
Juvenile Justice Commission Family Court Services		100,261.00	100,261.00	
Juvenile Justice Commission State/Community Partnership		200,966.00	200,966.00	
Prosecutor Insurance Fraud Reimbursement		249,232.16	249,232.16	
Prosecutor Victim Witness Advocacy		172,235.00	172,235.00	
Local Arts Program		46,843.00	46,843.00	
State Health Insurance Assistance Program (SHIP)		33,000.00	33,000.00	
County Aid - 2018		4,842,538.00	4,842,538.00	
Local Freight Impact Fund		950,000.00	950,000.00	
Salem County Railroad Rehabilitation Program		6,014,192.49	6,014,192.49	
Local Bridges, Future Needs		3,259,308.00	3,259,308.00	
One Stop / WIA		609,411.00	609,411.00	
Work First New Jersey - TANF		670,251.00	670,251.00	
NJ Dept of Emergency Management - RERP		302,006.85	302,006.85	
PASP - Personal Assistance Services		11,114.10	11,114.10	
Historical Commission Grant		14,310.00	14,310.00	
Title IV-D		147,769.00	147,769.00	
Senior Farmer Market Nutrition Program		500.00	500.00	
Healthy Salem Healthy Body		17,000.00	17,000.00	
Health & Wellness Foundation - 5311		74,949.50	74,949.50	
		<hr/>	<hr/>	
Total State Grants	26,204.00	19,109,275.60	19,109,275.60	26,204.00
Other Grants:				
Atlantic City Electric Family Tour Grant	4,000.00	4,000.00	4,000.00	4,000.00
		<hr/>	<hr/>	
Total Other Grants	4,000.00	4,000.00	4,000.00	4,000.00
		<hr/>	<hr/>	
Total All Grants	\$ 30,204.00	\$ 22,593,146.00	\$ 22,593,146.00	\$ 30,204.00

SUPPLEMENTAL EXHIBITS

TRUST FUND

COUNTY OF SALEM
TRUST FUND
Statement of Trust Cash
Per N.J.S.40A:5-5--Treasurer
For the Year Ended December 31, 2018

	<u>Trust Other Fund</u>	<u>Open Space and Farmland Presevation</u>
Balance December 31, 2017	\$ 2,092,520.85	\$ 3,531,856.00
Increased by Receipts:		
Open Space Tax Levy		\$ 1,006,954.29
Added & Omitted Taxes		3,569.62
Interest Earned on Investments	\$ 5,948.64	13,290.25
Reserve for Trust Funds	<u>47,120,286.92</u>	<u>2,621,068.74</u>
	<u>47,126,235.56</u>	<u>3,644,882.90</u>
	49,218,756.41	7,176,738.90
Decreased by Disbursements:		
Due Federal and State Grant Fund		2,000,000.00
Due Current Fund - Interest Earned on Deposits	287.85	
Reserve for Trust Funds	<u>47,315,203.59</u>	<u>4,060,640.81</u>
	<u>47,315,491.44</u>	<u>6,060,640.81</u>
Balance December 31, 2018	<u><u>\$ 1,903,264.97</u></u>	<u><u>\$ 1,116,098.09</u></u>

COUNTY OF SALEM
TRUST OTHER FUND
Statement of Due Current Fund
For the Year Ended December 31, 2018

Balance December 31, 2017 - Due To/(From)	\$	287.85
Decreased by:		
Disbursed to Current Fund:	\$	<u>287.85</u>

COUNTY OF SALEM
TRUST OTHER FUND
Statement of Reserve for Trust Funds
For the Year Ended December 31, 2018

	Balance December 31, 2017	Increased by		Decreased by		Balance December 31, 2018
		Trust Designation	Interest	Disbursements		
Reserve for:						
Accumulated Absences Trust	\$ 208,067.84	\$ 140,000.00	\$ 389.34	\$ 152,099.71	\$	196,357.47
Commodities Resale Program	35,881.13	215,266.18		201,882.26		49,265.05
County Auction	3,552.92					3,552.92
County Clerk	110,758.17	41,216.82	523.47	91,661.75		60,836.71
Custodian Interest		4,203.97		4,203.97		
Engineering Escrow	28,173.00	2,500.00		2,139.60		28,533.40
Environmental Enforcement	384,136.93	119,071.74		180,511.06		322,697.61
First Responder Dinner	129.68	6,600.00		4,098.73		2,630.95
Hospitalization	1.38					1.38
Housing Revitalization	72,364.76		278.36			72,643.12
Motor Vehicle Fines	333,659.30	209,687.30		391,928.88		151,417.72
Net Payroll Account	504.17	23,973,675.40		23,970,126.88		4,052.69
Parvin Bequest	0.01	12,767.04		8,263.04		4,504.01
Payroll Agency	328,761.91	22,113,417.14	2,099.16	22,065,983.34		378,294.87
Performance Bond - Woods Laurel Hills	3,375.00					3,375.00
Prosecutor's Office:						
Asset Maintenance Account	2,269.54	98.77	11.50	42.70		2,337.11
Auto Law Enforcement Trust Account	7,006.75	787.69	35.04	575.69		7,253.79
County Law Enforcement Trust Account	75,161.37	31,294.16	361.30	41,054.09		65,762.74
Federal County Law Enforcement Trust Account	68,711.86	43,426.94	390.14	30,980.23		81,548.71
Municipal Law Enforcement Trust Account	37,851.42	12,438.02	208.34	16,568.94		33,928.84
Seized Assets Trust Account	28,064.02	33,139.15	97.89	36,812.68		24,488.38
Road Opening Deposits	17,698.44	130.00				17,828.44
SCAPG - Nutrition Program	1,323.83	5,293.00		3,862.22		2,754.61
SCAPG - Parvin	2,489.88	12,680.41		2,758.62		12,411.67
Self Insurance	45,518.89	23,344.30	254.50	5,709.00		63,408.69
Sheriff's Trust	44,919.83	19,747.63	254.93	19,680.31		45,242.08
Surrogate Fees	71,375.25	10,418.00	363.79	6,170.58		75,986.46
Tax Appeals Filing Fees	35,377.23	13,596.47	15.73	11,987.55		37,001.88
Unemployment Claims	44.04		0.12			44.16
Veterans Donations	14,891.75	6,425.00		4,283.34		17,033.41
Weights & Measures	119,263.38	2,509.50	594.58	2,743.15		119,624.31
Worker's Compensation	10,899.32	66,552.29	70.45	59,075.27		18,446.79
Totals	\$ 2,092,233.00	\$ 47,120,286.92	\$ 5,948.64	\$ 47,315,203.59	\$	1,903,264.97

COUNTY OF SALEM
TRUST FUND - OPEN SPACE AND FARMLAND PRESERVATION
Statement of Taxes Receivable
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 1,142.52
Increased by:		
2018 Tax Levy:		
Open Space	\$ 1,006,954.29	
Added and Omitted	<u>6,049.00</u>	
		<u>1,013,003.29</u>
		1,014,145.81
Decreased by:		
Received:		
Open Space	1,006,954.29	
Added and Omitted	<u>3,569.62</u>	
		<u>1,010,523.91</u>
Balance December 31, 2018		<u><u>\$ 3,621.90</u></u>

COUNTY OF SALEM
TRUST FUND - OPEN SPACE AND FARMLAND PRESERVATION
Statement of Reserve for Future Use
For the Year Ended December 31, 2018

Balance December 31, 2017		\$	4,017,949.77
Increased by:			
2018 Tax Levy	\$	1,006,954.29	
2018 Added and Omitted Tax Levy		6,049.00	
Settlement Receipts		2,621,068.74	
Interest on Deposits		<u>13,290.25</u>	
			<u>3,647,362.28</u>
			7,665,312.05
Decreased by:			
Reserve Disbursements			<u>4,060,640.81</u>
Balance December 31, 2018		\$	<u><u>3,604,671.24</u></u>
<u>Analysis of Balance:</u>			
Cash	\$	1,116,098.09	
Certificates of Deposit		497,650.76	
Taxes Receivable		3,621.90	
Due Current Fund		<u>1,987,300.49</u>	
Reserve for Future Use		\$	<u><u>3,604,671.24</u></u>

SUPPLEMENTAL EXHIBITS
GENERAL CAPITAL FUND

COUNTY OF SALEM
GENERAL CAPITAL FUND
Statement of General Capital Cash Per N.J.S. 40A:5-5 - Treasurer
For the Year Ended December 31, 2018

Balance December 31, 2017		\$	4,883,663.14
Increased by:			
Proceeds from Issuance of Bond Anticipation Notes	\$ 3,800,000.00		
Proceeds from Issuance of General Obligation Bonds	2,600,000.00		
Improvement Authorization Reimbursements	51,628.71		
2018 Budget Appropriation:			
Capital Improvement Fund	650,000.00		
Bond Anticipation Notes Payable	6,731,000.00		
Reserve for Payment of Debt	<u>111,628.60</u>		
			<u>13,944,257.31</u>
			18,827,920.45
Decreased by:			
Improvement Authorizations	2,347,677.17		
Bond Anticipation Notes Payable	6,731,000.00		
Paid by Bond Funds	274,380.00		
Due from Current Fund	<u>4,110.31</u>		
			<u>9,357,167.48</u>
Balance December 31, 2018		\$	<u><u>9,470,752.97</u></u>

COUNTY OF SALEM
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2018

	Balance (Deficit) Dec. 31, 2017	Receipts				Disbursements			Transfers		Balance (Deficit) Dec. 31, 2018	
		Budget Appropriation	Bonds	Notes	Miscellaneous	Improvement Authorizations	Notes	Miscellaneous	From	To		
Fund Balance	\$ 108,752.23										\$ 108,752.23	
Capital Improvement Fund	3,936.73	\$ 650,000.00						\$ 275,000.00			378,936.73	
Reserve for County Aid	4,712.74										4,712.74	
Grants Receivable	(3,000,000.00)									\$ 3,000,000.00		
Due from Current Fund								\$ 4,110.31			(4,110.31)	
Contracts Payable	1,489,967.70								1,489,967.70	1,564,863.35	1,564,863.35	
Accrued Interest on Bond Sale	158,547.15										158,547.15	
Dam Restoration Loan Receivable	(1,300,000.00)										(1,300,000.00)	
Reserve for Payment of Debt					\$ 111,628.60						111,628.60	
Improvement Authorizations:												
Ordinance												
<u>Number</u>												
96-01	Acquisition of Various Pieces of Equipment and Construction of Various Capital Improvements	127,507.23				\$ 33,633.50			27,689.50	48,621.50	114,805.73	
99-01	Renovation of Salem County Emergency Operations Center	880.50									880.50	
04-03	Acquisition of Easement and/or Development Rights to Various Parcels of Real Property	638,262.72				39,225.91			5,850.00		593,186.81	
04-04	Creation of a Revolving Loan Fund for Town Center Revitalization Projects	274,380.00						274,380.00				
06-05	Reserve for Reconstruction of Various County Roads	62.60									62.60	
07-07	Construction of Improvements to the Camp Karney Dam Structure and Spillway	1,111,945.25							43,742.25	43,742.25	1,111,945.25	
08-03	Reserve for Interest Earned for County Aid Improvement Program Reconstruction of Various County Roads	226,624.28							291,198.20	74,303.20	9,729.28	
08-06	Acquisition of Various Pieces of Equipment and Construction of Various Improvements	516,707.78				113,699.13			23,786.65	93,678.02	472,900.02	
09-02	Reconstruction and Maintenance of Various County Roads, Bridges and Dams	1,138.08									1,138.08	
10-08	Acquisition of Various Pieces of Equipment and Construction of Various Improvements	1,478.64										
11-02	Reconstruction and Maintenance of Various County Roads, Bridges and Dams	31,770.49				1,478.64				2,103.62		
11-03	Interest Earned for County Aid Improvement Grant	7,591.87				33,874.11						
11-04	Repair and Reconstruction of Roads, Bridges and Railroads Damaged by Floods	162,615.58			\$ 4,050,000.00	289,710.60	\$ 4,050,000.00		291,354.71	429,434.78	7,591.87	
12-02	Various Improvements to Roadways, Bridges, Railroads and Other Public Property Damaged by Hurricane Irene	227,707.74			2,681,000.00	139,707.74	2,681,000.00		88,000.00		10,985.05	
12-04	Recon & Maint of Various County Roads, Bridges and Dams									36.28	36.28	
12-05	Internet County Aid Improvement Grant	3,028.36									3,028.36	
13-02	Interest Earned for County Aid Improvement Grant	1,258.32									1,258.32	
13-03	Various Improvements					7,003.09				7,003.09		
13-04	Information Technology Upgrade	2,257.04									2,257.04	
13-07	Various Improvements to Salem Co. College	201,333.00				201,333.00						
14-03	Various Improvements to Salem Co. Vocational Technical High School	(364.00)									(364.00)	
16-05	Various Capital Improvements	1,476,561.11				51,628.71	853,573.98		654,123.89	196,044.96	216,536.91	
17-01;												
18-04	Various County Short Line Railroad Port Area Improvements	2,405,000.00			3,800,000.00		569,925.35		3,128,718.15	595,000.00	3,101,356.50	
18-02	Various Capital Improvements and the Acquisition of Various Capital Equipment for Salem County Community College						64,247.12				2,535,752.88	
18-03	Various Capital Improvements and the Acquisition of Various Capital Improvement						265.00		10,400.00	275,000.00	264,335.00	
		<u>\$ 4,883,663.14</u>	<u>\$ 650,000.00</u>	<u>\$ 2,600,000.00</u>	<u>\$ 10,531,000.00</u>	<u>\$ 163,257.31</u>	<u>\$ 2,347,677.17</u>	<u>\$ 6,731,000.00</u>	<u>\$ 278,490.31</u>	<u>\$ 6,329,831.05</u>	<u>\$ 6,329,831.05</u>	<u>\$ 9,470,752.97</u>

COUNTY OF SALEM
GENERAL CAPITAL FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2018

Increased by:	
Current Fund Expenditures Paid by General Capital Fund	\$ 4,110.31
Balance December 31, 2018	\$ 4,110.31

COUNTY OF SALEM
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 32,134,000.00
Increased by:	
Issuance of County College Bonds, Series 2018	2,600,000.00
	34,734,000.00
Decreased by:	
Payment of Bond Principal:	
2018 Budget Appropriations	\$ 2,439,100.00
Open Space Trust Fund	555,900.00
State of New Jersey	215,000.00
	3,210,000.00
Balance December 31, 2018	\$ 31,524,000.00

COUNTY OF SALEM
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation - Unfunded
 For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	2018 Authorizations	Funded by Budget Appropriation	Transferred to Future Taxation-Funded	Authorization Canceled by Resolution	Balance Dec. 31, 2018	Analysis of Balance December 31, 2018		Unexpended Improvement Authorizations
								Financed by Notes	Expended	
04-04	Creation of a Revolving Loan Fund for Town Center Revitalization Projects	\$ 325,000.00		\$ 50,620.00		\$ 274,360.00	\$ 20.00			\$ 20.00
11-04	Repair and Reconstruction of Roads, Bridges and Railroads Damanged by Floods	4,460,000.00		410,000.00			4,050,000.00	\$ 4,050,000.00		
12-02	Repair and Reconstruction of Roads, Bridges and Railroads Damaged by Floods	2,860,000.00		179,000.00			2,681,000.00	2,681,000.00		
14-03	Various Improvements to Salem County Vocational Technical High School	364.00					364.00		\$ 364.00	
17-01; 18-04	Various County Short Line Railroad Port Area Improvements	800,000.00	\$ 3,000,000.00				3,800,000.00	3,800,000.00		
18-02	Various Capital Improvements and the Acquisition of Various Capital Improvement		2,600,000.00		\$ 2,600,000.00					
		<u>\$ 8,445,364.00</u>	<u>\$ 5,600,000.00</u>	<u>\$ 639,620.00</u>	<u>\$ 2,600,000.00</u>	<u>\$ 274,360.00</u>	<u>\$ 10,531,384.00</u>	<u>\$10,531,000.00</u>	<u>\$ 364.00</u>	<u>\$ 20.00</u>
Improvement Authorizations-Unfunded										\$ 3,112,361.55
Less: Unexpended Proceeds of Bond Anticipation Notes										
Issued for Ordinance No. 18-04										3,101,356.50
Issued for Ordinance No. 11-04										10,985.05
										<u>\$ 20.00</u>

COUNTY OF SALEM
GENERAL CAPITAL FUND
 Statement of Improvement of Authorizations
 For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Date	Ordinance		Balance Dec. 31, 2017		2018 Authorizations	Liquidation of Prior Year Contracts Payable	Paid or Charged	Canceled by Resolution	Balance Dec. 31, 2018		
			Amount		Funded	Unfunded					Funded	Unfunded	
96-01	Acquisition of Various Pieces of Equipment and Construction of Various Capital Improvements	07-17-96	\$ 2,500,000.00		\$ 127,507.23			\$ 48,621.50	\$ 61,323.00		\$ 114,805.73		
99-01	Renovation of Salem County Emergency Operations Center	02-03-99	810,000.00		880.50						880.50		
04-03	Acquisition of Easement and/or Development Rights to Various Parcels of Real Property	08-18-04	9,000,000.00		638,262.72			45,075.91			593,186.81		
04-04	Creation of a Revolving Loan Fund for Town Center Revitalization Projects	08-18-04	3,000,000.00			\$ 274,380.00				\$ 274,360.00		\$ 20.00	
06-05	Reserve for Reconstruction of Various County Roads	11-15-06	1,400,000.00		62.60						62.60		
07-07	Construction of Improvements to the Camp Karney Dam Structure and Spillway	07-18-07	1,300,000.00		1,111,945.25			43,742.25	43,742.25		1,111,945.25		
08-03	Reserve for Interest Earned for County Aid Improvement Program Reconstruction of Various County Roads	05-21-08	404,253.85		226,624.28			74,303.20	291,198.20		9,729.28		
08-06	Acquisition of Various Pieces of Equipment and Construction of Various Improvements	08-20-08	9,854,000.00		516,707.78			93,678.02	137,485.78		472,900.02		
09-02	Reconstruction and Maintenance of Various County Roads, Bridges and Dams	10-07-09	2,982,000.00		1,138.08						1,138.08		
10-08	Acquisition of Various Pieces of Equipment and Construction of Various Improvements	11-17-10	6,750,000.00		1,478.64				1,478.64		0.00		
11-02	Reconstruction and Maintenance of Various County Roads, Bridges and Dams	05-04-11	1,200,000.00		31,770.49			2,103.62	33,874.11		0.00		
11-03	Interest Earned for County Aid Improvement Grant	05-04-11	7,591.87		7,591.87						7,591.87		
11-04	Repair and Reconstruction of Roads, Bridges and Railroads Damaged by Floods	12-07-11	8,200,000.00		162,615.58			429,434.78	581,065.31			10,985.05	
12-02	Various Improvements to Roadways, Bridges, Railroads and Other Public Property Damaged by Hurricane Irene	05-14-12	3,400,000.00		227,707.74				227,707.74				
12-04	Recon & Maint of Various County Roads, Bridges and Dams	07-18-12	430,000.00					36.28			36.28		
12-05	Interest County Aid Improvement Grant	07-18-12	3,028.00		3,028.36						3,028.36		
13-02	Interest County Aid Improvement	07-17-13	1,258.00		1,258.32						1,258.32		
13-03	Various Improvements	07-17-13	1,000,000.00					7,003.09	7,003.09				
13-04	Information Technology Upgrade	12-04-13	1,750,000.00		2,257.04						2,257.04		
13-07	Various Improvements to Salem Community College	12-04-13	1,500,000.00		201,333.00				201,333.00				
16-05	Various Capital Improvements	08-03-16	4,000,000.00		1,476,561.11			196,044.96	1,456,069.16		216,536.91		
17-01;		09-06-17											
18-04	Various County Short Line Railroad Port Area Improvements	12-5-18	3,800,000.00		2,405,000.00	800,000.00	\$ 3,000,000.00	595,000.00	698,643.50	3,000,000.00		3,101,356.50	
18-02	Various Capital Improvements and the Acquisition of Various Capital Equipment for Salem Community College	05-16-18	2,600,000.00				2,600,000.00		64,247.12		2,535,752.88		
18-03	Various Capital Improvements and the Acquisition of Various Capital Improvement	10-03-18	275,000.00				275,000.00		10,665.00		264,335.00		
					<u>\$ 7,143,730.59</u>		<u>\$ 1,074,380.00</u>	<u>\$ 5,875,000.00</u>	<u>\$ 1,489,967.70</u>	<u>\$ 3,860,911.81</u>	<u>\$ 3,274,360.00</u>	<u>\$ 5,335,444.93</u>	<u>\$ 3,112,361.55</u>

Capital Improvement Fund	\$ 275,000.00	
Grant Receivable		\$ 3,000,000.00
Deferred Charges to Future Taxation-Unfunded	5,600,000.00	274,360.00
Cash Disbursements		\$ 2,347,677.17
Reimbursements		(51,628.71)
Contracts Payable		1,564,863.35
	<u>\$ 5,875,000.00</u>	<u>\$ 3,860,911.81</u>
		<u>\$ 3,274,360.00</u>

COUNTY OF SALEM
GENERAL CAPITAL FUND
Statement of Serial Bonds
For the Year Ended December 31, 2018

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2018</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
			<u>Date</u>	<u>Amount</u>					
General Obligation Refunding Bonds, Series 2007	3/29/07	\$ 4,285,000.00	12-01-2019	\$ 500,000.00	5.000%	\$ 985,000.00		\$ 485,000.00	\$ 500,000.00
Governmental Loan Revenue Bonds, Series 2008A	5/28/08	3,600,000.00				430,000.00		430,000.00	
Special Services School Bonds, Series 2008	10/30/08	6,000,000.00				285,000.00		285,000.00	
Governmental Loan Revenue Bonds, Series 2009	3/18/09	9,854,000.00	03-15-2019	455,000.00	5.000%	895,000.00		440,000.00	455,000.00
Governmental Obligation Bonds, Series 2011	5/18/11	6,300,000.00	05-01-2019	420,000.00	2.500%				
			05-01-2020	435,000.00	2.750%				
			05-01-2021	455,000.00	3.000%				
			05-01-2022	475,000.00	3.000%				
			05-01-2023	495,000.00	3.250%				
			05-01-2024	500,000.00	3.500%				
			05-01-2025	500,000.00	4.000%				
			05-01-2026	500,000.00	4.000%	4,185,000.00		405,000.00	3,780,000.00
County College Bonds, Series 2012	3/15/12	2,100,000.00	03-15-2019	260,000.00	2.000%				
			03-15-2020	260,000.00	2.130%				
			03-15-2021	260,000.00	2.750%				
			03-15-2022	260,000.00	3.000%	1,300,000.00		260,000.00	1,040,000.00
County College Bonds, Series 2014	6/19/2014	2,700,000.00	03-15-2019	165,000.00	2.000%				
			03-15-2020	175,000.00	2.000%				
			03-15-2021	175,000.00	2.130%				
			03-15-2022	180,000.00	2.500%				
			03-15-2023	180,000.00	3.000%				
			03-15-2024	195,000.00	3.000%				
			03-15-2025	200,000.00	3.000%				
			03-15-2026	210,000.00	3.000%				
			03-15-2027	220,000.00	3.000%				
			03-15-2028	220,000.00	3.130%				
			03-15-2029	220,000.00	3.250%	2,300,000.00		160,000.00	2,140,000.00

(continued)

COUNTY OF SALEM
GENERAL CAPITAL FUND
Statement of Serial Bonds
For the Year Ended December 31, 2018

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2018</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>							
			<u>Date</u>	<u>Amount</u>												
General Obligation Refunding Bonds, Series 2014	6/27/14	\$ 2,700,000.00	04-01-2019	\$ 455,000.00	3.000%	\$ 3,950,000.00		\$ 435,000.00	\$ 3,515,000.00							
			04-01-2020	470,000.00	3.000%											
			04-01-2021	490,000.00	3.000%											
			04-01-2022	505,000.00	3.000%											
			04-01-2023	520,000.00	3.000%											
			04-01-2024	535,000.00	5.000%											
			04-01-2025	540,000.00	5.000%											
			Special Services Refunding School Bonds, Series 2015	5/1/2015	3,885,000.00					10-01-2019	330,000.00	3.000%	3,795,000.00		35,000.00	3,760,000.00
10-01-2020	340,000.00	4.000%														
10-01-2021	355,000.00	2.000%														
10-01-2022	360,000.00	4.000%														
10-01-2023	375,000.00	4.000%														
10-01-2024	385,000.00	3.000%														
10-01-2025	395,000.00	3.000%														
10-01-2026	405,000.00	3.250%														
10-01-2027	410,000.00	3.500%														
10-01-2028	405,000.00	3.500%														
General Obligation Refunding Bonds, Series 2016	9/20/16	6,035,000.00				03-15-2019	25,000.00	2.000%	6,010,000.00		25,000.00	5,985,000.00				
			03-15-2020	500,000.00	4.000%											
			03-15-2021	520,000.00	4.000%											
			03-15-2022	540,000.00	4.000%											
			03-15-2023	570,000.00	4.000%											
			03-15-2024	590,000.00	4.000%											
			03-15-2025	615,000.00	4.000%											
			03-15-2026	635,000.00	3.500%											
			03-15-2027	655,000.00	2.000%											
			03-15-2028	665,000.00	2.000%											
			03-15-2029	670,000.00	2.000%											
			General Obligation Bonds, Series 2016	10/5/16	6,949,000.00	10-01-2019	299,000.00	4.000%					6,699,000.00		250,000.00	6,449,000.00 (continued)
						10-01-2020	440,000.00	4.000%								
10-01-2021	440,000.00	4.000%														
10-01-2022	440,000.00	4.000%														
10-01-2023	450,000.00	2.000%														
10-01-2024	450,000.00	2.000%														
10-01-2025	450,000.00	2.000%														
10-01-2026	480,000.00	2.000%														
10-01-2027	500,000.00	2.000%														
10-01-2028	500,000.00	2.000%														
10-01-2029	500,000.00	2.125%														
10-01-2030	500,000.00	2.250%														
10-01-2031	500,000.00	2.375%														
10-01-2032	500,000.00	2.500%														

COUNTY OF SALEM
GENERAL CAPITAL FUND
Statement of Serial Bonds
For the Year Ended December 31, 2018

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2018</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
			<u>Date</u>	<u>Amount</u>					
County College Bonds, Series 2018	6/20/18	\$ 2,600,000.00	03-15-2019	\$ 120,000.00	3.000%				
			03-15-2020	145,000.00	3.000%				
			03-15-2021	150,000.00	3.125%				
			03-15-2022	155,000.00	3.125%				
			03-15-2023	155,000.00	3.125%				
			03-15-2024	160,000.00	3.125%				
			03-15-2025	165,000.00	3.125%				
			03-15-2026	170,000.00	3.125%				
			03-15-2027	180,000.00	3.125%				
			03-15-2028	185,000.00	3.125%				
			03-15-2029	190,000.00	3.125%				
			03-15-2030	195,000.00	3.125%				
			03-15-2031	205,000.00	3.125%				
			03-15-2032	210,000.00	3.125%				
			03-15-2033	215,000.00	3.250%				
							\$ 2,600,000.00		\$ 2,600,000.00
						\$ 30,834,000.00	\$ 2,600,000.00	\$ 3,210,000.00	\$ 30,224,000.00
								\$ 555,900.00	
								2,439,100.00	
								215,000.00	
								\$ 3,210,000.00	

COUNTY OF SALEM
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 3,936.73
Increased by:	
2018 Budget Appropriation	<u>650,000.00</u>
	653,936.73
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>275,000.00</u>
Balance December 31, 2018	<u><u>\$ 378,936.73</u></u>

COUNTY OF SALEM
GENERAL CAPITAL FUND
 Schedule of State of New Jersey Dam Restoration Loan
 For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Date of Issue	Amount of Original Loan	Outstanding Loan Maturities Dec. 31, 2018		Interest Rate	Balance Dec. 31, 2017 and 2018
				Year	Amount		
2007-07	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 therefor and related thereto	07-18-07	\$ 1,300,000.00	2019	\$ 31,204.79		
				2020	63,348.83		
				2021	64,622.15		
				2022	65,921.05		
				2023	67,246.06		
				2024-2028	357,056.66		
				2029-2033	394,412.67		
				2034-2036	256,187.79	2.0%	\$ 1,300,000.00
							<u>\$ 1,300,000.00</u>
							<u>\$ 1,300,000.00</u>

COUNTY OF SALEM
GENERAL CAPITAL FUND
 Statement of Bond Anticipation Notes
 For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Date of Original Issue	Amount of Original Issue	Date of Issue	Maturity Date	Interest Rate	Balance Dec. 31, 2017	Increased	Decreased	Balance Dec. 31, 2018
2004-04	Creation of a Revolving Loan Fund for Town Center Revitalization Projects	08/27/08	\$ 500,000.00	06/21/17	06/21/18	1.30%	\$ 325,000.00		\$ 325,000.00	
2011-04	Repair and Reconstruction of Roads, Bridges and Railroads Damaged by Floods	06/29/12	7,790,000.00	06/21/17 06/20/18	06/21/18 06/19/19	2.25% 3.00%	4,460,000.00	\$ 4,050,000.00	4,460,000.00	\$ 4,050,000.00
2012-02	Repair and Reconstruction of Roads, Bridges and Railroads Damaged by Floods	06/29/12	3,400,000.00	06/21/17 06/20/18	06/21/18 06/19/19	2.25% 3.00%	2,860,000.00	2,681,000.00	2,860,000.00	2,681,000.00
2017-01	Various County Short Line Railroad Port Area Improvements	06/20/18	3,800,000.00	06/20/18	06/19/19	3.00%		3,800,000.00		3,800,000.00
							<u>\$ 7,645,000.00</u>	<u>\$ 10,531,000.00</u>	<u>\$ 7,645,000.00</u>	<u>\$ 10,531,000.00</u>
								\$ 6,731,000.00	\$ 6,731,000.00	
								3,800,000.00		
									274,380.00	
									639,620.00	
								<u>\$ 10,531,000.00</u>	<u>\$ 7,645,000.00</u>	

COUNTY OF SALEM
GENERAL CAPITAL FUND
 Statement of Bonds and Notes Authorized But Not Issued
 For the Year Ended December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2017</u>	<u>2018 Authorizations</u>	<u>Bonds Issued</u>	<u>Notes Issued</u>	<u>Paid by Note Funds</u>	<u>Canceled by Resolution</u>	<u>Balance Dec. 31, 2018</u>
04-04	Creation of a Revolving Loan Fund for Town Center Revitalization Projects					\$ 274,380.00	\$ 274,360.00	\$ 20.00
14-03	Various Improvements to Salem County Vocational Technical High School	\$ 364.00						364.00
17-01;18-04	Various County Short Line Railroad Port Area Improvements	800,000.00	\$ 3,000,000.00		\$ 3,800,000.00			
18-02	Various Capital Improvements and the Acquisition of Various Capital Equipment		2,600,000.00	\$ 2,600,000.00				
		<u>\$ 800,364.00</u>	<u>\$ 5,600,000.00</u>	<u>\$ 2,600,000.00</u>	<u>\$ 3,800,000.00</u>	<u>\$ 274,380.00</u>	<u>\$ 274,360.00</u>	<u>\$ 384.00</u>

SUPPLEMENTAL EXHIBITS
OTHER OFFICIALS AND INSTITUTIONS

COUNTY OF SALEM
COUNTY CLERK
 Statements of Assets, Liabilities and Reserves--Regulatory Basis
 As of December 31, 2018 and 2017

<u>ASSETS</u>	Balance Dec. 31, 2018	Balance Dec. 31, 2017
Cash	\$ 101,155.94	\$ 94,613.74
	<u>\$ 101,155.94</u>	<u>\$ 94,613.74</u>
 <u>LIABILITIES AND RESERVES</u>		
Reserve for Trust Fund	\$ 2,449.50	\$ 2,823.95
Due State of New Jersey	56,027.85	50,799.56
Due County Treasurer	<u>42,678.59</u>	<u>40,990.23</u>
	<u>\$ 101,155.94</u>	<u>\$ 94,613.74</u>

COUNTY OF SALEM
COUNTY CLERK
Statement of Cash
For the Year Ended December 31, 2018

Balance December 31, 2017		\$	94,613.74
Increased by Receipts:			
County Recording Fees	\$	219,857.21	
Millionaires 1% NJ RTF		284,550.00	
State Realty Transfer Tax Fees		810,258.05	
County Realty Transfer Tax Fees		185,190.00	
Administration Fee to County		840.00	
Public Health Priority Fund		83,574.50	
State Trade Names		828.00	
Trust		40,842.35	
Preservation Fund		336,949.68	
Tax Relief		224,633.12	
Interest Earned on Deposits		718.87	
Miscellaneous		15.00	
		<u>2,188,256.78</u>	
			2,282,870.52
Decreased by Disbursements:			
Interest Paid to County Finance Officer		686.62	
Turned over to Treasurer:			
Trust Fund		41,216.80	
Millionaires 1% NJ RTF		284,550.00	
Recording Fees		220,460.61	
State Realty Tax Fees		805,740.40	
County Realty Tax Fees		183,945.00	
Preservation Fund		336,224.04	
Public Health Priority Fund		82,958.75	
State Trade Names		843.00	
County Tax Relief		224,149.36	
Administration Fee to County		850.00	
Miscellaneous		90.00	
		<u>2,181,714.58</u>	
Balance December 31, 2018		\$	<u><u>101,155.94</u></u>

COUNTY OF SALEM
SURROGATE'S OFFICE
 Statements of Assets, Liabilities and Reserves--Regulatory Basis
 As of December 31, 2018 and 2017

<u>ASSETS</u>	Balance Dec. 31, 2018	Balance Dec. 31, 2017
Cash - Surrogate	\$ 19,426.11	\$ 12,033.42
Investments - Probate Division:		
Savings and Loan Association	2,791,386.85	3,029,568.70
Certificates of Deposit	151,275.90	151,275.90
	<u>\$ 2,962,088.86</u>	<u>\$ 3,192,878.02</u>
 <u>LIABILITIES AND RESERVES</u>		
Salem County Court Probate Division	\$ 2,942,662.75	\$ 3,180,844.60
Attorneys' Deposits	8,412.18	6,391.59
Due County Treasurer	11,013.93	5,641.83
	<u>\$ 2,962,088.86</u>	<u>\$ 3,192,878.02</u>

COUNTY OF SALEM
SURROGATE'S OFFICE
Statement of Cash - Surrogate
For the Year Ended December 31, 2018

Balance December 31, 2017		\$	12,033.42
Increased by Receipts:			
Wills	\$	43,346.00	
Letters of Administration		5,846.00	
Guardianship		490.00	
Affadavits		7,096.00	
Copies		2,652.00	
Research		1,991.00	
Superior Court Fees		17,784.48	
Surrogate's Court Trust		610.00	
Attorney Escrow Receipts		13,088.14	
Miscellaneous		6,604.00	
Interest Earned on Deposits		35.09	
STIF Withdrawal Fees		1,425.00	
			100,967.71
			113,001.13
Decreased by Disbursements:			
Interest Paid to County Financial Officer		30.55	
Due Treasurer:			
Current Fund Anticipated Revenue		71,715.47	
Trust Fund		10,418.00	
Refunds		374.00	
Attorney Escrow Payments		11,037.00	
			93,575.02
Balance December 31, 2018		\$	19,426.11
<u>Analysis of Balance</u>			
Attorneys' Deposits		\$	8,412.18
Due County Treasurer			11,013.93
		\$	19,426.11

COUNTY OF SALEM
SURROGATE'S OFFICE
Statement of Investment - Savings and Loan Association
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 3,029,568.70
Increased by Receipts:		
Monthly Deposits	\$ 190,354.65	
Interest transferred from Statement of Investment - Certificate of Deposit	453.88	
Interest Earned on Deposits	<u>49,380.74</u>	
		<u>240,189.27</u>
		3,269,757.97
Decreased by Disbursements:		
Monthly Withdrawals	477,601.03	
Income Tax Withholdings	<u>770.09</u>	
		<u>478,371.12</u>
Balance December 31, 2018		<u><u>\$ 2,791,386.85</u></u>

Exhibit SF-3

SURROGATE'S OFFICE
Statement of Investment - Certificate of Deposit
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 151,275.90
Increased by Receipts:		
Interest Earned on Deposits		<u>453.88</u>
		151,729.78
Decreased by Disbursements:		
Interest Transferred to Minor's Account		<u>453.88</u>
Balance December 31, 2018		<u><u>\$ 151,275.90</u></u>

COUNTY OF SALEM
SHERIFF'S OFFICE
 Statements of Assets, Liabilities and Reserves--Regulatory Basis
 As of December 31, 2018 and 2017

<u>ASSETS</u>	Balance Dec. 31, 2018	Balance Dec. 31, 2017
Cash - Sheriff	\$ 81,615.54	\$ 279,132.01
	<u>\$ 81,615.54</u>	<u>\$ 279,132.01</u>
 <u>LIABILITIES AND RESERVES</u>		
Fees and Executions	\$ 81,497.54	\$ 279,014.01
Due County	118.00	118.00
	<u>\$ 81,615.54</u>	<u>\$ 279,132.01</u>

COUNTY OF SALEM
SHERIFF'S OFFICE
 Statement of Cash
 For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 279,132.01
Increased by Receipts:		
Sales and Executions	\$ 1,808,517.26	
County Fees	237,849.78	
Sheriffs Trust	9,180.00	
Interest Earned on Deposits	705.18	
		2,056,252.22
		2,335,384.23
Decreased by Disbursements:		
Interest Paid to County Finance Officer	705.18	
Turned over to Treasurer:		
Current Fund Anticipated Revenue	237,849.78	
Trust Fund	9,180.00	
Miscellaneous	2,006,033.73	
		2,253,768.69
Balance December 31, 2018		\$ 81,615.54

Exhibit SG-2

SHERIFF'S OFFICE
 Statement of Sheriff's Fees Due County
 For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 118.00
Increased by Receipts:		
Fees Collected	\$ 237,849.78	
Trust Fund	9,180.00	
Interest Earned on Deposits	705.18	
		247,734.96
		247,852.96
Decreased by Disbursements:		
Interest Paid to County Finance Officer	705.18	
Turned over to Treasurer:		
Current Fund Anticipated Revenue	237,849.78	
Trust Fund	9,180.00	
		247,734.96
Balance December 31, 2018		\$ 118.00

COUNTY OF SALEM
 Jail Prisoner's Welfare Fund
 Statements of Assets, Liabilities and Reserves--Regulatory Basis
 As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Balance Dec. 31, 2018</u>	<u>Balance Dec. 31, 2017</u>
Cash - Prisoner's Welfare Fund	\$ 268,084.93	\$ 216,077.42
	<u>\$ 268,084.93</u>	<u>\$ 216,077.42</u>
<u>LIABILITIES AND RESERVES</u>		
Reserve for Jail Prisoner's Welfare	\$ 268,084.93	\$ 216,077.42
	<u>\$ 268,084.93</u>	<u>\$ 216,077.42</u>

COUNTY OF SALEM
JAIL PRISONER'S WELFARE FUND
Statements of Cash
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017	Receipts		Disbursements		Balance Dec. 31, 2018
		Interest	Other	County Treasurer	Other	
Warden:						
Inmate Account	\$ 57,215.81	\$ 287.12	\$ 630,316.57		\$ 624,184.92	\$ 63,634.58
Welfare Account	157,866.49	964.37	276,546.68		232,288.19	203,089.35
Bail Account	1.49	43.11	598,881.19		598,921.52	4.27
Miscellaneous	155.37		225,266.98	\$ 224,247.98	835.00	339.37
Home Detention	730.43	5.92	20,355.00		20,180.78	910.57
	<u>215,969.59</u>	<u>1,300.52</u>	<u>1,751,366.42</u>	<u>224,247.98</u>	<u>1,476,410.41</u>	<u>267,978.14</u>
Work Release	107.83	0.55			1.59	106.79
	<u>\$ 216,077.42</u>	<u>\$ 1,301.07</u>	<u>\$ 1,751,366.42</u>	<u>\$ 224,247.98</u>	<u>\$ 1,476,412.00</u>	<u>\$ 268,084.93</u>
Total Receipts and Disbursements			<u>\$ 1,752,667.49</u>		<u>\$ 1,700,659.98</u>	

Analysis of Revenue Turned Over to Treasurer

Miscellaneous Account:

Anticipated Revenue:

Inmate Health Reimbursement	\$ 3,962.41
Interest Earned on Deposits	306.70
Home Detention	19,900.78

Non-Budgeted Revenue:

Jail Miscellaneous Revenue	152,847.17
Jail Telephone Commissions	47,230.92
	<u>\$ 224,247.98</u>

PART II
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

COUNTY OF SALEM
Schedule of Findings and Recommendations
For the Year Ended December 31, 2018

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

COUNTY OF SALEM
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

FINANCIAL STATEMENT FINDINGS

Finding No. 2017-001

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:
 - o 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.
 - o 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.

Current Status

This condition has been resolved.

Finding No. 2017-002

Condition

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

Current Status

This condition has been resolved.

Finding No. 2017-003

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.
- 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.

Current Status

This condition has been resolved.

COUNTY OF SALEM
Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>	
Melissa DeCastro	Director of the Board of Chosen Freeholders	\$ 5,000,000	(A)
Charles V. Hassler	Deputy Director of the Board of Chosen Freeholders	5,000,000	(A)
Benjamin H. Laury	Freeholder	50,000	(B)
Lee R. Ware	Freeholder	5,000,000	(A)
R. Scott Griscom	Freeholder	5,000,000	(A)
Jeffrey T. Ridgway Sr.	Administrator	50,000	(B)
Brenda P. Banks	Clerk of the Board	50,000	(B)
Kelly A. Hannigan	Chief Financial Officer/Treasurer	568,000	(B)
Gilda T. Gill	CountyClerk	50,000	(B)
Curtis Harker	Deputy County Clerk	50,000	(B)
Nicki A. Burke	Surrogate	35,000	(B)
Charles Miller	Sheriff	50,000	(B)
Warren Mabey	Undersheriff	50,000	(B)
John Cuzzupe	Undersheriff / Warden	50,000	(B)
Vacant	Undersheriff / Deputy Warden	N/A	
Kenneth Miller	County Adjuster	5,000,000	(A)
John T. Lenahan	Prosecutor	5,000,000	(A)
Adam Telsey	Labor Counsel		
Parker McKay PA	Bond Counsel		
Michael M. Mulligan	County Counsel		
Federici & Akin PA	Engineer		

(A) Covered by Public Employees Liability Policy in the Amount of \$5,000,000 with Travelers Casualty and Surety Company.

(B) RLI Insurance Company

18200

APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the County officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink, appearing to read "Henry J. Ludwigsen". The signature is written in a cursive style with a prominent initial "H".

Henry J. Ludwigsen
Certified Public Accountant
Registered Municipal Accountant