This is a Preliminary Official Statement, and the information contained herein is subject to completion and amendments in a final Official Statement. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities offered hereby in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 2, 2026

OFFICIAL STATEMENT

New Issue - Book-Entry-Only

Rating: Moody's: MIG 1
(see "CREDIT RATING" herein)

$16,832,000*
The Hunterdon County Improvement Authority
(Hunterdon County, New Jersey)
Governmental Pooled Loan Project Notes, Series 2026

Dated: Date of Delivery

Interest Rate: __%
Reoffered to Yield: ____%
CUSIP No.: _________†

Due: March 16, 2027

The Governmental Pooled Loan Project Notes, Series 2026 (the "Series 2026 Notes"), will be issued by The Hunterdon County Improvement Authority (the "Authority") as fully registered notes and, when issued, will be registered in the name of Cede & Co. ("Cede"), as nominee for The Depository Trust Company ("DTC"), an automated depository for securities and clearing house transactions, which will act as securities depository for the Series 2026 Notes. Individual purchases will be made in book-entry form (without certificates) in the principal amount of $5,000 or any integral multiple of $1,000 in excess thereof.

The principal of and interest on the Series 2026 Notes is payable at maturity upon presentation and surrender at designated corporate trust office of TD Bank, National Association, in Mount Laurel, New Jersey, (the "Trustee," "Registrar" and "Paying Agent"). Provided DTC or its nominee Cede is the registered owner of the Series 2026 Notes, payments of the principal of and interest on the Series 2026 Notes will be made directly to DTC or its nominee, which is obligated to remit such principal and interest to DTC Participants, as defined herein. DTC Participants and Indirect Participants, as defined herein, will be responsible for remitting such payments to the beneficial owners of the Series 2026 Notes. See "DESCRIPTION OF THE SERIES 2026 NOTES - The DTC Book-Entry-Only System" herein.

The Series 2026 Notes are not subject to redemption prior to maturity.

The Series 2026 Notes are being issued pursuant to the 2026 Governmental Pooled Loan Project Note Resolution of the Authority adopted on July 9, 2026 (the "Resolution"), and in accordance with the County Improvement Authorities Law, constituting Chapter 183 of the Laws of New Jersey of 1960, as amended and supplemented (the "Act"). The Series 2026 Notes are being issued to provide funds to the Authority to acquire notes issued by the Authority (the "Authority Local Unit Notes") to make loans to six (6) municipalities (the "Borrowers") in the County of Hunterdon, New Jersey (the "County") to, as applicable (i) currently refund certain outstanding bond anticipation or project notes of the Borrowers; (ii) finance other general improvements of the Borrowers; and (iii) pay the costs of issuance of the Series 2026 Notes, the Authority Local Unit Notes and the Borrower Notes (as hereinafter defined).

The Series 2026 Notes are solely secured by a pledge of the Pledged Property, as defined in the Resolution, which includes the Authority's right to receive Revenues (as defined in the Resolution) (which includes the Authority's right to receive payments of principal of and interest on the Authority Local Unit Notes and payments received from the County Guaranties (as hereinafter defined)). The debt service on the Authority Local Unit Notes will be sufficient, in the aggregate, to pay the principal of and interest on the Series 2026 Notes when due.

The Authority Local Unit Notes will be payable from and are secured by payments made on general obligation notes of each of the Borrowers (the "Borrower Notes"). The Borrower Notes will be sold to the Authority pursuant to separate Note Purchase Agreements entered into between the Authority and each of the Borrowers. The Borrower Notes shall be direct and general obligations of each of the respective Borrowers. In the opinion of bond counsel to each of the Borrowers, each respective Borrower Note is a valid and legally binding general obligation of the applicable Borrower and, unless paid from other sources, is payable from *ad valorem* taxes levied upon all the taxable property within the jurisdiction of such Borrower, without limitation as to rate or amount. See "SECURITY FOR THE SERIES 2026 NOTES" herein.

As additional security for the Authority Local Unit Notes, payment of the principal of and interest on each Authority Local Unit Note is fully, unconditionally and irrevocably guaranteed by the County pursuant to a Guaranty Ordinance adopted by the County on August 4, 2026 by the County for each respective Borrower (each, a "County Guaranty" or collectively, the "County Guaranties") in the event that any Borrower does not make payment under its Borrower Note. The County has the power and the obligation to cause the levy of *ad valorem* taxes upon all the taxable property within the jurisdiction of the County without limitation as to rate or amount for the payment of its obligation under each County Guaranty. Each County Guaranty shall remain in effect until the respective Authority Local Unit Note being guaranteed shall have been paid in full.

THE SERIES 2026 NOTES ARE DIRECT AND SPECIAL OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE PLEDGED PROPERTY (WHICH INCLUDES THE BORROWER NOTES AND THE COUNTY GUARANTIES). THE AUTHORITY HAS NO POWER TO LEVY OR COLLECT TAXES. THE SERIES 2026 NOTES ARE NEITHER A DEBT NOR LIABILITY OF THE STATE OF NEW JERSEY OR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE AUTHORITY, TO THE EXTENT OF THE PLEDGED PROPERTY, AND THE COUNTY, TO THE EXTENT OF THE COUNTY GUARANTIES), AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE STATE OR ANY SUBDIVISION THEREOF (EXCEPT THE AUTHORITY, TO THE EXTENT OF THE PLEDGED PROPERTY, AND THE COUNTY, TO THE EXTENT OF THE COUNTY GUARANTIES) EITHER LEGAL, MORAL OR OTHERWISE. THE AUTHORITY HAS NO TAXING POWER.

In the opinion of Archer & Greiner P.C., Red Bank, New Jersey, Bond Counsel ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions and assuming continuing compliance by the Authority and the Local Units, as applicable, with certain tax covenants described herein, interest on the Series 2026 Notes is not included in the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Series 2026 Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Series 2026 Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code. Bond Counsel is also further of the opinion that, under existing laws of the State of New Jersey, interest on the Series 2026 Notes and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended.

This cover page includes certain information for reference only and is not a summary of matters set forth herein. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2026 Notes are offered for delivery when, as and if issued and delivered to the Raymond James & Associates, Inc. (the "Underwriter"), subject to the approval of legality by Archer & Greiner P.C., Red Bank, New Jersey, Bond Counsel to the Authority. Certain legal matters concerning the obligations of the County will be passed upon by Katrina Doyle Esq., Flemington, New Jersey, the County Counsel. Certain legal matters concerning the Borrower Notes will be passed upon by Bond Counsel to each of the Borrowers. Certain legal matters will be passed upon for the Authority by its General Counsel, Michael B. Lavery, Esq., of the firm Lavery, Selvaggi & Cohen, P.C., Hackettstown, New Jersey, and for the Underwriter by Dilworth Paxson LLP, Freehold, New Jersey. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has acted as municipal advisor to the Authority in connection with the issuance of the Series 2026 Notes.

It is expected that the Series 2026 Notes will be available for delivery to the Trustee on behalf of DTC under the DTC FAST system of registration, against payment therefor, on or about September 23, 2026.

RAYMOND JAMES®

The date of this Official Statement is September _, 2026.

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* Preliminary, subject to change.

† The term CUSIP is a registered trademark of American Bankers Association. The CUSIP number is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP number is being provided solely for the convenience of holders of the Series 2026 Notes only at the time of issuance of the Series 2026 Notes and the Authority does not make any representation with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number is subject to being changed after the issuance of the Series 2026 Notes.

THE HUNTERDON COUNTY IMPROVEMENT AUTHORITY

MEMBERS AND PROFESSIONALS

MEMBERS

Kevin Davis	Chairperson
Beth Gates	Vice Chairperson
Jack Opdyke	Treasurer
Gary Hazard	Secretary
Robert McNally, Esquire	Assistant Secretary

AUTHORITY GENERAL COUNSEL

Michael B. Lavery, Esquire
Lavery, Selvaggi & Cohen, P.C.
Hackettstown, New Jersey

AUTHORITY MUNICIPAL ADVISOR

Phoenix Advisors,
a division of First Security Municipal Advisors, Inc.
Hamilton, New Jersey

AUTHORITY BOND COUNSEL

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

INDEPENDENT AUDITOR

Suplee, Clooney & Company, LLC
Westfield, New Jersey

COUNTY OF HUNTERDON
STATE OF NEW JERSEY

BOARD OF COUNTY COMMISSIONERS

John E. Lanza	County Commissioner Director
Jeff Kuhl	County Commissioner Deputy Director
Zachary T. Rich	County Commissioner
Susan J. Soloway	County Commissioner
Shaun C. Van Doren	County Commissioner

COUNTY OFFICIALS

Brad Myhre	County Administrator
Andrew Bernath	Chief Financial Officer
Rebecca Grohgans	Clerk of the Board of County Commissioners

COUNTY COUNSEL

Katrina Doyle, Esq.
Flemington, New Jersey

COUNTY BOND COUNSEL

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

INDEPENDENT AUDITOR

Suplee, Clooney & Company, LLC
Westfield, New Jersey

No broker, dealer, salesman or other person has been authorized by the Authority or by the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Series 2026 Notes made hereby and, if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2026 Notes in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information which is set forth herein has been provided by the Authority and by other sources which are believed to be reliable by the Authority and by the Underwriter, but such information provided by such other sources is not guaranteed as to accuracy or completeness by the Authority or by the Underwriter, and is not intended to be and is not to be construed as a representation by the Authority or the Underwriter. Certain financial, economic and demographic information concerning the County is contained in Appendices A and B to this Official Statement. Such information has been furnished by the County. Additionally, certain financial, economic and demographic information concerning the Obligated Borrowers is contained in Appendix C to this Official Statement. Such information has been furnished by the Obligated Borrowers. Neither the Authority nor the Underwriter has confirmed the accuracy or completeness of information relating to the County and the Borrowers, and the Authority and the Underwriter disclaim any responsibility for the accuracy or completeness thereof.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority, the County or the Borrowers since the date hereof or any earlier date as of which any information contained herein is given. This Official Statement is submitted in connection with the sale of the Series 2026 Notes referred to herein and may not be used, in whole or in part, for any other purpose.

TD Bank, National Association, Mount Laurel, New Jersey, by acceptance of its duties as Trustee, Registrar, and Paying Agent under the Resolution, has not reviewed this Official Statement and has made no representations as to the information contained herein including, but not limited to, any representations as to financial feasibility or related activities.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2026 NOTES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as they apply to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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OFFICIAL STATEMENT
of
THE HUNTERDON COUNTY IMPROVEMENT AUTHORITY
Relating to its
$16,832,000*
Governmental Pooled Loan Project Notes, Series 2026

INTRODUCTION

This Official Statement, which includes the cover page and the Appendices attached hereto, is furnished by The Hunterdon County Improvement Authority (the "Authority"), a public body corporate and politic of the State of New Jersey (the "State"), to provide certain information relating to six (6) municipalities (the "Borrowers") located within the County of Hunterdon, New Jersey (the "County"), as described under "THE LOANS" herein, and the $16,832,000* principal amount of the Governmental Pooled Loan Project Notes, Series 2026 (the "Series 2026 Notes") to be issued by the Authority. The Series 2026 Notes are to be issued pursuant to the County Improvement Authorities Law, constituting Chapter 183 of the Laws of New Jersey of 1960, as amended and supplemented (the "Act"), and the 2026 Governmental Pooled Loan Project Note Resolution adopted by the Authority on July 9, 2026 (the "Resolution").

The proceeds to be received by the Authority from the sale of the Series 2026 Notes will be used to acquire six (6) separate series of Governmental Loan Project Notes, Series 2026 (the "Authority Local Unit Notes") in the aggregate principal amount of $16,832,000* issued by the Authority under its six (6) separate 2026 Governmental Loan Project Note Resolutions (the "Local Unit Note Resolutions"). The aggregate debt service on the Authority Local Unit Notes, which will be held by the Trustee (defined below) for the Series 2026 Notes, will be sufficient to pay the principal of and interest on the Series 2026 Notes when due.

An Authority Local Unit Note will be issued pursuant to the applicable Local Unit Note Resolution for the benefit of each Borrower to, as applicable: (i) currently refund certain of the outstanding bond anticipation or project notes of the Borrowers; (ii) finance other general improvements of the Borrowers; and (iii) pay certain of the costs of issuance of the Series 2026 Notes, the Authority Local Unit Notes and the Borrower Notes, as hereinafter defined.

The Series 2026 Notes are solely secured by a pledge of the Pledged Property, as defined in the Resolution, which includes the Authority's right to receive Revenues (as defined in the Resolution) (which includes the Authority's right to receive payments of the principal of and interest on the Authority Local Unit Notes and payments received from the County Guaranties, as hereinafter defined).

Pursuant to its Borrower Note, each Borrower shall pay or cause to be paid to TD Bank, National Association, Mount Laurel, New Jersey, the trustee under each Local Unit Note Resolution (the "Local Unit Trustee"), debt payments which will be sufficient to make required

* Preliminary, subject to change.

debt service payments when due on the Authority Local Unit Note issued to finance the Borrower Loan (as hereinafter defined) to such Borrower.

The Authority Local Unit Notes constitute direct and special obligations of the Authority and are secured only by those revenues of the Authority which are derived by the Authority from the loan repayments (the "Loan Repayments") made by the Borrowers pursuant to the Borrower Notes purchased by the Authority pursuant to the Borrower Purchase Agreements as herein described. The Loan Repayments made pursuant to the Borrower Notes are pledged by the Authority for the payment of the principal of and interest on the Authority Local Unit Notes. In the opinion of bond counsel to each of the Borrowers, each respective Borrower Note (as hereinafter defined) is a valid and legally binding general obligation of the applicable Borrower and, unless paid from other sources, is payable from *ad valorem* taxes levied upon all the taxable property within the jurisdiction of such Borrower, without limitation as to rate or amount. See "SECURITY FOR THE SERIES 2026 NOTES - Obligation of the Borrowers" herein.

In addition, simultaneously with the issuance of the Series 2026 Notes and the Authority Local Unit Notes, the County will fully, unconditionally and irrevocably guarantee (each, a "County Guaranty" or collectively, the "County Guaranties") the payment when due of the principal of and interest on each Authority Local Unit Note in the event that any Borrower does not make payment under its Borrower Note. The County has the power and the obligation to cause the levy of *ad valorem* taxes upon all the taxable property within the jurisdiction of the County without limitation as to rate or amount for the payment of its obligation under each County Guaranty. Each County Guaranty shall remain in effect until the respective Authority Local Unit Note being guaranteed shall have been paid in full. See "SECURITY FOR THE SERIES 2026 NOTES - Obligations of the County" herein.

In accordance with the Local Authorities Fiscal Control Law, constituting Chapter 313 of the Laws of New Jersey of 1983, the Local Finance Board, Division of Local Government Services of the Department of Community Affairs of the State of New Jersey (the "Local Finance Board"), has reviewed the issuance of the Series 2026 Notes, the Authority Local Unit Notes, and the County Guaranties, and, made favorable findings and recommendations at its meeting on July 8, 2026.

TD Bank, National Association, Mount Laurel, New Jersey has been appointed to serve as trustee, paying agent and registrar (the "Trustee", "Paying Agent", and "Registrar") for the Series 2026 Notes.

Copies of the Resolution, the Local Unit Note Resolutions, the Borrower Purchase Agreements (as defined herein), the County Guaranties and the County Guaranty Agreements (as defined herein), are on file in the offices of the Authority in Flemington, New Jersey and at the designated corporate trust office of the Trustee in Mount Laurel, New Jersey, and reference is made to such documents for the provisions relating to, among other things, the terms of and the security for the Series 2026 Notes, the custody and application of the proceeds of the Series 2026 Notes, the rights and remedies of the holders of the Series 2026 Notes, and the rights, duties and obligations of the Authority, the County, the Borrowers, the Trustee, and the Local Unit Trustee.

This Official Statement contains brief descriptions of the Series 2026 Notes, the Resolution, the Local Unit Note Resolutions, the Borrower Purchase Agreements, the County

Guaranties, the County Guaranty Agreements and the Authority. Certain financial information and financial statements of the County are attached to this Official Statement as Appendices A and B, respectively. Certain financial information of the Obligated Borrowers (defined herein) are attached to this Official Statement as Appendix C. The description of the County has been furnished by the County, and neither the Authority nor the Underwriter has confirmed the accuracy or completeness of information relating to either the County or the Obligated Borrowers, and the Authority and the Underwriter disclaim any responsibility for the accuracy or completeness thereof. Capitalized words and terms which are used herein which are not ordinarily capitalized and which are not otherwise defined herein shall have the meanings which are assigned to such words and terms in the Resolution. The summaries of and references to all documents, statutes, reports and other instruments which are referred to herein do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to such document, statute, report or instrument.

THE LOANS

The Series 2026 Notes are being issued to acquire six (6) separate series of Authority Local Unit Notes, the proceeds of which will provide funds to make a loan to each of the Borrowers (each, a "Borrower Loan"). The Borrowers will apply the proceeds of the Borrower Loans to, as applicable: (i) currently refund certain of the outstanding bond anticipation notes of the Borrowers; (ii) finance other general improvements of the Borrowers; and (iii) pay certain of the costs of issuance of the Series 2026 Notes, the Authority Local Unit Notes and the Borrower Notes. The Borrower Loans will be made pursuant to separate Note Purchase Agreements entered into by and between the Authority and each of the Borrowers (the "Borrower Purchase Agreements").

Pursuant to the Borrower Purchase Agreements, and in accordance with applicable law, each Borrower will issue and sell its respective general obligation note (each, a "Borrower Note") to the Authority in the principal amounts shown below (collectively, the "Borrower Notes"). The Borrower Notes will be purchased by the Authority and the Loan Repayments will be pledged by the Authority to secure the Authority Local Unit Notes. A default by a Borrower under its Borrower Note will not cause a default under the Borrower Notes of non-defaulting Borrowers. See "SUMMARY OF CERTAIN PROVISIONS OF THE BORROWER NOTES AND BORROWER PURCHASE AGREEMENTS" herein.

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Borrower	**Borrower Note Amount***
Township of Clinton	$1,662,000
Township of Holland	500,000
City of Lambertville	3,443,000
Borough of Milford	464,000
Township of Raritan	3,470,000
Township of Readington	7,293,000
Total:	**$16,832,000**

ESTIMATED SOURCES AND USES OF SERIES 2026 NOTE PROCEEDS

Sources of Funds	
Principal Amount of Series 2026 Notes	$
[Net] Original Issue Premium	
Total Sources of Funds	$
Uses of Funds	
Deposit to Note Proceeds Fund	$
Deposit to Debt Service Fund to Refund Outstanding Borrower Notes	$
Costs of Issuance [(1)]	
Total Uses of Funds	$

[(1)] Such costs include the underwriting fee, legal, printing, municipal advisory and fiduciary expenses incurred in connection with the issuance of the Series 2026 Notes.

DESCRIPTION OF THE SERIES 2026 NOTES

General

The Series 2026 Notes shall be issued in the aggregate principal amount of $16,832,000*, shall be dated their date of delivery, shall bear interest at the rate shown on the front cover page hereof from their dated date to maturity and shall be payable as to both principal and interest on March 16, 2027. Interest on the Series 2026 Notes shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2026 Notes will be issued as fully registered book-entry notes, and registered in the name of Cede & Co. ("Cede"), as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2026 Notes under its book-entry-only system (the "DTC Book-Entry-Only System"). An individual purchaser may purchase a Series 2026 Note in book-entry-only form, without certificates, in denominations of

* Preliminary, subject to change.

$5,000 or any integral multiple of $1,000 in excess thereof. Provided DTC or its nominee Cede is the registered owner of the Series 2026 Notes, the principal of and interest on the Series 2026 Notes will be paid to DTC or Cede, as its nominee. See "The DTC Book-Entry-Only System" herein. In the event the Series 2026 Notes are no longer subject to the DTC Book-Entry-Only System, the principal of and interest on the Series 2026 Notes will be payable upon surrender of the respective Series 2026 Notes at the designated corporate trust office of the Paying Agent. Interest on the Series 2026 Notes will then be paid by check or bank draft mailed by the Paying Agent to the registered owner thereof as of March 15, 2027 at their addresses on file with the Registrar.

The DTC Book-Entry-Only System

DTC will act as securities depository for the Series 2026 Notes. The Series 2026 Notes will be issued as a fully-registered security registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2026 Note certificate will be issued in the aggregate principal amount of the Series 2026 Note, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Direct Participants and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2026 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Notes on DTC's records. The ownership interest of each actual purchaser of each Series 2026 Note ("Beneficial Owner") is in turn to be recorded on the Direct Participants' and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participants or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Notes are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026 Notes, except in the event that use of the book-entry system for the Series 2026 Notes is discontinued.

To facilitate subsequent transfers, all Series 2026 Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Notes are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026 Notes may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2026 Notes, such as redemptions, tenders, defaults and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2026 Notes may wish to ascertain that the nominee holding the Series 2026 Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2026 Notes unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2026 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the Series 2026 Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such

Direct Participant and Indirect Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2026 Notes at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2026 Note certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2026 Note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

Redemption of Series 2026 Notes

The Series 2026 Notes shall not be subject to redemption prior to maturity.

Additional Notes

The Authority may not issue additional notes under the Resolution.

SECURITY FOR THE SERIES 2026 NOTES

General

The Series 2026 Notes constitute direct and special obligations of the Authority. The Series 2026 Notes are solely secured by the pledge of the Pledged Property, as that term is defined in the Resolution, which includes the Borrower Notes, Revenues and the Funds (as defined in the Resolution) other than the Rebate Fund (as defined in the Resolution), including Investment Securities (as defined in the Resolution) held in any such Fund, which are established, created and held by the Trustee under the Resolution, together with all proceeds and revenues of any of the foregoing and all of the Authority's right, title and interest in and to the foregoing, and all other moneys, securities or funds pledged for the payment of the principal of and interest on the Series 2026 Notes in accordance with the terms and provisions of the Resolution. "Revenues" includes: (i) the principal and interest received or to be received on any monies or securities, including but not limited to Authority Local Unit Notes, held pursuant to the Resolution and paid or required to be paid into the Debt Service Fund; (ii) payments received under the County Guaranties; and (iii) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of the Series 2026 Notes. See "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" herein. The debt service on the Authority Local Unit Notes will be sufficient, in the aggregate, to pay the principal of and interest on the Series 2026 Notes when due.

THE SERIES 2026 NOTES ARE DIRECT AND SPECIAL OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE PLEDGED PROPERTY (WHICH INCLUDES THE BORROWER NOTES AND THE COUNTY GUARANTIES). THE AUTHORITY HAS NO POWER TO LEVY OR COLLECT TAXES. THE SERIES 2026 NOTES ARE NEITHER A DEBT NOR LIABILITY OF THE STATE, THE COUNTY OR THE BORROWERS.

The provisions of the Series 2026 Notes and the Resolution are deemed to be and do constitute contracts by and among the Authority, the Trustee and the registered owners, from time to time, of the Series 2026 Notes and the security interest which is granted and the pledge which is made in the Resolution and the covenants and agreements which are set forth in the Resolution to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the registered owners of any and all Series 2026 Notes, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Series 2026 Notes over any other thereof, except as expressly provided in or pursuant to the terms of the Resolution.

The provisions of the Authority Local Unit Notes and each Local Unit Note Resolution are deemed to be and constitute contracts by and among the Authority, the Local Unit Trustee and the Trustee for the Series 2026 Notes, as the registered owner of the Authority Local Unit Notes, and the pledge which is made in each Local Unit Note Resolution and the covenants and agreements which are set forth in such Local Unit Note Resolution to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the registered owners of any and all Authority Local Unit Notes issued pursuant thereto, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of such Authority Local Unit Notes over any other thereof, except as expressly provided in or pursuant to the terms of such Local Unit Note Resolution.

Borrower Purchase Agreements

The Authority has entered into each Borrower Purchase Agreement to secure the related Borrower Loan. Pursuant to each Borrower Purchase Agreement, the Authority will purchase a Borrower Note in the principal amount equal to the related Borrower Loan. Each Borrower will be required to make the Loan Repayments to the Authority pursuant to its Borrower Note. The aggregate of the Loan Repayments made by the Borrowers will be sufficient to enable the Authority to pay the principal of and interest on the Authority Local Unit Notes. See "SUMMARY OF CERTAIN PROVISIONS OF THE BORROWER NOTES AND BORROWER PURCHASE AGREEMENTS" herein.

Obligation of the Borrowers

The obligation of each Borrower to repay its Borrower Loan is a direct and general obligation of each such Borrower payable from its general revenues. In the opinion of bond counsel to each of the Borrowers, each respective Borrower Note is a valid and legally binding general obligation of the applicable Borrower and, unless paid from other sources, is payable from *ad valorem* taxes levied upon all the taxable property within the jurisdiction of such Borrower, without limitation as to rate or amount.

Obligations of the County

The County Guaranties

At the time of issuance and delivery of the Series 2026 Notes, the County, pursuant to a Guaranty Ordinance adopted by the County for each respective borrower on August 4, 2026 in accordance with the Act, will guaranty the payment when due of the principal of and interest on each series of Authority Local Unit Notes. The County's obligations under each of the County Guaranties to make the punctual payment of the principal of and interest on each Authority Local Unit Note as the same shall become due and payable pursuant to the respective Local Unit Note Resolution shall be unconditional and irrevocable and shall remain effective until the respective Authority Local Unit Note being guaranteed shall have been paid in full in accordance with its terms notwithstanding the occurrence of any other event. Under the Act, upon the adoption of the County Guaranties, the County shall be obligated to pay the principal of and interest on each Authority Local Unit Note in the same manner and to the same extent as if the County had issued general obligation bonds under the Local Bond Law (N.J.S.A. 40A:2-1, *et seq*.) (the "Local Bond Law"). The County's obligation to make payments under each County Guaranty is a direct and general obligation of the County, payable, unless paid from some other source, from the levy of *ad valorem* taxes upon all the taxable property within the jurisdiction of the County, without limitation as to rate or amount. Each County Guaranty shall remain in effect until the respective Authority Local Unit Note being guaranteed shall have been paid in full.

The County Guaranty Agreements

In order to establish the terms and conditions pursuant to which the County will make payments which are required to be made under the terms of the County Guaranties, the Authority, the Trustee and the County will enter into the County Guaranty Agreements with each respective Borrower (each, a "County Guaranty Agreement" and collectively, the "County Guaranty Agreements") on or before the initial delivery date of the Authority Local Unit Notes.

Among other things, the County Guaranty Agreements provide that if on the sixteenth day of the month preceding a month in which the Authority is obligated to pay the principal of or interest on the related Authority Local Unit Note, there are insufficient funds in the Debt Service Fund to provide for the payment of the principal of or interest on any Authority Local Unit Note when due and payable, the Trustee shall so notify the County within one (1) business day thereafter and the County shall acknowledge receipt thereof within one (1) business day, and, no later than two (2) business days prior to such principal or interest payment date on the Authority Local Unit Notes, the County shall make payment in immediately available funds to the Trustee of the amount of such deficiency in the Debt Service Fund (as defined in the Resolution). Such County payment shall be deposited by the Trustee into the Debt Service Fund, as and to the extent provided in the Authority's Local Unit Note Resolutions. Notwithstanding any other provision of a County Guaranty Agreement to the contrary, failure of the Trustee to give the County notice as provided in such County Guaranty Agreement shall not relieve the County of its obligation to make payment to the Trustee under the terms of such County Guaranty. When notice has been provided, as described above, the County shall be obligated to immediately take all necessary actions to pay such principal of and interest on the Authority Local Unit Notes. Such actions shall include the adoption of an emergency appropriation or an emergency temporary appropriation and the funding of such appropriation in accordance with the requirements of the Local Budget Law of the State (N.J.S.A. 40A:4-1, *et seq*.) (the “Local Budget Law”) or any other actions that are legally permitted to be taken to meet the requirements of the County Guaranties.

The Authority Local Unit Notes shall remain outstanding to their respective stated maturity dates and the guaranty authorized in each County Guaranty Agreement shall remain effective until the Authority Local Unit Note to which it applies shall have been paid in full in accordance with its terms notwithstanding the occurrence of any other event.

For information concerning the County, see Appendix A and Appendix B to this Official Statement.

THE AUTHORITY

The Authority is a public body corporate and politic organized and existing under the Act and created pursuant to an ordinance of the Board of County Commissioners of the County adopted August 19, 2025. The Authority has, among other powers, the authority to extend credit or make loans to any governmental unit for the planning, design, acquisition, construction, equipping and furnishing of public facilities, the payments with respect to which will be sufficient to pay the principal of and interest on the bonds and/or notes issued for that purpose by the Authority. The names and date of expiration of the terms of the members of the Authority are as follows:

MEMBER	**EXPIRATION OF CURRENT TERM**
Kevin Davis, Chairperson	February 1, 2030
Beth Gates, Vice Chairperson	January 31, 2031
Jack Opdyke, Treasurer	February 1, 2027
Gary Hazard, Secretary	February 1, 2029
Robert McNally, Esquire, Assistant Secretary	February 1, 2028

Archer & Greiner P.C., Red Bank, New Jersey, is Bond Counsel to the Authority with respect to the issuance of the Series 2026 Notes. The Municipal Advisor to the Authority is Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey. Michael B. Lavery, Esq., of the firm Lavery, Selvaggi & Cohen, P.C., Hackettstown, New Jersey, is General Counsel to the Authority.

SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT OF NEW JERSEY MUNICIPALITIES AND COUNTIES

MUNICIPALITIES AND COUNTIES

The following is a summary of certain provisions of New Jersey law relating to the protection of general obligation debt of New Jersey municipalities and counties. In the opinion of bond counsel to each of the Borrowers, each respective Borrower Note (which is pledged to the Holders (as defined in the Resolution) of the Series 2026 Notes) constitutes a general obligation of the applicable Borrower.

This summary does not purport to be a full and complete statement of all of the provisions referred to herein, and the cited statutes should be read in full for a complete understanding of all of said provisions.

The Local Bond Law (N.J.S.A. 40A:2-1 *et. seq.*). The Local Bond Law generally governs the issuance of bonds and notes by local units to finance certain capital improvements and appropriations. The Local Bond Law requires that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial or sinking fund installments. A 5% cash down payment is generally required toward the financing of capital expenditures. All bonds and notes issued by the Borrowers are general ("full faith and credit") obligations.

Debt Limits. The net authorized debt of all local units which are municipalities in the State is generally limited by statute to an amount equal to 3.5% of its equalized valuation basis. The equalized valuation basis of the local unit is set by statute as the average for the last three years of the sum of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries, as annually determined by the State Department of the Treasury, Division of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

Exceptions to Debt Limits - Extensions of Credit. The debt limit of a local unit may be exceeded with the approval of the Local Finance Board, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Local Unit must apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the ability of a Local Unit to meet its obligations or to provide essential services, and the Local Finance Board makes other statutory determinations, approval is granted.

School Debt. In the State of New Jersey, in a Type II school district without a Board of School Estimate, school debt authorized by the board of education must be approved by the registered voters of that school district. When the amount authorized exceeds the school district's limit, the district may use the municipality's share of available borrowing capacity upon approval of the proposed debt by the State Commissioner of Education (the "Commissioner") and the Local Finance Board, and subsequently by the registered voters of the district. School debt of a Type I school district is authorized by a Board of School Estimate and the governing body of a local unit.

The Local Budget Law (N.J.S.A. 40A:4-1, *et seq*.). The foundation of the New Jersey local finance system is the annual budget. Every local unit must adopt an operating budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division (the "Director") prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review focusing on anticipated revenues serves to protect the solvency of all local units. The budgets of local units must be in balance; *i.e*., total anticipated revenues must equal total appropriations.

If in any year a Local Unit's expenditures exceed (or are less than) its realized revenues for that year, then such deficit (excess) must be raised (accounted for) in the succeeding year's budget.

Real Estate Taxes. The same general principal that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The Local Budget Law (N.J.S.A. 40A:4-29) provides that the maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the Local Unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year.

The Local Budget Law (N.J.S.A. 40A:4-41) also provides with regard to current taxes that receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of such preceding fiscal year.

This provision requires that an additional amount (the "Reserve For Uncollected Taxes") be added to the tax levy required to balance the budget so that when the percentage collected of the prior year's tax levy is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget. The Reserve For Uncollected Taxes is calculated to be the levy required to balance a local unit's budget multiplied by the prior year's percentage of uncollected taxes (or a lesser percentage).

Miscellaneous Revenues. The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenue from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination in writing to the local unit.

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval thereof with the exception of the inclusion of categorical grants-in-aid contracts for their face amount with an offsetting appropriation.

CAP Limitations. Chapter 68 of the Laws of New Jersey of 1976 (N.J.S.A. 40A:4-45.1 *et seq*.), as amended and supplemented by P.L. 1983, c. 49, P.L. 1990, c. 89, and by P.L. 2004, c. 74 (the "CAP Law"), imposes restrictions which limit the allowable increase in municipal appropriations over the previous year's appropriations to the lesser of 102.5% or the increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services as published by the United States Department of Commerce (the "Cost-of-Living Adjustment"). If the Cost-of-Living Adjustment is less than or equal to 2.5% an increase equal to 3.5% will be permitted by adoption of an ordinance. If the Cost-of Living Adjustment is greater than 2.5%, an increase in any amount above 2.5% will be permitted upon passage of a referendum. This limitation is subject to the following exceptions among others: (i) all debt service payments (the obligation of each Borrower to repay its Borrower Loan comes within this exception); (ii) the amount of revenue generated by the increase in valuations within the municipality based solely on applying the preceding year's municipal tax rate to the apportionment valuation of new construction or improvements within the municipality and such increase shall be levied in direct proportion to said valuation; (iii) capital expenditures funded by any source; (iv) an increase involving certain defined categories of emergency appropriations as approved by the Director in certain cases; (v) amounts required to be paid pursuant to any contract between the municipality and any political subdivision or public body in connection with the provision and/or financing of projects for certain public purposes such as water, sewer, parking, senior citizens' housing or any similar purpose; or (vi) that portion of the municipal tax levy which represents funding to participate in any Federal or State aid program and amounts received or to be received from Federal, State or other funds in reimbursement for local expenditures.

Additionally, the Legislature of the State has previously enacted P.L. 2007, c. 62 (the "Property Tax Act") effective April 3, 2007, which imposed a 4% cap on the tax levy of a municipality, county, school district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The Property Tax Act has now been amended by the provisions of P.L. 2010, c. 44 effective June 13, 2010 (the "Amendment") and applicable to the next budget year following enactment. The Amendment reduces the tax levy cap to 2% from 4%, limits exclusions only to capital expenditures, including debt service, certain increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare cost increases in excess of 2% and extraordinary costs directly related to a declared emergency. Waivers from the Division of Local Government Services or the Local Finance Board are no longer available under the Amendment.

For municipalities, the levy cap is in addition to the existing appropriation cap; both cap laws must be met.

Deferral of Current Expenses. A local unit may make emergency appropriations after the adoption of a budget and the determination of the tax rate, but only to meet unforeseen pressing needs to protect or promote public health, safety, morals or welfare, or to provide temporary housing or public assistance. With limited exceptions set forth below, such appropriations must be included in full in the following year's budget. If such emergency appropriations exceed 3% of the adopted operating budget, consent of the Director is required (N.J.S.A. 40A:4-46, -47,

-49). The exceptions are certain enumerated quasi-capital projects such as ice, snow, and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, revision of ordinances, master plan preparations, and severance liabilities resulting from the layoff or retirement of employees, which may be amortized over five years (N.J.S.A. 40A:4-55, -55.3).

Under the CAP Law, emergency resolutions aggregating less than 3% of the previous year's final current operating appropriations may be raised in that portion of the budget outside its limitations if approved by at least two-thirds of the members of the governing body and the Director. Emergency resolutions that aggregate more than 3% of the previous year's final current operating appropriations must be raised within its limitations. Emergency resolutions for debt service, capital improvements, the County's share of Federal or State grants and other statutorily permitted items are outside its limitation.

<u>Budget Transfers</u>. Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited until the last two (2) months of the year. Subaccounts (line items) within an appropriation are not subject to the same year-end transfer restriction; however, they are subject to internal review and approval.

<u>Capital Budget</u>. In accordance with the Local Budget Law, each local unit must adopt and annually revise a capital program budget. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the Local Unit may contemplate over a period of up to six (6) years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body of a local unit setting forth the items and the method of financing or from the annual operating budget if the items were detailed.

<u>Operation of Utilities</u>. Municipal public utilities are supported, in addition to the general taxing power upon real property, by the revenues generated by the respective operations of the utilities.

For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to fully provide for debt service. The regulations regarding anticipation of revenue and deferral of charges apply equally to the budgets of the utilities.

Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the current or operating budget.

<u>Local Fiscal Affairs Law</u> (N.J.S.A. 40A:5-1, *et seq*.). This law regulates the nonbudgetary financial activities of local governments. The chief financial officer of a local unit must file annually with the Director a verified statement of the financial condition of the local unit. The statements of the Borrowers are on file with each respective Clerk.

An independent examination of a local unit's financial statements must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division's "Requirements of Audit," includes recommendations for improvement of a local unit's financial procedures and must be filed with the Clerk within six months after the close of its fiscal year and, within five days thereafter, a certified duplicate copy must be filed in the office of the

Director (N.J.S.A. 40A:5-6). The filing date of an audit may be extended by the Director upon a showing of good cause. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion (N.J.S.A. 40A:5-7).

Municipal Finance Commission (N.J.S.A. 52:27-40). Any county, municipality, school district or other political subdivision of the State has the power to file a petition with any United States court or courts in bankruptcy under the federal bankruptcy act for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts, provided that the approval of the Municipal Finance Commission of New Jersey has been obtained. The powers of the Municipal Finance Commission of New Jersey have been vested in the Local Finance Board.

SUMMARY OF CERTAIN PROVISIONS OF THE BORROWER NOTES AND BORROWER PURCHASE AGREEMENTS

The following is a summary of certain provisions of the Borrower Notes and the Borrower Purchase Agreements. This summary does not purport to be comprehensive or definitive and is qualified by reference to all of the terms and the provisions of the Borrower Notes and the Borrower Purchase Agreements to which reference is hereby made. Capitalized words and phrases that are not defined herein or conventionally capitalized have the meanings given such words or phrases in the Borrower Notes and the Borrower Purchase Agreements.

The Authority has entered into the Borrower Purchase Agreements, the terms of which, except for the principal amount of Borrower Notes to be purchased from each Borrower by the Authority, are substantially identical. **The obligations of each Borrower under their respective Borrower Notes, and their respective Borrower Purchase Agreements, are separate and distinct. The default by any Borrower under the terms of its respective Borrower Note or Borrower Purchase Agreement does not impose additional obligations on the non-Defaulting Borrowers (as hereinafter defined).**

Obligation of the Borrowers

In the opinion of bond counsel to each of the Borrowers (i) the proceedings taken by each Borrower to authorize and issue its respective Borrower Note under the Local Bond Law of the State, the Local Budget Law of the State, the Details Resolution, if applicable, of each Borrower and all other proceedings taken to authorize the Borrower Notes (collectively, the "Local Proceedings") have been validly authorized, executed and delivered and are in full force and effect, (ii) the Borrower Notes are legal, valid and binding obligations of each Borrower enforceable in accordance with their terms and the terms of the Local Proceedings, solely in the case of each Borrower, and, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable property located within such Borrower to the extent necessary to make the required payments on its Borrower Note, and (iii) interest on the Borrower Notes is excluded from gross income for federal income tax purposes and interest on the Borrower Notes is exempt from the tax imposed by the New Jersey Gross Income Tax Act.

Events of Default of the Borrowers

Each Borrower has entered into separate and distinct Borrower Purchase Agreements with the Authority, and the Authority will purchase each Borrower Note pursuant thereto. **Any**

default by any Borrower (the "Defaulting Borrower") which constitutes an Event of Default under its Borrower Notes will not affect the rights, duties and obligations of the non-Defaulting Borrowers. The following are Events of Default under the Borrower Notes: (i) failure by the Defaulting Borrower to make payments of principal of or interest on the Borrower Notes when due; and (ii) the occurrence of an Event of Default by the Authority under the Resolution caused by an action of the Defaulting Borrower.

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The Resolution contains various covenants and security provisions relating to the Series 2026 Notes (which are referred to as "Notes" under this heading), certain of which are summarized below. The following summary does not purport to be a full and complete statement of the provisions of the Resolution, and the Resolution should be read in full for a complete understanding of all the provisions thereof.

Capitalized terms which are used herein shall have the same meanings which are assigned to such terms in the Resolution.

Resolution to Constitute Contract

The Resolution shall be deemed to be and shall constitute a contract between the Authority and the Holders from time to time of the Notes; and the security interest granted and the pledge and assignment made in the Resolution and the covenants and agreements therein set forth to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the Holders of any and all of the Notes, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Notes over any other thereof, all except as expressly provided in or permitted by the Resolution.

The Pledge Effected by the Resolution

The Notes are direct and special obligations of the Authority payable solely from the Pledged Property, meaning the Borrower Notes and the Revenues and Funds other than the Rebate Fund, including Investment Securities held in any such Fund under the Resolution, together with all proceeds and revenues of the foregoing and all of the Authority's right, title and interest in and to the foregoing, and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Notes. The Revenues include (i) principal and interest received or to be received on any moneys or securities, including but not limited to Authority Local Unit Notes, held pursuant to the Resolution and paid or required to be paid into the Debt Service Fund, (ii) payments received under the County Guaranties, and (iii) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of Notes. All of the Pledged Property is pledged and assigned as security for the payment of the principal and Redemption Price of, and interest on, the Notes in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.

Nothing contained in the Resolution shall be deemed a limitation upon the authority of the Authority to issue bonds, notes or other obligations under the Act secured by other income and funds other than the Pledged Property, including, without limitation, bonds, notes or other obligations secured by Federal or State grants.

Establishment of Funds and Accounts

The following Funds are established under the Resolution:

(1) Note Proceeds Fund, to be held by the Trustee,

(2) Debt Service Fund, to be held by the Trustee, and

(3) Rebate Fund, to be held by the Authority.

Note Proceeds Fund

There shall be paid into the Note Proceeds Fund the amounts required to be so paid by the provisions of the Resolution or any Supplemental Resolution. The Trustee shall apply moneys in the Note Proceeds Fund, at the written direction of the Authority, to the purchase of Authority Local Unit Notes.

Debt Service Fund

The Trustee shall hold the Authority Local Unit Notes and any payments of principal and interest received with respect thereto, including any payments made pursuant to the County Guaranties, in the Debt Service Fund. The Trustee shall promptly enforce, and seek payment pursuant to, the applicable County Guaranties upon the failure of the Trustee to receive the timely payment of principal and interest on the Authority Local Unit Notes when due.

On each Interest Payment Date and each redemption date, the Trustee shall withdraw from the Debt Service Fund an amount equal to the interest due on the Notes on such Interest Payment Date or redemption date, which moneys shall be applied by the Paying Agent to the payment of such interest. On the maturity or Sinking Fund Installment due date of any Notes, the Trustee shall make available to the Paying Agent from moneys in the Debt Service Fund an amount equal to the principal or Redemption Price of the Notes due on such date, which moneys shall be applied by the Paying Agent to the payment of such principal or Redemption Price. On each redemption date, other than a Sinking Fund Installment due date, the Trustee shall make available to the Paying Agent from moneys in the Debt Service Fund an amount equal to the Redemption Price of the Notes to be redeemed on such redemption date, which moneys shall be applied by the Paying Agent to the payment of such Redemption Price.

Rebate Fund

Moneys on deposit in the Rebate Fund, including earnings on or gain realized on any moneys or investments therein, shall be held by the Authority in trust and applied as provided by instructions to the Authority contained in the tax certificate delivered pursuant to the Resolution.

Depositories

All moneys held by the Trustee and the Authority under the provisions of the Resolution shall constitute trust funds and the Trustee and the Authority may deposit such moneys with one or more Depositories in trust for said parties. All moneys deposited under the provisions of the Resolution with the Trustee or any Depository shall be held in trust and applied only in accordance with the provisions of the Resolution, and each of the Funds and Accounts established by the Resolution shall be a trust fund for the purposes thereof.

Investment of Certain Funds

Moneys held in the Debt Service Fund and the Note Proceeds Fund may be invested and reinvested in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Fund. In making any investment in any Investment Securities with moneys in any Fund established under the Resolution, the Authority may instruct in writing the Trustee or any Depository to combine such moneys with moneys in any other Fund, but solely for purposes of making such investment in such Investment Securities.

Power to Issue Notes and Pledge Pledged Property

The Authority is duly authorized under all applicable laws to create and issue the Notes, to adopt the Resolution and to pledge the Pledged Property purported to be subjected to the lien of the Resolution in the manner and to the extent provided in the Resolution. Except to the extent otherwise provided in the Resolution, the Pledged Property so pledged is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of the equal rank with the pledge and assignment created by the Resolution, and all action on the part of the Authority to that end has been and will be duly and validly taken. The Notes and the provisions of the Resolution are and will be the valid and legally binding obligations of the Authority. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Property under the Resolution and all the rights of the Noteholders (as defined in the Resolution) under the Resolution against all claims and demands of all persons whomsoever.

Tax Covenant

The Authority covenants to maintain the exclusion from gross income for Federal income tax purposes of interest on the Notes. In furtherance of the covenant contained in the preceding sentence, the Authority will, among other things, comply with the Tax Certificate. Notwithstanding any other provision of the Resolution to the contrary, so long as necessary in order to maintain the exclusion from gross income for Federal income tax purposes of interest on the Notes, the covenants contained in the Resolution shall survive the payment or discharge thereof upon defeasance of such Notes pursuant to the Resolution.

Events of Default

The following events shall constitute an Event of Default under the Resolution:

(i) if default shall be made in the due and punctual payment of the principal or Redemption Price of any Note when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise;

(ii) if default shall be made in the due and punctual payment of any installment of interest on any Note or the unsatisfied balance of any Sinking Fund Installment therefor (except when such Installment is due on the maturity date of such Note), when and as such interest installment or Sinking Fund Installment shall become due and payable;

(iii) if default shall be made by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part in the Resolution or in the Notes contained, and such default shall continue for a period of sixty (60) days and the Authority shall have failed to commence to cure such default within such sixty (60) day period after written notice thereof to the Authority by the Trustee or to the Authority and the Trustee by the Holders of not less than ten percent (10%) in principal amount of the Notes Outstanding;

(iv) if the Authority shall commence a voluntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall make any general assignment for the benefit of creditors, or shall make a written declaration or admission to the effect that it is unable to meet its debt as such debts mature, or shall authorize to take any action in furtherance of any of the foregoing; or

(v) if a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Authority in an involuntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law, or a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the Authority, of the Pledged Property and/or Revenues or a decree or order for the dissolution, liquidation or winding up of the Authority and its affairs or a decree or order finding or determining that the Authority is unable to meet its debts as such debts mature, and any such decree or order shall remain unstayed and in effect for a period of 60 consecutive days.

Supplemental Resolutions Effective Upon Filing With the Trustee

For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the Authority may be adopted, which, upon the filing with the Trustee of a copy thereof certified by an Authorized Authority Representative, shall be fully effective in accordance with its terms:

(1) To close the Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Resolution on, the authentication and delivery of Notes or the issuance of other evidences of indebtedness;

(2) To add to the covenants and agreements of the Authority in the Resolution, other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(3) To add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(4) To authorize, in compliance with all applicable law, Notes to be issued in the form of Notes issued and held in book- entry form on the books of the Authority, any Fiduciary or custodian appointed for that purpose by the Authority and, in connection therewith, make such additional changes to the Resolution, not adverse to the rights of the Holders of the Notes, as are necessary or appropriate to accomplish or recognize such book-entry form Notes, substitute for any such Fiduciary or custodian, provide for in, and amend any provisions in, the Resolution relating to the giving of notice, and specify and determine the matters and things relative to the issuance of such book-entry form Notes as are appropriate or necessary;

(5) To confirm, as further assurance, any pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, the Resolution of the Pledged Property and to pledge any additional revenues, moneys, securities or other agreements; and

(6) To modify any of the provisions of the Resolution in any other respect whatever, provided that (i) such modification shall become effective prior to the authentication and delivery of the first Note authorized to be issued pursuant to the Resolution, such Supplemental Resolution shall be specifically referred to in the text to all Notes authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Notes issued in exchange therefor or in place thereof.

Supplemental Resolutions Effective Upon Consent of Trustee

For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon (i) the filing with the Trustee of a copy thereof certified by an Authorized Authority Representative, and (ii) the filing with the Trustee and the Authority of instruments in writing made by the Trustee consenting thereto, shall be fully effective in accordance with its terms:

(1) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or

(2) To insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable and are not contrary to or inconsistent with the Resolution as theretofore in effect.

Powers of Amendment

Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Notes thereunder, in any particular, may be made by a Supplemental Resolution with the written consent, given as provided in the Resolution, of the Holders of at least a majority in principal amount of the Notes Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Notes of any specified maturity remain Outstanding, the consent of the Holders of such Notes shall not be required and such Notes shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Notes under this paragraph. No such modification or amendment shall permit a change in the terms of redemption (including Sinking Fund Installments) or maturity of the principal of any Outstanding Note or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Note, or shall reduce the percentages or otherwise affect the classes of Notes the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. The Trustee may in its discretion determine whether or not, in accordance with the foregoing powers of amendment, Notes of any particular maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Notes.

Modifications by Unanimous Consent

The terms and provisions of the Resolution and the rights and obligations of the Authority and of the Holders of the Notes thereunder may be modified or amended in any respect upon the adoption and filing by the Authority of a Supplemental Resolution and the Holders of all of the Notes then Outstanding, such consent to be given as provided in the Resolution except that no notice to Noteholders shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Noteholders.

Defeasance

If, subject to the provisions set forth in the next succeeding sentence, the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Notes the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated in the Notes and in the Resolution, then the pledge of the Pledged Property, any Revenues, and other moneys and securities pledged under the Resolution and all covenants, agreements and other obligations of the Authority to the Noteholders, shall thereupon cease, terminate and become void and be discharged and satisfied. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Outstanding Notes of a particular maturity or particular Notes within a maturity, the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution, such Notes shall cease to be entitled to any lien, benefit or security under the Resolution, and all covenants, agreements and obligations of the Authority to the Holders of such Notes shall thereupon cease, terminate and become void and be discharged and satisfied.

PLEDGE OF THE STATE NOT TO LIMIT POWER OF AUTHORITY OR RIGHTS OF NOTEHOLDERS

The Act sets forth the pledge and agreement of the State that it will not limit or alter the rights vested by the Act in the Authority to fulfill the terms of any agreements made with holders of obligations of the Authority or in any way impair the rights and remedies of such holders, until such obligations, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged.

LEGALITY FOR INVESTMENT

The Act provides that: (1) the State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof; (2) all banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, which banks, trust companies, and other such institutions are organized and existing under the laws of the State; and (3) all executors, administrators, guardians, trustees and other fiduciaries acting under the laws of the State, may legally invest any sinking funds, moneys or other funds belonging to them or within their control in obligations of authorities created pursuant to the Act and such obligations will be authorized security for any and all public deposits.

LITIGATION

The Authority

There is no litigation pending or threatened involving the Authority that would materially impair the financial stability of the Authority or affect the issuance, sale or delivery of the Series 2026 Notes or the valid execution of the Borrower Purchase Agreements or the performance thereunder by the Authority or the purchase of the Borrower Notes by the Authority.

The Borrowers

There is no litigation pending or threatened involving any Borrower that would materially impair the financial stability of such Borrower or affect the execution of the Borrower Purchase Agreement by such Borrower or such Borrower's performance, both financial and otherwise, thereunder or the issuance of its Borrower Note.

The County

There is no litigation pending or threatened involving the County which would, if successful, result in a material adverse change in the financial condition or results of operations of the County or adversely affect the enforceability of the County Guaranties.

TAX MATTERS

Exclusion of Interest on the Series 2026 Notes from Gross Income for Federal Income Tax Purposes

The Internal Revenue Code of 1986, as amended (the "Code") imposes certain requirements which must be met on the date of issuance and on a continuing basis subsequent to the issuance of the Series 2026 Notes in order to assure that interest on the Series 2026 Notes will be excluded from gross income for purposes of Federal income taxation under Section 103 of the Code. Failure of the Authority and the Borrowers to comply with such requirements may cause interest on the Series 2026 Notes to lose the exclusion from gross income for Federal income tax purposes, retroactive to the date of the issuance of the Series 2026 Notes. The Authority and the Borrowers will make certain representations in their applicable tax certificates which will be executed on the date of issuance of the Series 2026 Notes, as to various tax requirements. The Authority and the Borrowers have covenanted to comply with the provisions of the Code applicable to the Series 2026 Notes and have covenanted not to take any action or fail to take any action that would cause the interest on the Series 2026 Notes to lose the exclusion from gross income under Section 103 of the Code or cause interest on the Series 2026 Notes to be treated as an item of tax preference under Section 57 of the Code. Archer & Greiner P.C., Bond Counsel to the Authority, has relied upon the representations of the Authority and the Borrowers made in their applicable tax certificates and has assumed continuing compliance by the Authority and the Borrowers with the above covenants in rendering its Federal income tax opinions with respect to the exclusion of interest on the Series 2026 Notes from gross income for Federal income tax purposes and with respect to the treatment of interest on the Series 2026 Notes for the purposes of alternative minimum tax.

Assuming the Authority and the Local Units observe their covenants with respect to compliance with the Code, Archer & Greiner P.C., Bond Counsel to the Authority, is of the opinion that, under existing law, interest on the Series 2026 Notes is not includable in gross income of the owners of the Series 2026 Notes for Federal income tax purposes pursuant to Section 103 of the Code and interest on the Series 2026 Notes is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax, however, interest on the Series 2026 Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code.

Tax Treatment of Original Issue Premium

The initial public offering price of certain of the Series 2026 Notes (the "Premium Notes") is greater than the principal amount of such Series 2026 Notes payable at maturity. An amount equal to the excess of the purchase price of a Premium Note over its stated redemption price at maturity constitutes premium on such Premium Note. A purchaser of a Premium Note must amortize any premium over such Premium Note's term using constant yield principles, based on the Premium Note's yield to maturity. As premium is amortized, the purchaser's basis of such Premium Note and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on the sale or disposition of such Premium Note prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed.

Purchasers of any Premium Notes, whether at the time of initial issuance or subsequent thereto, should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes, and with respect to state and local tax consequences of owning such Premium Notes.

Additional Federal Income Tax Consequences

Prospective purchasers of the Series 2026 Notes should be aware that ownership of, accrual of, receipt of, interest on, or disposition of, tax-exempt obligations, such as the Series 2026 Notes, may have additional Federal income tax consequences for certain taxpayers, including without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations. Prospective purchasers of the Series 2026 Notes should consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Bond Counsel expresses no opinion regarding any Federal tax consequences other than its opinions with regard to interest on the Series 2026 Notes not being includable in gross income pursuant to Section 103 of the Code and interest on the Series 2026 Notes not constituting an item of tax preference under Section 57 of the Code, and interest on the Series 2026 Notes being included in the "adjusted financial statement income" of certain corporations that are subject to the alternate minimum tax under the Code. Prospective purchasers of the Series 2026 Notes should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Series 2026 Notes.

State Taxation

Bond Counsel to the Authority is of the opinion that, under existing law, interest on the Series 2026 Notes and net gains from the sale of the Series 2026 Notes are not includable for tax imposed by the New Jersey Gross Income Tax Act.

Miscellaneous

Amendments to Federal and state tax laws are proposed from time to time and could be enacted, and court decisions and administrative interpretations may be rendered, in the future. There can be no assurance that any such future amendments or actions will not adversely affect the value of the Series 2026 Notes, the exclusion of interest on the Series 2026 Notes from gross income, alternative minimum taxable income, state taxable income, or any combination from the date of issuance of the Series 2026 Notes or any other date, or that such changes will not result in other adverse Federal or state tax consequences.

THE ABOVE SUMMARY OF POSSIBLE TAX CONSEQUENCES IS NOT EXHAUSTIVE OR COMPLETE. ALL PURCHASERS OF THE SERIES 2026 NOTES SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE POSSIBLE FEDERAL, STATE AND LOCAL INCOME TAX CONSEQUENCES OF OWNERSHIP OF THE SERIES 2026 NOTES.

APPROVAL OF LEGALITY

All legal matters incident to the authorization, issuance, sale and delivery of the Series 2026 Notes are subject to the approval of Archer & Greiner P.C., Red Bank, New Jersey, Bond Counsel to the Authority, whose approving legal opinion will be delivered with the Series 2026 Notes, substantially in the form annexed hereto as Appendix D. All legal matters incident to the authorization, sale and delivery of the Borrower Notes will be passed upon for the Borrowers by their respective bond counsel. Certain legal matters will be passed upon for the Authority by its General Counsel, Michael B. Lavery, Esq., of the firm Lavery, Selvaggi & Cohen, P.C., Hackettstown, New Jersey and certain legal matters concerning the Borrower Notes will be passed upon by Bond Counsel to each of the Borrowers. Certain legal matters will be passed upon for the County by its Counsel, Katrina Doyle, Esq., Flemington, New Jersey, and by its County Bond Counsel, Archer & Greiner P.C., Red Bank, New Jersey, Bond Counsel to the Authority, whose legal opinion will be delivered with the Series 2026 Notes, substantially in the form annexed hereto as Appendix E. Certain legal matters will be passed upon for the Underwriter by Dilworth Paxson LLP, Freehold, New Jersey.

CREDIT RATING

Moody's Ratings ("Moody's") has assigned the Series 2026 Notes the rating of MIG 1. Such rating reflects only the view of such organization, and an explanation of the significance of such rating may be obtained only from Moody's. There is no assurance that such rating will be retained for any given period of time or that such rating will not be revised downward entirely by such rating agency if in its judgment circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2026 Notes.

UNDERWRITING

Raymond James & Associates, Inc. (the "Underwriter"), has agreed, subject to certain customary conditions precedent to closing, to purchase the Series 2026 Notes from the Authority. The Contract of Purchase entered into between the Authority and the Underwriter provides that all of the Series 2026 Notes will be purchased if any are purchased. The Contract of Purchase further provides that the purchase price for the Series 2026 Notes is $___________. The purchase price of the Series 2026 Notes reflects the principal amount of the Series 2026 Notes, less an Underwriter's discount of $________, plus an original issue premium of $_________. The Underwriter is obligated to purchase all of the Series 2026 Notes if any Series 2026 Notes are purchased

MUNICIPAL ADVISOR

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Authority in connection with the issuance of the

Series 2026 Notes (the "Municipal Advisor") and has assisted in matters related to the planning, structuring and terms of the Series 2026 Notes. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

SECONDARY MARKET DISCLOSURE

County Obligation to Provide Continuing Disclosure

Pursuant to the provisions of a Continuing Disclosure Agreement dated as of September 1, 2026 (the "County Disclosure Agreement"), between the County and Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey (the "Dissemination Agent"), the County agrees to provide or cause to be provided either directly or through the Dissemination Agent to the Municipal Securities Rulemaking Board (the "MSRB"), in a timely manner not in excess of nine business days following the County Notice Event (hereinafter defined), notice of any of the following events (each, a "County Notice Event") with respect to the Series 2026 Notes:

(i) bankruptcy, insolvency, receivership or similar event of the County;

(ii) the consummation of a merger, consolidation, or acquisition involving the County, or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iii) incurrence of a financial obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material; and

(iv) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties.

The Dissemination Agent shall provide notice of each such County Notice Event to the MSRB within one (1) business day after receipt by the Dissemination Agent of such notice from the County.

If the County shall fail to comply with any provision of the County Disclosure Agreement, then the Dissemination Agent or any Noteholder may enforce, for the equal benefit and protection of all Noteholders similarly situated, by mandamus or other suit or proceeding at law or in equity, the provisions of the County Disclosure Agreement against the County and any of the officers, agents and employees of the County and may compel the County or any such officers, agents or employees to perform and carry out their duties under the County Disclosure Agreement; provided that the sole and exclusive remedy for breach of the County Disclosure

Agreement shall be an action to compel specific performance of the obligations of the County under the County Disclosure Agreement and no person or entity shall be entitled to recover monetary damages under the County Disclosure Agreement under any circumstances. Failure to comply with any provision of the County Disclosure Agreement shall not in any manner constitute an Event of Default under the Resolution.

Without the consent of any Noteholders, the County and the Dissemination Agent at any time and from time to time may enter into any amendments or modifications to the County Disclosure Agreement for any of the following purposes: (i) to comply with or conform to any changes in Rule 15c2-12 ("Rule 15c2-12") adopted by the Securities and Exchange Commission (whether required or optional) which are applicable to the Series 2026 Notes; (ii) to add a dissemination agent for the information required to be provided by the County under the County Disclosure Agreement and to make any necessary or desirable amendments or modifications in connection therewith; (iii) to evidence the succession of another entity to the County and the assumption by any such successor of the covenants and agreements of the County under the County Disclosure Agreement; or (iv) to add to the covenants and agreements of the County under the County Disclosure Agreement for the benefit of the Noteholders, or to surrender any right or power conferred upon the County under the County Disclosure Agreement.

The County has executed continuing disclosure agreements in connection with certain of the County's prior bond issuances (the "County Prior Issuances"), covenanting to file certain financial information and operating data (the "Annual Report") with the nationally recognized municipal securities information repositories or the MSRB, as applicable, not later than 240 days after the end of each fiscal year or the first day of the ninth month after the end of each fiscal year not later than September 1 of each fiscal year for County Prior Issuances. The County has implemented procedures to ensure timely Annual Report filings on a going forward basis in connection with its continuing disclosure obligations with respect to Authority Prior Issuances and County Prior Issuances.

Obligated Borrowers Obligation to Provide Continuing Disclosure

The Borrowers which are obligated to execute continuing disclosure agreements are those Borrowers which are scheduled to make debt service payments with respect to their Borrower Notes in calendar year 2026 which equal or exceed twenty percent (20%) of the debt service scheduled to be paid with respect to the Series 2026 Notes in such calendar year. As of the date hereof, the Township of Readington, the City of Lambertville, and the Township of Raritan (each an "Obligated Borrower" and collectively, the "Obligated Borrowers") are scheduled to make debt service payments with respect to their Borrower Notes in calendar year 2026 which equal or exceed twenty percent (20%) of the debt service scheduled to be paid with respect to the Series 2026 Notes in such calendar year.

Pursuant to the provisions of the Continuing Disclosure Agreements, dated as of September 1, 2026 (each, an "Obligated Borrower Disclosure Agreement"), between the respective Obligated Borrower and the Dissemination Agent, the Obligated Borrowers agree to provide or cause to be provided either directly or through the Dissemination Agent to the MSRB, in a timely manner not in excess of nine (9) business days following the Obligated Borrower Notice Event (hereinafter defined), notice of any of the following events (each, an "Obligated Borrower Notice Event") with respect to the Series 2026 Notes:

(i) bankruptcy, insolvency, receivership or similar event of the Obligated Borrower;

(ii) the consummation of a merger, consolidation, or acquisition involving the Obligated Borrower, or the sale of all or substantially all of the assets of the Obligated Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iii) incurrence of a financial obligation of the Obligated Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Borrower, any of which affect security holders, if material; and

(iv) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Borrower, any of which reflect financial difficulties.

The Dissemination Agent shall provide notice of each such Obligated Borrower Notice Event to the MSRB within one (1) business day after receipt by the Dissemination Agent of such notice from the respective Obligated Borrower.

If an Obligated Borrower shall fail to comply with any provision of their Obligated Borrower Disclosure Agreement, then the Dissemination Agent or any Noteholder may enforce, for the equal benefit and protection of all Noteholders similarly situated, by mandamus or other suit or proceeding at law or in equity, the provisions of the Obligated Borrower Disclosure Agreement against the Obligated Borrower and any of the officers, agents and employees of the Obligated Borrower and may compel the Obligated Borrower or any such officers, agents or employees to perform and carry out their duties under the Obligated Borrower Disclosure Agreement; provided that the sole and exclusive remedy for breach of the Obligated Borrower Disclosure Agreement shall be an action to compel specific performance of the obligations of the Obligated Borrower under the Obligated Borrower Disclosure Agreement and no person or entity shall be entitled to recover monetary damages under the Obligated Borrower Disclosure Agreement under any circumstances. Failure to comply with any provision of the Obligated Borrower Disclosure Agreement shall not in any manner constitute an Event of Default under the Resolution.

Without the consent of any Noteholders, the Obligated Borrowers and the Dissemination Agent at any time and from time to time may enter into any amendments or modifications to their respective Obligated Borrower Disclosure Agreement for any of the following purposes: (i) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional) which are applicable to the Series 2026 Notes; (ii) to add a dissemination agent for the information required to be provided by the Obligated Borrower under its Obligated Borrower Disclosure Agreement and to make any necessary or desirable amendments or modifications in connection therewith; (iii) to evidence the succession of another entity to the Obligated Borrower and the assumption by any such successor of the covenants and agreements of the Obligated Borrower under its Obligated Borrower Disclosure Agreement; or (iv) to add to the covenants and agreements of the Obligated Borrower under the Obligated Borrower Disclosure Agreement for the benefit of the Noteholders, or to surrender any right or power conferred upon the Obligated Borrower under the Obligated Borrower Disclosure Agreement.

The Township of Readington has previously entered into secondary market disclosure undertakings in accordance with Rule 15c2-12. The Township of Readington has engaged Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey to serve as continuing disclosure agent to assist in the filing of certain information on MSRB's Electronic Municipal Market Access ("EMMA") website as required under its prior secondary market disclosure undertakings.

The City of Lambertville has previously entered into secondary market disclosure undertakings in accordance with Rule 15c2-12. Within the five years immediately preceding the date of this Official Statement, the City of Lambertville failed to timely file its adopted budget for the year ended December 31, 2021 and failed to timely file the required late filing notice in connection therewith. Such information has since been filed with EMMA. The City of Lambertville has engaged Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey to serve as continuing disclosure agent to assist in the filing of certain information on EMMA as required under its prior secondary market disclosure undertakings.

The Township of Raritan has previously entered into secondary market disclosure undertakings in accordance with Rule 15c2-12 with respect to its own obligations and obligations of the Raritan Township Municipal Utilities Authority for which the Township is an obligated person. The Township of Raritan has engaged Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey to serve as continuing disclosure agent to assist in the filing of certain information on EMMA as required under its prior secondary market disclosure undertakings.

Authority Obligation to Provide Continuing Disclosure

Pursuant to the provisions of a Continuing Disclosure Agreement, dated as of September 1, 2026 (the "Authority Disclosure Agreement"), between the Authority, the County, the Obligated Borrowers and the Dissemination Agent, the Authority agrees to provide or cause to be provided either directly or through the Dissemination Agent to the MSRB, in a timely manner not in excess of ten (10) business days following the Authority Notice Event (hereinafter defined), notice of any of the following events (each, an "Authority Notice Event") with respect to the Series 2026 Notes:

(i) principal and interest delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Series 2026 Notes, or other material events affecting the tax status of the Series 2026 Notes;

(vii) modifications to rights of Noteholders; if material;

(viii) Series 2026 Note calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Series 2026 Notes, if material;

(xi) rating changes; and

(xii) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Dissemination Agent shall provide notice of each such Authority Notice Event to the MSRB within one (1) business day after receipt by the Dissemination Agent of such notice from the Authority.

If the Authority shall fail to comply with any provision of the Authority Disclosure Agreement, then the Dissemination Agent or any Noteholder may enforce, for the equal benefit and protection of all Noteholders similarly situated, by mandamus or other suit or proceeding at law or in equity, the provisions of the Authority Disclosure Agreement against the Authority and any of the officers, agents and employees of the Authority and may compel the Authority or any such officers, agents or employees to perform and carry out their duties under the Authority Disclosure Agreement; provided that the sole and exclusive remedy for breach of the Authority Disclosure Agreement shall be an action to compel specific performance of the obligations of the Authority under the Authority Disclosure Agreement and no person or entity shall be entitled to recover monetary damages under the Authority Disclosure Agreement under any circumstances. Failure to comply with any provision of the Authority Disclosure Agreement shall not in any manner constitute an Event of Default under the Resolution.

Without the consent of any Noteholders, the Authority and the Dissemination Agent at any time and from time to time may enter into any amendments or modifications to the Authority Disclosure Agreement for any of the following purposes: (i) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional) which are applicable to the Series 2026 Notes; (ii) to add a dissemination agent for the information required to be provided by the Authority under the Authority Disclosure Agreement and to make any necessary or desirable amendments or modifications in connection therewith; (iii) to evidence the succession of another person or entity to the Authority and the assumption by any such successor of the covenants and agreements of the Authority under the Authority Disclosure Agreement; or (iv) to add to the covenants and agreements of the Authority under the Authority Disclosure Agreement for the benefit of the Noteholders, or to surrender any right or power conferred upon the Authority by the Authority Disclosure Agreement.

APPENDICES

Appendix A to this Official Statement consists of certain information concerning the County which has been provided by the County from public documents of the County and from other public or official documents or publications which are referred to therein. Neither the Authority nor the Underwriter has confirmed the accuracy or completeness of said information, and the Authority and the Underwriter disclaim any responsibility for the accuracy and completeness thereof.

Appendix B to this Official Statement consists of financial statements of the County for the years ending 2025 and 2024. Neither the Authority nor the Underwriter has confirmed the accuracy or completeness of said information, and the Authority and the Underwriter disclaim any responsibility for the accuracy and completeness thereof.

Appendix C of this Official Statement consists of certain financial, economic and demographic information concerning the Obligated Borrowers. Neither the Authority nor the Underwriter has confirmed the accuracy or completeness of said information, and the Authority and the Underwriter disclaim any responsibility for the accuracy and completeness thereof.

Appendix D of this Official Statement consists of the form of approving legal opinion of Archer & Greiner P.C., Bond Counsel to the Authority. Copies of such opinion will be available at the time of delivery of the Series 2026 Notes.

Appendix E of this Official Statement consists of the form of legal opinion of Archer & Greiner P.C., Bond Counsel to the County. Copies of such opinion will be available at the time of delivery of the Series 2026 Notes.

MISCELLANEOUS

The references herein to the Act, the Resolution, the Local Note Resolutions, the County Guaranties, the County Guaranty Agreements, the Borrower Purchase Agreements, the County Disclosure Agreement, and the Authority Disclosure Agreement are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference is made to the Act, the Resolution, the Local Note Resolutions, the County Guaranties, the County Guaranty Agreements, the Borrower Purchase Agreements, the County Disclosure Agreement, and the Authority Disclosure Agreements for full and complete statements of such provisions. These documents may be inspected at the designated principal corporate trust office of the Trustee.

Any statement which are contained in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. All estimates and assumptions herein have been made on the best information available and are believed to be reliable but no representations whatsoever are made that such estimates or assumptions are correct or will be realized. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or holders of the Series 2026 Notes.

The execution and delivery of this Official Statement has been duly authorized by the Authority.

THE HUNTERDON COUNTY IMPROVEMENT AUTHORITY

By: /s/______________________________
KEVIN DAVIS,
Chairman

Dated: September ___, 2026

APPENDIX A

Certain Information Concerning the County

INFORMATION REGARDING THE COUNTY[1]

The following material presents certain economic and demographic information of the County of Hunterdon (the "County") in the State of New Jersey (the "State").

General Information

The County is a public body corporate and politic of the State of New Jersey, situated in the west central portion of the State, halfway between New York City and Philadelphia. The County is primarily a rural area, with the county seat located in the Borough of Flemington. The County comprises approximately 5.7% of the State's area, and approximately 128,947 persons, according to the 2020 U.S. Census, or approximately 1.4% of the State's population, reside in the County. The County contains twenty-six (26) constituent municipalities: Alexandria Township, Bethlehem Township, Bloomsbury Borough, Califon Borough, Clinton Town, Clinton Township, Delaware Township, East Amwell Township, Flemington Borough, Franklin Township, Frenchtown Borough, Glen Gardner Borough, Hampton Borough, High Bridge Borough, Holland Township, Kingwood Township, Lambertville City, Lebanon Borough, Lebanon Township, Milford Borough, Raritan Township, Readington Township, Stockton Borough, Tewksbury Township, Union Township and West Amwell Township.

One of the least populated counties in the State, the County's population increased by less than 1% between 2010 and 2020, after increasing over 5% in the previous decade. Before 1980, development had been primarily residential. During the 1980's and 1990's, a number of corporate centers were built in the County. Many of the employees of these corporations moved to the County, not only to be close to their jobs, but also to enjoy the County's many recreational facilities, its rural atmosphere and its relatively low living costs. This influx of new residents spurred further residential development.

The County has long been known as a leading agricultural County. Significant progress has been made in developing programs to help retain this vital component of the County's heritage. Under the County's Farmland Preservation Program, hundreds of farms have been permanently preserved in the County.

Governmental Structure

The governing body of the County consists of the Board of County Commissioners (the "Board") which is comprised of five (5) members, who are all elected at large. Each member of the Board is elected to office for a staggered, three (3) year term. The property, finances and affairs of the County are vested in the Board, together with all legislative and executive functions, except such executive functions as have been delegated by the Board to the County Administrator from time to time by resolution. The Board created the Office of County Administrator by resolution pursuant to N.J.S.A. 40A:9-42 and delegated to the County Administrator various administrative powers, including acting as the executive officer of the Board, and attending all meetings of the Board, administering the affairs of the County, supervising County personnel, including Department heads who must report to the County Administrator periodically, making

[1] Source: The County, unless otherwise indicated.

recommendations concerning the appointment, promotion, removal and suspension, discipline, supervision and control of Department heads, as well as other officials, subordinates and their employees, and assisting and making recommendations in all administrative hearings required to be conducted by the Board. The County Administrator serves a term of office of five (5) years.

The County is comprised of various offices, boards, departments and divisions, including the following: Finance; Budgets and Grants; Management Information Systems (data processing); Planning Board; Purchasing; Buildings and Maintenance; Roads, Bridges and Engineering; County Engineer; Weights and Measures; Emergency Services; Corrections Department; Health Department; Adjuster; Office of Aging; Election Board; Cultural and Heritage Commission; Human Services; Social Services; Library; Parks and Recreation; Department of Public Housing; Adult Education; Hunterdon County Polytech; Raritan Valley Community College; Rutgers Cooperative Extension; and Superintendent of Schools. All heads of these various offices, boards, departments and divisions are appointed by the Board, except for Adult Education, the Rutgers Cooperative Extension, and Superintendent of Schools.

In addition to the County departments mentioned above, there are County constitutional officers which include the County Prosecutor, Sheriff, Surrogate and Clerk. The County Prosecutor is nominated and appointed by the Governor with the advice and consent of the State Senate for a term of office of five (5) years. The County Clerk, Surrogate and Sheriff are elected by the voters of the County at general election, for a term of office of five (5) years for the Clerk and the Surrogate, and for a term of office for three (3) years for the Sheriff. The staffs and expenditures of these County constitutional officers are the responsibility of the County.

The Board is also required by law to appoint a County Treasurer to serve a term of office of three (3) years; a Clerk of the Board to serve a term of office of three (3) years; a County Counsel to serve a term of office of three (3) years; and a County Engineer to serve a term of office of five (5) years. The Board also may appoint a County Purchasing Agent (three (3) year term) and a County Superintendent of Buildings and Grounds (five (5) year term).

A Board of Taxation for the County is required to be established pursuant to Title 54, Chapter 3 of the New Jersey Statutes. The three (3) members of the Hunterdon County Board of Taxation are appointed by the Governor by and with the advice and consent of the State Senate, and serve for a term of three (3) years. The Board is required by law to appoint a County Tax Administrator, who holds office for a term of three (3) years. The County Board of Taxation functions within the County to review taxes on appeal and is charged with the review and equalization of tax assessments or tax lists. The County is required to fund the budget of the Hunterdon County Board of Taxation.

Solid Waste and Recycling

The County Solid Waste and Recycling Division oversees solid waste disposal and solid waste recycling functions within the County through Waste Management’s transfer station in Annandale.

Hospitals and Health

The Hunterdon Medical Center located in Raritan Township, is a 184-bed nonprofit community hospital providing comprehensive medical and health care. It also offers a broad spectrum of counseling, therapy and mental health services to the community. Also known as a teaching institution, it is affiliated with Rutgers Medical School, which is one of the leading colleges of medicine and dentistry in New Jersey. The County contains three family health centers (Phillips-Barber in Lambertville, Delaware Valley in Milford and Hickory Run in Califon) which offer comprehensive health services to the elderly and residents who live in the rural areas.

The State of New Jersey operates a mental health facility in Clinton Township, within the County, called the Hunterdon Developmental Center. This facility provides approximately 650 beds for adults with intellectual and developmental disabilities.

Parks and Recreation

The County Park System consists of over 7,300 acres of natural environment for cultural and recreational enjoyment of the general public. In 2001, the County opened its first public golf course, Heron Glen, located in Raritan Township.

The County's program of continuing acquisition of land for parks and preserves, which is partly paid for by Federal and State grants, greatly enhances the social and economic stability of the County.

Education

Education is a high priority in Hunterdon County. Communities and their residents invest heavily in the thirty-one (31) school districts with fifty-one (51) schools and over 22,000 students. The public schools located within the County continually evaluate their programs, methods and materials to offer the students of the County the best possible education.

The County Superintendent of Schools Office is staffed by personnel from the New Jersey State Department of Education and the County who provide education leadership for the thirty-one (31) school districts.

Hunterdon County Adult Education, a unique and innovative program, was established in 1969 by the cooperative efforts of the County High Schools, Department of Education and Board to serve the people of the County. The highly successful adult education programs are sponsored by the Hunterdon County Educational Services Commission and is governed by a Board of Directors

The County Vocational School District provides career and technical education in over 20 programs of study in both shared-time and full-time models. Several of the programs also have dual credit options in which students can elect to earn college credits while in high school with institutes of higher education such as Raritan Valley Community College, Rutgers University, and Centenary University.

The County and Somerset County jointly fund and sponsor the Raritan Valley Community College, a two-year college located in North Branch, New Jersey, within Somerset County. The Raritan Valley Community College was established in 1968 by Somerset County and became a joint operation with Hunterdon County on November 19, 1986. By agreement, amounts within the College Budget to be funded by the County and Somerset County are to be apportioned annually between them based on the comparative proportion of aggregate of assessed valuation within each County, as set by the respective Board of Taxation for each County.

Hunterdon County Improvement Authority

The Hunterdon County Improvement Authority ("HCIA") is a public body corporate and politic organized and existing under the Act and created pursuant to an ordinance of the Board of County Commissioners of the County adopted August 19, 2025. The Authority has, among other powers, the authority to extend credit or make loans to any governmental unit for the planning, design, acquisition, construction, equipping and furnishing of public facilities, the payments with respect to which will be sufficient to pay the principal of and interest on the bonds and/or notes issued for that purpose by the Authority. The HCIA has a five (5)-member board which meets monthly.

Justice System

The Superior Court of New Jersey is located in the three-story Hunterdon County Justice Complex which opened in July, 1996 where the Superior Court judges and judicial staff (including probation officers) are consolidated. The Justice complex contains five (5) courtrooms. The existing, historic Hunterdon County Court House was retained to provide space for one additional courtroom. The State assumes most of the costs and financial responsibility for the personnel and ongoing operations of the court system in the County pursuant to New Jersey law.

The County of Hunterdon Office of the Sheriff is staffed by sworn personnel including the Sheriff, undersheriffs, a chief warrant officer, investigators, sergeants and sheriff's officers. The Sheriff's Office is mandated by law under N.J.S.A. 2B:6-1(d) to provide security for the Superior Courts; under N.J.S.A. 2B:6-3(a) for the service, execution and return of process, orders, warrants and judgments; and under N.J.S.A. 2C:43-10(e) to provide for the transportation of convicted criminal defendants. The Sheriff's Office is located on Court Street in Flemington Borough and also has offices in the Justice Complex.

Highways

The County is bisected east to west by Interstate 78, which runs from Newark to the Easton-Bethlehem-Allentown area in Pennsylvania. Connections with other major roadways put most of the northeast New Jersey-New York metropolitan area within a 90 minute drive.

The County is bisected in a north to south direction by Route 31, which runs between Interstate 80 to the north and Interstates 95, 295 and 195 to the south. The southern Interstates put the Philadelphia Metropolitan area within a 90 minute drive and other employment centers in Mercer, Somerset, Middlesex and Morris counties and the Easton-Bethlehem-Allentown area of Pennsylvania, all within reasonable commuting distances.

Routes 22 and 202 provide east-west access between Pennsylvania and New York, while Route 31 ties Hunterdon to points north and south. U.S. Route 22 and Interstate 78 are the principal east-west route into the Lehigh Valley, serving the major communities of Allentown, Bethlehem, Easton and Phillipsburg.

Route 31 is the major north-south commuter and freight route connection Interstate 78 with Interstate 80, via Route 46. It also serves as the principal route for those traveling north to Warren County or south to the City of Trenton.

Mass Transportation

The nature of land development in the County currently precludes an intensive mass transportation system. Mass transit is limited to long distance services, local operation in the population centers, and specialized paratransit services for the elderly and handicapped.

New Jersey Transit runs passenger rail service to Newark and New York City, along the Raritan Valley Line, from commuter rail stations at White House Station (Readington Township), Lebanon Borough, High Bridge Borough and Clinton Township (in Annandale). Also, in neighboring Mercer County, Trenton and Hamilton are stations used by County residents living in the southern portion of the County. Limited bus service is provided by NJ Transit between Lambertville and Trenton.

Buses to the Port Authority in New York, Newark Liberty International Airport and JFK International Airport are available for travelers from Clinton and Flemington.

The LINK, Hunterdon's County's Consolidated Transportation System, provides the County's senior citizens, disabled residents, as well as the general public with nominal cost transportation to medical appointments, nutrition sites, senior centers, places of employment as well as food shopping and other miscellaneous destinations. Also, Cross County LOOPS provide county residents with same day, all day service to certain areas of the County with certain drop off points along the route.

Airport Facilities

Hunterdon County hosts three (3) local airports. Alexandria Airfield, located in Alexandria Township, off County Route 625, offers nearby charter service and aircraft for public use. Sky Manor Airport, also in Alexandria Township provides charter planes as well as flight lessons, tour rides, hot-air balloons, and aircraft maintenance. Solberg-Hunterdon Airport in Readington Township is a public use airport on private land for personal aircraft parking and refueling. Lessons are also available at the airport's flight school.

Located less than one-half hour away in Somerset County are two local airports which offer many services to nearby residents. Central Jersey Regional Airport in Manville and Somerset Air Services in Bedminster both provide flight schools and general aviation. Charter flights are offered at Somerset Air Services.

Both commercial and international travel facilities are located 45 miles away at the Philadelphia International Airport. Commercial and international services are also offered at Newark Liberty International Airport, Lehigh Valley International Airport and Trenton-Mercer Airport, all of which are located within reasonable driving distance.

County Roads and Bridges

The County includes 258 miles of asphalt roads and 2,500 bridges and culverts that are maintained by the County Department of Roads, Bridges and Engineering.

Labor Relations

County employees are represented by five (5) collective bargaining units. The County's negotiations with these bargaining units are managed by the County Administrator and County Counsel. Existing contracts expire on either December 31, 2027 or December 31, 2028.

Retirement Systems

All eligible County employees are enrolled in one of three retirement systems: the Public Employees' Retirement System ("PERS"), the Police and Firemen's Retirement System ("PFRS"), and the Defined Contribution Retirement System ("DCRP"). These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions, within the New Jersey Department of Treasury (the "Division"), is the administrator of the funds with the benefit and contribution levels set by the State.

Pension Information[2]

Employees, who are eligible to participate in a pension plan, are enrolled in PERS or PFRS, administered by the Division. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost. The County's share of pension costs in 2025, which is based upon the annual billings received from the State, amounted to $3,985,000 for PERS, $1,611,592 for PFRS, and $44,322.59 for DCRP.

Employment and Unemployment Comparisons

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the County, and the State:

[2] Source: State of New Jersey Department of Treasury, Division of Pensions and Benefits

	Total Labor Force	Employed Labor Force	Total Unemployed	Unemployment Rate
County				
2025	68,285	65,411	2,874	4.2%
2024	68,286	65,795	2,491	3.6%
2023	68,594	66,236	2,358	3.4%
2022	67,541	65,464	2,077	3.1%
2021	65,696	62,431	3,265	5.0%
State				
2025	4,905,633	4,648,499	257,134	5.2%
2024	4,899,384	4,672,089	227,295	4.6%
2023	4,879,285	4,668,296	210,989	4.3%
2022	4,771,781	4,586,675	185,106	3.9%
2021	4,674,518	4,361,147	313,371	6.7%

Source: New Jersey Department of Labor, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics

Income (as of 2024)

	County	State
Median Household Income	$141,715	$103,556
Median Family Income	171,597	127,025
Per Capita Income	72,227	54,253

Source: US Bureau of the Census, 2024 American Community Survey 5-Year Estimates

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Population

The following tables summarize population changes for the County, and the State.

	County		State	
Year	Population	% Change	Population	% Change
2025 est.	131,781	2.20%	9,548,215	2.79%
2020	128,947	0.47	9,288,994	5.65
2010	128,349	5.21	8,791,894	4.49
2000	121,989	13.19	8,414,350	8.85
1990	107,776	23.37	7,730,188	4.96

Source: United States Department of Commerce, Bureau of the Census

Valuation of Property

Year	Aggregate Assessed Valuation of Real Property	Aggregate True Value of Real Property	Ratio of Assessed to True Value	Assessed Value of Personal Property	Equalized Valuation
2025	23,103,217,235	31,446,811,367	73.47%	3,319,111	31,450,130,478
2024	22,332,020,543	27,126,622,816	82.33%	3,513,477	27,130,136,293
2023	21,866,489,216	25,086,227,211	87.17%	6,274,891	25,092,502,102
2022	21,328,853,684	23,130,700,382	92.21%	6,530,717	23,137,231,099
2021	21,075,016,824	21,911,936,243	96.18%	6,649,485	21,918,585,728

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

Classification of Ratables

The table below lists the comparative assessed valuation for each classification of real property within the County for the past five (5) years.

Year	Vacant Land	Residential	Farm	Commercial	Industrial	Apartments	Total
2025	$215,348,601	$17,997,582,000	$1,694,254,134	$2,375,155,500	$477,390,300	$343,486,700	$23,103,217,235
2024	198,261,601	17,384,835,100	1,625,943,542	2,336,452,600	465,635,700	320,892,000	22,332,020,543
2023	209,585,158	17,040,697,349	1,623,240,940	2,282,720,286	461,873,530	248,371,953	21,866,489,216
2022	210,610,378	16,540,967,941	1,609,569,790	2,282,712,792	459,287,630	225,705,153	21,328,853,684
2021	200,904,795	16,380,483,980	1,591,950,254	2,236,916,472	455,106,630	209,654,693	21,075,016,824

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

Largest Taxpayers

The table below lists the ten (10) largest taxpayers and their assessed valuation.

Taxpayers	2026 Assessed Valuation	% of Total Assessed Valuation
Unicom Science Tech Park Inc.	$87,784,900	0.37%
Exxon Capital Corp	76,324,900	0.32%
Flem Fair & Speedway/Raritan Town Square	64,363,500	0.27%
CHWSNJ001 LLC % Oak St Real Est Cap	62,000,000	0.26%
Texas Eastern Trans Corp	52,228,100	0.22%
Readington Commons	50,000,000	0.21%
Transcontinental Gas Pipeline	40,068,600	0.17%
Ciocca Flemington Realty LLC	33,882,300	0.14%
Flemington Apts LLC	28,641,200	0.12%
Hunterdon Medical Center	28,063,600	0.12%
Total	$523,357,100	2.21%

Financial Operations

The following table summarizes the County's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

Summary of Current Fund Budget

Anticipated Revenues	**2022**	**2023**	**2024**	**2025**	**2026**
Fund Balance Utilized	$10,780,000	$13,500,000	$16,710,000	$22,300,000	$25,800,000
Miscellaneous Revenues	18,004,846	15,594,535	11,442,790	10,170,896	10,296,318
Amount to be Raised by Taxation	73,095,532	79,207,321	83,917,097	90,041,643	96,301,897
Total Revenue:	$101,880,378	$108,301,856	$112,069,887	$122,512,539	$132,398,215
Appropriations					
Operations (Excluded from CAPS)	$73,369,892	$75,373,884	$78,699,986	$86,444,297	$96,374,825
Deferred Charges	16,989,909	18,103,000	20,226,000	21,647,115	21,701,633
Statutory Expenditures	7,480,577	7,966,928	8,275,245	8,671,127	8,571,757
Capital Improvement Fund	4,040,000	6,858,044	4,868,656	5,750,000	5,750,000
County Debt Service	0	0	0	0	0
Total Appropriations:	$101,880,378	$108,301,856	$112,069,887	$122,512,539	$132,398,215

Source: Annual Adopted Budgets of the County

Fund Balance

Current Fund

The following table lists the County's fund balance and amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

Year	Balance 12/31	Utilized in Budget of Succeeding Year
2025	$52,364,375	$25,800,000
2024	58,401,414	22,300,000
2023	57,732,432	16,710,000
2022	53,296,122	13,500,000
2021	45,624,055	10,780,000

Source: Annual Audit Reports of the County

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Indebtedness as of December 31, 2025

General Purpose Debt	
Serial Bonds	
Bond Anticipation Notes	
Bonds and Notes Authorized but Not Issued	65,398,766
Other Bonds, Notes and Loans	
Total:	$65,398,766
Self-Liquidating Debt	
Serial Bonds	$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	$0
TOTAL GROSS DEBT	**$65,398,766**
Less: Statutory Deductions	
General Purpose Debt	$0
Self-Liquidating Debt	0
Total:	$0
TOTAL NET DEBT	**$65,398,766**

Source: Annual Debt Statement

Debt Limit as of December 31, 2025

Average Equalized Valuation Basis (2023, 2024, 2025)	$27,886,553,798
Permitted Debt Limitation (2.00%)	557,731,076
Less: Net Debt	65,398,766
Remaining Borrowing Power	$492,332,310
Percentage of Net Debt to Average Equalized Valuation	0.235%
Gross Debt Per Capita based on 2020 population of 128,947	$507
Net Debt Per Capita based on 2020 population of 128,947	$507

Source: Annual Debt Statement

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APPENDIX B

Financial Statements of the County

AUDITED FINANCIAL STATEMENTS

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SUPLEE, CLOONEY & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS
308 East Broad Street, Westfield, New Jersey 07090-2122
Telephone 908-789-9300 Fax 908-789-8535
E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Members
of the Board of Commissioners
County of Hunterdon
Flemington, New Jersey 08822

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying balance sheets - regulatory basis of the various individual funds, departments and account group of the County of Hunterdon (the "County"), as of and for the years ended December 31, 2025 and 2024, the related statements of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the County's regulatory financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" 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 various individual funds, departments and account group of the County as of December 31, 2025 and 2024 or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2025.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds, departments and account group as of December 31, 2025 and 2024, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2025 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) the audit requirements of State of New Jersey OMB Circular 25-12 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards and provisions are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the County on the basis of the financial reporting provisions prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the regulatory financial statements in accordance with the regulatory basis of accounting prescribed by the Division, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory financial statements that are free from material misstatement, whether due to fraud or error. In preparing the regulatory financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the regulatory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* Uniform Guidance, OMB Circular 25-12, and audit requirements prescribed by the Division will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards,* Uniform Guidance, OMB Circular 25-12, and audit requirements prescribed by the Division, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2026 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 County's internal control over financial reporting and compliance.

SUPLEE, CLOONEY & COMPANY
Certified Public Accountants

/s/ Robert W. Swisher
Robert W. Swisher, C.P.A., R.M.A.

July 22, 2026

Exhibit A

COUNTY OF HUNTERDON, NEW JERSEY
CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

ASSETS	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
Current Fund		
Cash	$ 74,321,197.93	$ 76,938,627.13
Change Fund	700.00	700.00
	74,321,897.93	76,939,327.13
Receivables and Other Assets With Full Reserves:		
County Tax Levy Receivable	200,353.93	344,117.19
Various Receivables	2,565.22	4,589.43
Interfunds Receivable	10.00	10.00
	202,929.15	348,716.62
Total Current Fund	74,524,827.08	77,288,043.75
Federal and State Grants Fund		
Cash	3,528,006.17	2,725,957.98
Federal and State Grants Receivable	10,350,936.43	10,287,235.73
Total Federal and State Grant Fund	13,878,942.60	13,013,193.71
Total	$ 88,403,769.68	$ 90,301,237.46
LIABILITIES, RESERVES AND FUND BALANCE		
Current Fund		
Appropriation Reserves	$ 17,918,963.37	$ 14,440,861.52
Encumbrances	2,723,731.66	2,893,452.84
Other Reserves	510,234.00	495,702.21
Accounts Payable	804,594.39	707,896.96
	21,957,523.42	18,537,913.53
Reserve for Receivables	202,929.15	348,716.62
Fund Balance	52,364,374.51	58,401,413.60
Total Current Fund	74,524,827.08	77,288,043.75
Federal and State Grants Fund		
Federal and State Grants Appropriated Reserves	8,878,754.03	7,385,185.10
Federal and State Grants Unappropriated Reserves	2,238,772.10	1,834,351.59
Encumbrances	2,761,416.47	3,793,657.02
Total Federal and State Grants Fund	13,878,942.60	13,013,193.71
Total	$ 88,403,769.68	$ 90,301,237.46

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

Revenues and Other Income	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
Fund Balance Utilized	$ 22,300,000.00	$ 16,710,000.00
Miscellaneous Revenue Anticipated	19,947,730.82	23,769,277.33
Receipts From Current Taxes	90,041,642.97	83,917,096.95
Non-Budget Revenue	2,677,035.75	1,289,743.12
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	12,136,867.57	11,896,002.53
Various Receivables/Payables Liquidated	2,015.04	
Total Revenues and Other Income	147,105,292.15	137,582,119.93
Expenditures		
Budget Appropriations:		
Operations:		
Salaries and Wages	32,656,805.00	31,687,030.11
Other Expenses	62,117,284.24	55,089,598.43
Capital Improvements	5,750,000.00	4,868,656.00
Deferred Charges and Statutory Expenditures	30,318,242.00	28,501,245.00
Prior Year Refunds		53,340.00
Various Receivables/Payables Created		3,268.38
Total Expenditures	130,842,331.24	120,203,137.92
Regulatory Excess to Fund Balance	16,262,960.91	17,378,982.01
Fund Balance, January 1	58,401,413.60	57,732,431.59
	74,664,374.51	75,111,413.60
Decreased By:		
Fund Balance Utilized as Budget Revenue	22,300,000.00	16,710,000.00
Fund Balance, December 31	$ 52,364,374.51	$ 58,401,413.60

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Anticipated Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	$ 22,300,000.00	$	$ 22,300,000.00	$
Miscellaneous Revenues:				
Local Revenues:				
County Clerk	550,000.00		653,001.60	103,001.60
Surrogate	62,000.00		72,131.00	10,131.00
Sheriff	250,000.00		506,587.41	256,587.41
Interest on Investments and Deposits	3,538,090.03		3,814,965.81	276,875.78
Rental on County Buildings	100,000.00		71,018.58	(28,981.42)
County Clerk Reality Transfer Fees	1,500,000.00		1,708,515.75	208,515.75
Health Department - Municipal Health Fees	275,000.00		215,705.00	(59,295.00)
Hunterdon County Consolidated Transportation System	35,000.00		12,695.46	(22,304.54)
Golf Course	1,815,290.00		2,398,085.41	582,795.41
Total Local Revenues	8,125,380.03		9,452,706.02	1,327,325.99
State Revenues:				
Social and Welfare Service - State:				
Supplemental Social Security Income	160,950.00		197,884.00	36,934.00
Total State Revenues	160,950.00		197,884.00	36,934.00
Public and Private Revenues Offset with Appropriations		8,329,792.24	8,329,792.24	
Other Special Items of Revenue:				
American Rescue Plan- Revenue Loss Allocation				
Surrogate - Increased Fees	80,000.00		90,900.25	10,900.25
County Clerk - Increased Fees	325,000.00		399,549.75	74,549.75
Sheriff - Increased Fees	10,000.00		7,332.56	(2,667.44)
Library - Cost Allocation	1,469,566.00		1,469,566.00	
Total Other Special Items of Revenue	1,884,566.00		1,967,348.56	82,782.56
Sub-Total Miscellaneous Revenues	10,170,896.03	8,329,792.24	19,947,730.82	1,447,042.55
Amount to be Raised by Taxation - County Purpose Tax	90,041,642.97		90,041,642.97	
Budget Totals	122,512,539.00	8,329,792.24	132,289,373.79	1,447,042.55
Nonbudget Revenue			2,677,035.75	2,677,035.75
	$ 122,512,539.00	$ 8,329,792.24	$ 134,966,409.54	$ 4,124,078.30

	Budget	N.J.S. 40A:4-87
Adopted Budget	$ 122,512,539.00	$
Added by N.J.S. 40A:4-87		8,329,792.24
	$ 122,512,539.00	$ 8,329,792.24

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2025

Analysis of Nonbudget Revenue:

Payment in Lieu of Taxes	$ 78,873.20	
Parks	913.00	
Miscellaneous Reimbursement Refunds and Donations	34,222.22	
Sale of Scrap	18,215.60	
Public Records Fees	4.15	
Welfare Board	499,340.94	
Inmater Liens	27,000.00	
State Aid Remibursement	58,000.00	
Engineering Fees	1,195,629.48	
Training Center Fees	51,945.00	
Restitution	2,192.00	
Non Refundable Fees	4,600.00	
Health Benefit Reimbursement	3,124.95	
Workmen's Compensation Reimbursement	108,246.26	
Title IV Sheriff	59,682.59	
Mental Health Coordinator Salary Reimbursement	12,000.00	
Vending Machine Commissions	695.00	
Agency Reimbursement	177,214.70	
Prior Year Refunds	1,019.47	
Cash Receipts		$ 2,332,918.56
Added and Omitted Taxes Realized		344,117.19
		$ 2,677,035.75

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Original Budget	Budget After Modification	Paid or Charged	Reserved
General Appropriations				
Operations - Within "CAPS"				
GENERAL GOVERNMENT				
Administration and Executive:				
Board of County Commissioners:				
Salaries and Wages	$ 255,000.00	$ 255,000.00	$ 215,130.56	$ 39,869.44
Other Expenses	200,400.00	212,400.00	190,569.49	21,830.51
	455,400.00	467,400.00	405,700.05	61,699.95
Audit	115,000.00	115,000.00	83,825.00	31,175.00
Projects Administration:				
Salaries and Wages	90,000.00	90,000.00	89,251.21	748.79
Other Expenses	1,800.00	1,800.00	1,604.38	195.62
	91,800.00	91,800.00	90,855.59	944.41
Finance Department:				
County Treasurer's Office				
Salaries and Wages	538,000.00	538,000.00	474,100.01	63,899.99
Other Expenses	260,000.00	260,000.00	108,260.55	151,739.45
	798,000.00	798,000.00	582,360.56	215,639.44
Legal Department:				
County Counsel:				
Salaries and Wages	255,000.00	255,000.00	251,401.53	3,598.47
Other Expenses	199,905.00	199,905.00	100,947.50	98,957.50
	454,905.00	454,905.00	352,349.03	102,555.97
Administration:				
Salaries and Wages	504,205.00	504,205.00	498,839.07	5,365.93
Other Expenses	4,550.00	4,550.00	3,677.75	872.25
	508,755.00	508,755.00	502,516.82	6,238.18
Human Resources:				
Salaries and Wages	270,000.00	270,000.00	268,987.70	1,012.30
Other Expenses	87,000.00	87,000.00	60,442.00	26,558.00
	357,000.00	357,000.00	329,429.70	27,570.30

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Original Budget	Budget After Modification	Paid or Charged	Reserved
General Appropriations				
Operations - Within "CAPS"				
GENERAL GOVERNMENT				
County Clerk:				
Salaries and Wages	$ 946,000.00	$ 946,000.00	$ 881,740.56	$ 64,259.44
Other Expenses	92,000.00	107,000.00	91,855.53	15,144.47
Election Expenses	215,500.00	200,500.00	115,073.73	85,426.27
	1,253,500.00	1,253,500.00	1,088,669.82	164,830.18
Administration and Executive:				
Information Technology:				
Salaries and Wages	670,000.00	670,000.00	646,432.96	23,567.04
Other Expenses	2,179,175.00	2,179,175.00	1,968,866.72	210,308.28
	2,849,175.00	2,849,175.00	2,615,299.68	233,875.32
Prosecutor's Office:				
Salaries and Wages	5,700,000.00	5,700,000.00	4,728,964.85	971,035.15
Other Expenses	326,504.00	326,504.00	236,181.51	90,322.49
	6,026,504.00	6,026,504.00	4,965,146.36	1,061,357.64
Purchasing:				
Salaries and Wages	211,000.00	211,000.00	210,012.02	987.98
Other Expenses	29,000.00	29,000.00	14,990.37	14,009.63
	240,000.00	240,000.00	225,002.39	14,997.61
Buildings and Grounds:				
Salaries and Wages	1,150,000.00	1,150,000.00	938,117.45	211,882.55
Other Expenses	1,343,250.00	1,343,250.00	1,031,528.62	311,721.38
	2,493,250.00	2,493,250.00	1,969,646.07	523,603.93
Print Shop:				
Salaries and Wages	360,000.00	360,000.00	359,632.66	367.34
Other Expenses	300,075.00	288,075.00	87,408.86	200,666.14
	660,075.00	648,075.00	447,041.52	201,033.48
Contribution to Soil Conservation District (P.S. 4:24-22(i)):				
Other Expenses	6,750.00	6,750.00	6,750.00	
Transportation:				
Salaries and Wages	60,000.00	60,000.00	60,000.00	
Other Expenses	1,630,000.00	1,630,000.00	726,016.46	903,983.54
	1,690,000.00	1,690,000.00	786,016.46	903,983.54

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Original Budget	Budget After Modification	Paid or Charged	Reserved
General Appropriations				
Operations - Within "CAPS"				
GENERAL GOVERNMENT				
Group Insurance	$ 16,585,000.00	$ 16,570,000.00	$ 11,364,987.07	$ 5,205,012.93
Health Benefits Waiver	375,000.00	390,000.00	383,440.16	6,559.84
Worker's Compensation	675,000.00	675,000.00	485,052.85	189,947.15
Surety Bond Premiums	1,000.00	1,000.00	300.00	700.00
Other Insurance	2,125,000.00	2,125,000.00	1,833,225.00	291,775.00
Celebration of Public Events	25,000.00	25,000.00	25,000.00	
	19,786,000.00	19,786,000.00	14,092,005.08	5,693,994.92
TOTAL GENERAL GOVERNMENT	37,786,114.00	37,786,114.00	28,542,614.13	9,243,499.87
JUDICIARY				
Surrogate:				
Salaries and Wages	500,000.00	500,000.00	434,013.00	65,987.00
Other Expenses	35,975.00	35,975.00	9,862.53	26,112.47
	535,975.00	535,975.00	443,875.53	92,099.47
TOTAL JUDICIARY	535,975.00	535,975.00	443,875.53	92,099.47
REGULATION				
Sheriff's Office:				
Salaries and Wages	4,260,000.00	4,460,000.00	4,329,891.57	130,108.43
Other Expenses	1,628,500.00	1,428,500.00	1,123,579.66	304,920.34
	5,888,500.00	5,888,500.00	5,453,471.23	435,028.77
Weights and Measures:				
Salaries and Wages	205,000.00	205,000.00	202,293.93	2,706.07
Other Expenses	5,700.00	5,700.00	3,345.77	2,354.23
	210,700.00	210,700.00	205,639.70	5,060.30
Board of Taxation:				
Salaries and Wages	160,000.00	160,000.00	158,196.33	1,803.67
Other Expenses	156,174.00	156,174.00	150,491.47	5,682.53
	316,174.00	316,174.00	308,687.80	7,486.20

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Original Budget	Budget After Modification	Paid or Charged	Reserved
General Appropriations				
Operations - Within "CAPS"				
REGULATION				
County Medical Examiner:				
Other Expenses	$ 354,000.00	$ 354,000.00	$ 353,002.00	$ 998.00
Board of Elections:				
Salaries and Wages	789,900.00	789,900.00	653,606.34	136,293.66
Other Wages	358,000.00	358,000.00	231,208.43	126,791.57
	1,147,900.00	1,147,900.00	884,814.77	263,085.23
Fire, Police and Rescue Training:				
Salaries and Wages	250,000.00	270,000.00	265,746.28	4,253.72
Other Expenses	145,500.00	145,500.00	143,376.19	2,123.81
	395,500.00	415,500.00	409,122.47	6,377.53
Radio and Communication:				
Salaries and Wages	2,900,000.00	2,880,000.00	2,369,921.70	510,078.30
Other Expenses	450,200.00	450,200.00	433,076.94	17,123.06
	3,350,200.00	3,330,200.00	2,802,998.64	527,201.36
Emergency Management:				
Salaries and Wages	325,000.00	325,000.00	293,461.09	31,538.91
Other Expenses	100,000.00	100,000.00	51,955.35	48,044.65
	425,000.00	425,000.00	345,416.44	79,583.56
County Planning Board:				
Salaries and Wages	305,000.00	305,000.00	287,653.42	17,346.58
Other Expenses	75,250.00	75,250.00	19,303.67	55,946.33
	380,250.00	380,250.00	306,957.09	73,292.91
Construction Board of Appeals (N.J.S. 52:27D-127)				
Salaries and Wages	5,000.00	5,000.00	4,800.00	200.00
Other Expenses	3,100.00	3,100.00	1,000.69	2,099.31
	8,100.00	8,100.00	5,800.69	2,299.31
Economic Development				
Salaries and Wages	200,000.00	200,000.00	188,283.41	11,716.59
Other Expenses	348,700.00	348,700.00	268,757.06	79,942.94
	548,700.00	548,700.00	457,040.47	91,659.53
TOTAL REGULATION	13,025,024.00	13,025,024.00	11,532,951.30	1,492,072.70

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Original Budget	Budget After Modification	Paid or Charged	Reserved
General Appropriations				
Operations - Within "CAPS"				
ROADS AND BRIDGES				
County Funds:				
Roads:				
Salaries and Wages	$ 3,300,000.00	$ 3,250,000.00	$ 3,208,925.90	$ 41,074.10
Other Expenses	2,337,500.00	2,337,500.00	1,894,896.75	442,603.25
	5,637,500.00	5,587,500.00	5,103,822.65	483,677.35
Bridges:				
Salaries and Wages	1,300,000.00	1,250,000.00	1,225,394.20	24,605.80
Other Expenses	325,000.00	325,000.00	122,078.15	202,921.85
	1,625,000.00	1,575,000.00	1,347,472.35	227,527.65
Engineering:				
Salaries and Wages	1,400,000.00	1,500,000.00	1,489,587.32	10,412.68
Other Expenses	75,000.00	75,000.00	50,260.21	24,739.79
	1,475,000.00	1,575,000.00	1,539,847.53	35,152.47
Vehicle Services:				
Salaries and Wages	835,000.00	835,000.00	739,307.92	95,692.08
Other Expenses	1,270,000.00	1,270,000.00	1,140,510.97	129,489.03
	2,105,000.00	2,105,000.00	1,879,818.89	225,181.11
Shade Tree Commission:				
Other Expenses	12,350.00	12,350.00	9,786.09	2,563.91
TOTAL ROADS AND BRIDGES	10,854,850.00	10,854,850.00	9,880,747.51	974,102.49
HEALTH AND WELFARE				
County Health Services:				
Interlocal Services (N.J.S.A. 40:80A-1):				
Salaries and Wages	1,437,500.00	1,426,500.00	1,129,156.37	297,343.63
Other Expenses	538,263.00	538,263.00	38,751.94	499,511.06
	1,975,763.00	1,964,763.00	1,167,908.31	796,854.69
Vector Control:				
Salaries and Wages	305,000.00	305,000.00	243,689.15	61,310.85
Other Expenses	63,150.00	63,150.00	58,202.27	4,947.73
	368,150.00	368,150.00	301,891.42	66,258.58

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Original Budget	Budget After Modification	Paid or Charged	Reserved
General Appropriations				
Operations - Within "CAPS"				
HEALTH AND WELFARE				
Public Health Nursing Contract:				
Salaries and Wages	$ 502,200.00	$ 502,200.00	$ 429,218.31	$ 72,981.69
Other Expenses	146,010.00	146,010.00	114,165.21	31,844.79
	648,210.00	648,210.00	543,383.52	104,826.48
Maintenance of Patients in State Institutions - Mental Diseases:				
County Share	1,010,247.00	1,010,247.00	975,247.00	35,000.00
Division of Social Work				
Salaries and Wages	210,000.00	221,000.00	220,643.73	356.27
Other Expenses	9,750.00	9,750.00	6,208.72	3,541.28
	219,750.00	230,750.00	226,852.45	3,897.55
Voucher Service	1,013,374.00	1,013,374.00	809,950.76	203,423.24
Senior Services:				
Salaries and Wages	500,000.00	500,000.00	444,930.92	55,069.08
Other Expenses	38,490.00	38,490.00	36,626.47	1,863.53
	538,490.00	538,490.00	481,557.39	56,932.61
Board of Social Services:				
Administration	960,699.00	960,699.00	960,246.00	453.00
	960,699.00	960,699.00	960,246.00	453.00
Assistance to Supplementary Security Income:				
State Share	160,950.00	160,950.00	160,950.00	
Services	45,116.00	45,116.00	45,116.00	
Temporary Assistance to Needy Families	21,985.00	21,985.00	21,985.00	
	228,051.00	228,051.00	228,051.00	
War Veterans:				
Other Expenses	30,000.00	30,000.00	22,880.31	7,119.69

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Original Budget	Budget After Modification	Paid or Charged	Reserved
General Appropriations				
Operations - Within "CAPS"				
HEALTH AND WELFARE				
Human Services Advisory Council:				
Salaries and Wages	$ 425,000.00	$ 425,000.00	$ 354,551.33	$ 70,448.67
Other Expenses	9,545.00	9,545.00	3,889.20	5,655.80
	434,545.00	434,545.00	358,440.53	76,104.47
County Youth Facility:				
Juveniles In Need of Supervision - Contractual (N.J.S.A. 2A:4-42)	200,000.00	200,000.00	166,350.00	33,650.00
Indigent Burial	15,000.00	15,000.00		15,000.00
	215,000.00	215,000.00	166,350.00	48,650.00
TOTAL HEALTH AND WELFARE	7,642,279.00	7,642,279.00	6,242,758.69	1,399,520.31

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Original Budget	Budget After Modification	Paid or Charged	Reserved
General Appropriations				
Operations - Within "CAPS"				
EDUCATIONAL				
Superintendent of Schools:				
Salaries and Wages	$ 190,000.00	$ 190,000.00	$ 188,295.29	$ 1,704.71
Other Expenses	10,000.00	10,000.00	4,306.34	5,693.66
	200,000.00	200,000.00	192,601.63	7,398.37
Rutgers Coop. Extension Services:				
Salaries and Wages	170,000.00	170,000.00	167,519.32	2,480.68
Other Expenses	106,600.00	106,600.00	84,173.63	22,426.37
Reimbursement for Residents Attending Out-of-County Vocational and Technical Schools (N.J.S.A. 18A:54-34.4)	50,000.00	50,000.00		50,000.00
Reimbursement for Residents Attending Out-of-County Two (2) Year College (N.J.S.A. 18A:64A-23)	65,000.00	65,000.00	29,300.00	35,700.00
Joint County College (N.J.S.A. 18A:64A-24)	4,613,460.00	4,613,460.00	4,304,309.42	309,150.58
County Vocational Education (N.J.S.A. 18A:54-4)	3,630,000.00	3,630,000.00	2,949,010.48	680,989.52
Cultural and Heritage Commission:				
Salaries and Wages	125,000.00	125,000.00	115,370.57	9,629.43
Other Expenses	24,610.00	24,610.00	24,551.34	58.66
	8,784,670.00	8,784,670.00	7,674,234.76	1,110,435.24
TOTAL EDUCATIONAL	8,984,670.00	8,984,670.00	7,866,836.39	1,117,833.61
RECREATIONAL				
Parks and Recreation:				
Salaries and Wages	848,000.00	848,000.00	72,768.31	775,231.69
Other Expenses	1,950,090.00	1,950,090.00	1,816,446.71	133,643.29
	2,798,090.00	2,798,090.00	1,889,215.02	908,874.98
TOTAL RECREATIONAL	2,798,090.00	2,798,090.00	1,889,215.02	908,874.98
Utilities	4,042,295.00	4,042,295.00	2,578,770.97	1,463,524.03
TOTAL UTILITIES	4,042,295.00	4,042,295.00	2,578,770.97	1,463,524.03
TOTAL OPERATIONS WITHIN CAPS	$ 85,669,297.00	$ 85,669,297.00	$ 68,977,769.54	$ 16,691,527.46

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Original Budget	Budget After Modification	Paid or Charged	Reserved
STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES				
State and Federal Grants:				
FFY24 SHSP Local Share		134,054.68	134,054.68	
2024 EMAA EMPG		55,000.00	55,000.00	
2025 Comprehensive Alcohol		209,511.00	209,511.00	
FY2025 CHPP		45,000.00	45,000.00	
2025 STATE COUNCIL ARTS LAP		200,000.00	200,000.00	
2025 County Innovation		42,850.00	42,850.00	
2025 Statewide Respite		184,000.00	184,000.00	
2025 JJC State/Community Partnership (SCP)		207,479.00	207,479.00	
2025 JJC Family Court (FC)		95,615.00	95,615.00	
2025 SCDRTAP Casino Revenue		858,779.73	858,779.73	
2025 Social Services for the Homeless (SSH)		192,280.00	192,280.00	
PSAP Upgrades & Consolidation		77,723.00	77,723.00	
2025 Area Plan Initial		580,366.00	580,366.00	
2024 Body Armor - Sheriff		3,319.12	3,319.12	
2024 Body Armor - Prosecutors		2,245.17	2,245.17	
SFY 2025 OHH		100,000.00	100,000.00	
FEMA Hazard Mitigation Flood Warning		880,200.00	880,200.00	
Highlands Council Tourism Advertising Campaign		100,000.00	100,000.00	
SFY 2025 County Reentry Coordinators (CRC)		100,000.00	100,000.00	
2025 LIHEAP		1,793.00	1,793.00	
2025 USF		1,146.00	1,146.00	
FY23 JAG Narcotics		31,573.00	31,573.00	
2025 Radon		2,000.00	2,000.00	
FFY 2025 Senior Farmers Market Nutrition		2,250.00	2,250.00	
2025 CEHA		153,536.00	153,536.00	
2023 REA Solid Waste		162,000.00	162,000.00	
ARRIVE Together		90,800.00	90,800.00	
ADA Compliance Accessibilty		811.44	811.44	
2025 SHIP		34,000.00	34,000.00	
FFY 2022 Section 5310 Mobility Mgmt		275,000.00	275,000.00	
FY26 PASP		23,166.00	23,166.00	

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Original Budget	Budget After Modification	Paid or Charged	Reserved
FY25 Clean Communities		108,203.10	108,203.10	
2024-2025 Veterans Transportation Modification		2,300.00	2,300.00	
2025-2026 Veterans Transportation		15,000.00	15,000.00	
2025 Section 5311		1,026,850.50	1,026,850.50	
NJACCHO Sustaining Local Public Health Infrastructure Amendment		24,951.00	24,951.00	
Highlands Tourism Expansion Grant		100,000.00	100,000.00	
2026 OFRT		75,000.00	75,000.00	
2026 RTK		9,618.00	9,618.00	
2025 Early Voting		350,000.00	350,000.00	
Highlands Council Stormwater Management Plan		150,000.00	150,000.00	
Highlands Council Bicycle Facilities Plan		4,800.00	4,800.00	
FY26 State Council on the Arts Creative Aging Initiative		10,000.00	10,000.00	
2025-2026 HSAC		75,665.00	75,665.00	
2025-2026 PHILEP		235,263.00	235,263.00	
2026 Strengthening Local Public Health Capacity		42,534.00	42,534.00	
2025 Area Plan Mid-Year Allocation		316,457.00	316,457.00	
FY 2026 NJTPA Subregional Transportation Planning (STP)		103,762.50	103,762.50	
SFY 2026 NJ JARC Round 12		200,000.00	200,000.00	
2026 Childhood Lead		56,590.00	56,590.00	
PHILEP Amendment		41,228.00	41,228.00	
FY 26 MAT		120,072.00	120,072.00	
2025 Social Services for the Homeless Modification		15,000.00	15,000.00	
SFY 2026 County Reentry Coordinators (CRC)		50,000.00	50,000.00	
2026 Early Voting		350,000.00	350,000.00	
Matching Funds for State and Federal Program	750,000.00	750,000.00	750,000.00	
	$ 750,000.00	$ 9,079,792.24	$ 9,079,792.24	$
TOTAL STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES	750,000.00	9,079,792.24	9,079,792.24	
TOTAL OPERATIONS	$ 86,419,297.00	$ 94,749,089.24	$ 78,057,561.78	$ 16,691,527.46

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Original Budget	Budget After Modification	Paid or Charged	Reserved
General Appropriations				
Operations - Excluded from "CAPS"				
CONTINGENT	$ 25,000.00	$ 25,000.00	$	$ 25,000.00
TOTAL OPERATIONS INCLUDING CONTINGENT	86,444,297.00	94,774,089.24	78,057,561.78	16,716,527.46
CAPITAL IMPROVEMENTS				
Capital Improvement Fund	5,750,000.00	5,750,000.00	5,750,000.00	
TOTAL CAPITAL IMPROVEMENTS	5,750,000.00	5,750,000.00	5,750,000.00	
DEFERRED CHARGES AND STATUTORY EXPENDITURES				
Deferred Charges to Future Taxation Expenditures:				
Ord. # 21-07 Various Capital Improvements	3,117,658.08	3,117,658.08	3,117,658.08	
Ord. # 21-08 Various Capital Improvements	1,740,346.13	1,740,346.13	1,740,346.13	
Ord. # 21-10 Various Capital Improvements	3,802,465.29	3,802,465.29	3,802,465.29	
Ord. # 22-01 Various Capital Improvements	2,369,500.00	2,369,500.00	2,369,500.00	
Ord. # 22-02 Various Capital Improvements	3,255,000.00	3,255,000.00	3,255,000.00	
Ord. # 22-04 Various Capital Improvements	800,891.61	800,891.61	800,891.61	
Ord. # 23-09 Various Capital Improvements	649,350.89	649,350.89	649,350.89	
Ord. # 23-13 Various Capital Improvements	857,142.00	857,142.00	857,142.00	
Ord. # 22-03 Various Capital Improvements	3,150,000.00	3,150,000.00	3,150,000.00	
Ord. # 23-12 Various Capital Improvements	1,904,761.00	1,904,761.00	1,904,761.00	
TOTAL DEFERRED CHARGES	21,647,115.00	21,647,115.00	21,647,115.00	

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Original Budget	Budget After Modification	Paid or Charged	Reserved
STATUTORY EXPENDITURES				
Contribution to:				
Public Employees' Retirement System	$ 4,200,000.00	$ 4,200,000.00	$ 3,456,051.85	$ 743,948.15
Social Security System (OASI)	2,701,127.00	2,701,127.00	2,339,144.98	361,982.02
Defined Contribution Retirement Program	50,000.00	50,000.00	44,322.59	5,677.41
Disability Insurance	100,000.00	100,000.00	17,579.67	82,420.33
Police and Firemen's Retirement System	1,620,000.00	1,620,000.00	1,611,592.00	8,408.00
TOTAL STATUTORY EXPENDITURES	8,671,127.00	8,671,127.00	7,468,691.09	1,202,435.91
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES	30,318,242.00	30,318,242.00	29,115,806.09	1,202,435.91
TOTAL GENERAL APPROPRIATIONS	$ 122,512,539.00	$ 130,842,331.24	$ 112,923,367.87	$ 17,918,963.37

Analysis of Budget After Modification:		
Adopted Budget	$ 122,512,539.00	
Added by N.J.S. 40A:4-87	8,329,792.24	
	$ 130,842,331.24	
Analysis of Paid or Charged		
Cash Disbursements		$ 113,352,323.03
Refunds		(11,482,479.06)
Encumbered		2,723,731.66
Reserve for Federal and State Grants-Adopted Budget		8,329,792.24
		$ 112,923,367.87

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

DECEMBER 31, 2025 AND 2024

ASSETS	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
General Trust Fund		
Cash	$ 9,039,275.63	$ 7,958,265.62
	9,039,275.63	7,958,265.62
Payroll Deduction Trust Fund		
Cash	333,936.56	302,251.24
	333,936.56	302,251.24
Self-Insurance Trust Fund		
Cash	7,900,804.83	4,484,389.16
	7,900,804.83	4,484,389.16
Open Space Trust Fund		
Cash	40,944,485.45	39,882,984.79
	40,944,485.45	39,882,984.79
Unemployment Insurance Fund		
Cash	856,326.91	849,929.77
	856,326.91	849,929.77
Seized Assets Trust Fund		
Cash	32,311.00	17,866.00
Vehicles and Property	53,950.00	53,950.00
	86,261.00	71,816.00
Law Enforcement Trust Fund		
Cash	946,063.30	507,156.79
Vehicles and Property	15,534.00	15,534.00
	961,597.30	522,690.79
Asset Maintenance Account		
Cash	10,992.21	9,245.91
	10,992.21	9,245.91
Prosecutor's Federal Equitable Sharing Program		
Cash	289,566.30	285,234.03
Community Development Block Grant Fund		
Cash	963,130.30	897,363.57
	963,130.30	897,363.57
County Clerk Trust		
Cash	337,725.10	387,984.87
Flexible Spending Fund		
Cash	26,930.48	25,465.85
Total Assets	$ 61,751,032.07	$ 55,677,621.60

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

DECEMBER 31, 2025 AND 2024

LIABILITIES AND RESERVES	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
General Trust Fund		
General Reserves	$ 8,898,905.50	$ 7,922,021.66
Reserve for Encumbrances	140,370.13	36,243.96
	9,039,275.63	7,958,265.62
Payroll Deduction Trust Fund		
Deductions Payable	333,936.56	302,251.24
	333,936.56	302,251.24
Self-Insurance Trust Fund		
Reserve for Self-Insurance	7,900,101.36	4,451,420.25
Reserve for Encumbrances	703.47	32,968.91
	7,900,804.83	4,484,389.16
Open Space Trust Fund		
Reserve for Open Space	36,758,894.75	35,280,103.25
Reserve for Encumbrances	4,185,590.70	4,602,881.54
	40,944,485.45	39,882,984.79
Unemployment Insurance Fund		
Reserve for Unemployment Compensation	856,326.91	849,929.77
	856,326.91	849,929.77
Seized Assets Trust Fund		
Reserve for Seized Assets	32,311.00	17,866.00
Reserve for Assets in Custodianship of the Prosecutor	53,950.00	53,950.00
	86,261.00	71,816.00
Law Enforcement Trust Fund		
Reserve for Law Enforcement Trust Fund	937,631.08	504,156.79
Reserve for Encumbrances	8,432.22	3,000.00
Reserve for Assets in Custodianship of the Prosecutor	15,534.00	15,534.00
	961,597.30	522,690.79
Asset Maintenance Account		
Reserve for Asset Maintenance Account	10,992.21	9,245.91
Prosecutor's Federal Equitable Sharing Program		
Reserve for Prosecutor's Expenditures	289,566.30	285,234.03
Community Development Block Grant Fund		
Reserve for Loan Payments	942,745.30	897,363.57
Reserve for Encumbrances	20,385.00	
	963,130.30	897,363.57
County Clerk Trust		
Reserve for County Clerk Trust	328,725.10	378,984.87
Reserve for Encumbrances	9,000.00	9,000.00
	337,725.10	387,984.87
Flexible Spending Fund		
Reserve for Flexible Spending Fund	26,930.48	25,465.85
	26,930.48	25,465.85
Total Liabilities and Reserves	$ 61,751,032.07	$ 55,677,621.60

See accompanying notes to the financial statements.

Exhibit C

COUNTY OF HUNTERDON, NEW JERSEY

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

ASSETS		BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
Cash		$ 69,561,436.81	$ 60,491,795.02
Deferred Charges to Future Taxation:			
Unfunded		65,398,765.66	68,673,695.19
State Road Aid Allotments Receivable		25,165,475.53	20,900,512.10
Total Assets		$ 160,125,678.00	$ 150,066,002.31
LIABILITIES, RESERVES AND FUND BALANCE			
Improvement Authorizations:			
Funded		$ 40,866,619.03	$ 34,918,955.08
Unfunded		40,346,509.72	49,606,989.77
Contracts Payable		33,803,658.32	19,670,107.84
Capital Improvement Fund		4,608,964.85	6,577,766.85
Various Reserves		229,728.43	1,415,659.73
Reserve for Receivables		25,165,475.53	20,900,512.10
Interfunds Payable		10.00	10.00
Fund Balance		15,104,712.12	16,976,000.94
Total Liabilities, Reserves, and Fund Balance		$ 160,125,678.00	$ 150,066,002.31
Bonds and Notes Authorized but Not Issued	C-10	$ 65,398,765.66	$ 68,673,695.19

See accompanying notes to the financial statements.

Exhibit C-1

COUNTY OF HUNTERDON, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2025

Balance, December 31, 2024		$ 16,976,000.94
Increased By:		
State Aid Received- Fully Funded Ordinance	$ 4,302,963.99	
Canceled Improvement Authorizations	1,007,747.19	
		5,310,711.18
		$ 22,286,712.12
Decreased By:		
Appropriated to Finance Improvement Authorizations		7,182,000.00
Balance, December 31, 2025		$ 15,104,712.12

See accompanying notes to the financial statements.

Exhibit D

COUNTY OF HUNTERDON, NEW JERSEY
COUNTY CLERK'S DEPARTMENT

BALANCE SHEETS - REGULATORY BASIS

ASSETS		BALANCE DECEMBER 31, 2025		BALANCE DECEMBER 31, 2024
Cash	$	296,325.10	$	281,061.50
Change Fund		375.00		375.00
Total Assets	$	296,700.10	$	281,436.50
LIABILITIES AND RESERVES				
Depositors' Accounts	$	296,325.10	$	281,061.50
Reserve for Change Fund		375.00		375.00
Total Liabilities and Reserves	$	296,700.10	$	281,436.50

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
PARKS AND RECREATION DEPARTMNET

BALANCE SHEETS - REGULATORY BASIS

ASSETS		BALANCE DECEMBER 31, 2025		BALANCE DECEMBER 31, 2024
Cash	$	4,889.74	$	4,278.24
Change Fund		25.00		
Total Assets	$	4,914.74	$	4,278.24
LIABILITIES AND RESERVES				
Reserve for Recreation Fund	$	4,389.74	$	3,778.24
Reserve for Maintenance Fund		318.10		318.10
Reserve for Memorial Trust Fund		124.00		124.00
Reserve for Refunds and Other Reserves		57.90		57.90
Reserve for Change Fund		25.00		
Total Reserves	$	4,914.74	$	4,278.24

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
SHERIFF'S OFFICE DEPARTMENT

BALANCE SHEETS - REGULATORY BASIS

ASSETS	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
Cash	$ 534,063.36	$ 132,903.57
Total Assets	$ 534,063.36	$ 132,903.57
RESERVES		
Reserve for Writs of Execution	$ 10,237.48	$ 8,501.58
Reserve for Chancery Sales	523,738.81	124,316.46
Reserve for Summons and Complaints	87.07	85.53
Total Liabilities and Reserves	$ 534,063.36	$ 132,903.57

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
WARDEN'S DEPARTMENT

BALANCE SHEETS - REGULATORY BASIS

ASSETS	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
Cash	$ 3,769.00	$ 4,760.61
Total Assets	$ 3,769.00	$ 4,760.61
RESERVES		
Reserve for Jail Commissary Account	$ 3,769.00	$ 4,760.61
Total Reserves	$ 3,769.00	$ 4,760.61

See accompanying notes to the financial statements.

Exhibit H

COUNTY OF HUNTERDON, NEW JERSEY
SURROGATE'S DEPARTMENT

BALANCE SHEETS - REGULATORY BASIS

ASSETS	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
Cash - Guardianship	$ 3,900,208.40	$ 3,202,435.58
Change Fund	50.00	50.00
Total Assets	$ 3,900,258.40	$ 3,202,485.58
RESERVES		
County Trustee Guardianship Account	$ 3,900,208.40	$ 3,202,435.58
Reserve for Change Fund	50.00	50.00
Total Liabilities and Reserves	$ 3,900,258.40	$ 3,202,485.58

See accompanying notes to the financial statements.

Exhibit I

COUNTY OF HUNTERDON, NEW JERSEY
ENGINEER'S DEPARTMENT

BALANCE SHEETS - REGULATORY BASIS

DECEMBER 31, 2025 AND 2024

ASSETS	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
Total Assets	$ -0-	$ -0-
RESERVES		
Total Liabilities and Reserves	$ -0-	$ -0-

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
CONSOLIDATED TRANSPORTATION SYSTEM DEPARTMENT

BALANCE SHEETS - REGULATORY BASIS

ASSETS	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
Accounts Receivable for Agency Pass-Through	$ 628,032.74	$ 448,288.98
Total Assets	$ 628,032.74	$ 448,288.98
RESERVES		
Reserve for Receivables	$ 628,032.74	$ 448,288.98
Total Reserves	$ 628,032.74	$ 448,288.98

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
General Fixed Assets:		
Land and Land Improvements	$ 76,565,060.20	$ 76,468,310.20
Buildings and Improvements	80,228,945.00	78,308,945.00
Vehicles, Machinery and Equipment	46,177,623.42	42,075,514.05
Total General Fixed Assets	$ 202,971,628.62	$ 196,852,769.25
Investment in General Fixed Assets	$ 202,971,628.62	$ 196,852,769.25

See accompanying notes to the financial statements.

Exhibit L

COUNTY OF HUNTERDON, NEW JERSEY

SOLID WASTE AND RECYCLING UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
ASSETS		
Operating Fund:		
Cash - Treasurer	$ 1,493,729.45	$ 1,494,018.57
Total Operating Fund	1,493,729.45	1,494,018.57
Capital Fund:		
Fixed Capital	1,780,553.76	1,780,553.76
Total Capital Fund	1,780,553.76	1,780,553.76
Total Assets	$ 3,274,283.21	$ 3,274,572.33
LIABILITIES, RESERVES AND FUND BALANCE		
Operating Fund:		
Appropriation Reserves	$ 94,683.73	$ 132,500.00
Reserve for Encumbrances	8,139.30	60,158.18
Accounts Payable	56,809.75	-
Total Operating Liabilities and Reserves	159,632.78	192,658.18
Fund Balance	1,334,096.67	1,301,360.39
Total Operating Fund	1,493,729.45	1,494,018.57
Capital Fund:		
Reserve for Amortization	1,780,553.76	1,780,553.76
Total Capital Fund	1,780,553.76	1,780,553.76
Total Liabilities, Reserves and Fund Balance	$ 3,274,283.21	$ 3,274,572.33

See accompanying notes to the financial statements.

Exhibit L-1

COUNTY OF HUNTERDON, NEW JERSEY

SOLID WASTE AND RECYCLING UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCES - REGULATORY BASIS

	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
Revenues and Other Credits to Income:		
Recycling Revenue	$ 25,648.51	$ 16,238.48
Transfer Station User Fees	72,780.77	205,204.87
Interest on Investments	37,025.07	42,212.02
Other Credits to Income:		
Appropriation Reserves Lapsed	91,601.93	91,354.94
Total Revenues and Other Credits to Income	227,056.28	355,010.31
Expenditures:		
Salaries and Wages	65,000.00	65,000.00
Other Expenditures	110,000.00	110,000.00
Statutory Expenditures	19,320.00	19,320.00
Total Expenditures	194,320.00	194,320.00
Excess in Revenue	32,736.28	160,690.31
Fund Balance, January 1	1,301,360.39	1,140,670.08
Fund Balance, December 31	$ 1,334,096.67	$ 1,301,360.39

See accompanying notes to the financial statements.

Exhibit L-2

COUNTY OF HUNTERDON, NEW JERSEY

SOLID WASTE AND RECYCLING UTILITY FUND

STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Anticipated	Realized	Excess/ (Deficit)
Recycling Revenues	$ 15,000.00	$ 25,648.51	$ 10,648.51
Transfer Station User Fees	170,000.00	72,780.77	(97,219.23)
Interest on Investments	9,320.00	37,025.07	27,705.07
Total	$ 194,320.00	$ 135,454.35	$ (58,865.65)

See accompanying notes to the financial statements.

COUNTY OF HUNTERDON, NEW JERSEY

SOLID WASTE AND RECYCLING UTILITY FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Original Budget	Budget Modified	Expended: Paid or Charged	Expended: Encumbrances	Expended: Reserved
Operating:					
Salaries and Wages	$ 65,000.00	$ 65,000.00	$ 65,000.00	$	$ 0.00
Other Expenses	110,000.00	110,000.00	13,582.97	8,139.30	88,277.73
Total Operating	175,000.00	175,000.00	78,582.97	8,139.30	88,277.73
Statutory Expenditures:					
Contribution To:					
Public Employee's Retirement System	11,670.00	11,670.00	7,942.00		3,728.00
Social Security (O.A.S.I.)	7,650.00	7,650.00	4,972.00		2,678.00
Total Statutory Expenditures	19,320.00	19,320.00	12,914.00		6,406.00
	$ 194,320.00	$ 194,320.00	$ 91,496.97 # #	8,139.30	$ 94,683.73

See accompanying notes to the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County of Hunterdon is an instrumentality of the State of New Jersey, established to function as a County. The Board of Commissioners consists of five elected officials and is responsible for the fiscal control of the County.

The County of Hunterdon's financial statements include the operations of all organizations for which the Board of Commissioners exercises oversight responsibility except for the organizations identified on the following pages. Oversight responsibility is demonstrated by financial interdependence, selection of governing body, designation of management, ability to significantly influence operations and accountability for fiscal matters.

GASB has issued pronouncements which require the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to obtain a financial benefit from or b) impose a financial burden on the primary government.

However, the counties in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by N.J.S.A. 40A:5-5. Accordingly, the County does not include the operations of the autonomous agencies listed on the following page. Complete financial statements of these entities can be obtained by contacting the Treasurer of the respective entity.

The operations of the following entities have been excluded from the accompanying financial statements:

Hunterdon County Division of Social Services

The Board of Social Services was merged into County government in 1994 and became the Division of Social Services within the Hunterdon County Department of Human Services. Separate audited financial statements are prepared and reflect the financial position and results of operations of the Division.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Hunterdon County Library Commission

The Board of Commissioners appoints all members to the Library Commission. Separate audited financial statements are prepared that reflect the financial position and results of operations of the Library Commission.

Hunterdon County Division of Housing

The Hunterdon County Housing Agency is operated as a division within the Hunterdon County Department of Human Services. The audit for the Hunterdon County Division of Housing is performed annually by an independent accounting firm. As such, all applicable information, including information relating to federal and state grants received by the Division of Housing, is not included in this audit report.

Hunterdon County Probation Department

In 1995, the entire Probation Department was transferred to the control of the State of New Jersey and is not included in this audit.

Judicial Duties of County Clerk's Office

During 1994 and 1995, the State of New Jersey assumed control of the judicial part of the County Clerk's duties. These include the Small Claims and Special Civil Part of the Superior Court and collection and recording of Bail Funds. Consequently, these transactions are not included in this audit.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

B. Description of Funds (Continued)

The accounting policies of the County of Hunterdon conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services. Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the County of Hunterdon are organized on the basis of funds and an account group which is different from the fund structure required by GAAP.

A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the County accounts for its financial transactions through the following individual funds and account groups:

Current and Grant Fund - This fund is used to account for the resources and expenditures for governmental operations of a general nature, including Federal and State grants for operations.

Trust Funds - Used to account for assets held by the government in a trustee capacity. Funds held by the County as an agent for individual, private organizations or other governments are recorded in the Trust Funds.

Other Trust Funds – This fund is established to account for the assets and resources which are also held by the County as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits and deposited funds with the County as collateral.

General Capital Fund – This fund is used to account for the receipts and disbursements of funds used for the acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Solid Waste and Recycling Utility Fund – This fund is used to account for the receipts and disbursements of funds used for the operation of this Utility Fund and for the acquisition or improvement of the Solid Waste and Recycling Fund capital facilities.

Departments – The financial statements for outside departments for which the County has administrative oversight are included separately by department.

General Fixed Assets Account Group - utilized to account for property, land, buildings, construction in progress and equipment that has been acquired by other governmental funds.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting

The accounting principles and practices prescribed for counties by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed by the County of Hunterdon. Under this method of accounting, revenues are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities and counties by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local governmental units.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Grants are realized as revenue when anticipated in the County's budget. Receivables for County taxes are recorded with offsetting reserves on the balance sheet of the County's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the County, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the County's statutory Appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year 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 fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

C. Basis of Accounting

Appropriation Reserves – Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish, and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. Under GAAP, the Borough would be required to record a liability for compensated absences, including salary-related payments, as those benefits are earned and meet the recognition criteria established by GASB 101. However, under the accounting practices prescribed by the State of New Jersey, compensated absences are recorded only when due and payable. Accordingly, the Township has not recorded a liability for compensated absences in accordance with GASB 101.

Self-Insurance Contributions – Payments to self-insurance funds are charged to current budget appropriations. GAAP requires payments to be accounted for as a transfer and not as an expenditure.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the County as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of $5,000.00 or more per unit.

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements.

C. Basis of Accounting (Continued)

General Fixed Assets (Continued) - The County has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by the County. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for donated fixed assets which are valued at estimated market value at the time of donation.

Land values related to the Park Commission have been included within the buildings classification of the general fixed assets because the original purchase price for Park Commission properties did not allocate the costs between land and buildings. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Accounting and Financial Reporting for Pensions -Under GAAP, municipalities are required to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources in the statement of Net Position and and total pension related expense in Statements of Revenues, Expenses, Changes in Net Position and Notes to the Financial Statements in accordance with GASB 68.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68 however, local units are permitted to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 68. As of the date of this report the information for the period ended June 30, 2025 was not available, therefore the information dated June 30, 2024 is disclosed

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) -Under GAAP, municipalities required to record their distributive shares of OPEB liability, deferred outflows of resources, deferred inflows of resources in the statement of Net Position and total OPEB related expense in Statements of Revenues, Expenses, Changes in Net Position and Notes to the Financial Statements in accordance with GASB 75.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75, however local units are permitted to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2025 was not available, therefore the information dated June 30, 2024 is disclosed.

Leases - Under GAAP, lease receivables are measured at the present value of the lease payments expected to be received during the lease term. Payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as lease liabilities or right –to-use assets on the statements of net position.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the lease receivable as an asset on their balance sheets or the Statement of Revenues.. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 87 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 87.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general-purpose financial statements to be in accordance with GAAP. The County presents the financial statements in accordance with the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The County considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey, and which meet the requirements for the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statute also requires public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.00.

NOTE 2: CASH AND CASH EQUIVALENTS

A. Deposits (Continued)

The County of Hunterdon had the following cash and cash equivalents at December 31, 2025:

Fund	Change Funds	Cash on Deposit	Additions	Deletions	Reconciled Balance
Current Fund	$ 700.00	$ $ 74,398,677.40	$ 1,727,536.88	$ 1,805,016.35	$ 74,321,897.93
Grant Fund		3,720,648.96		192,642.79	3,528,006.17
Open Space Trust Fund		41,433,195.76		488,710.31	40,944,485.45
Other Trust Fund		22,320,773.78	10,762.43	1,594,473.59	20,737,062.62
General Capital Fund		70,611,649.52		1,050,212.71	69,561,436.81
Solid Waste and Recycling Utility Fund		1,532,863.45		39,134.00	1,493,729.45
County Clerk's Department	375.00	1,300,230.89	6,145.20	1,010,050.99	296,700.10
Parks/Recreation Department	25.00	5,395.90	6,158.18	6,664.34	4,914.74
Sheriff's Office Department		565,485.13		31,421.77	534,063.36
Warden's Department		3,769.00			3,769.00
Surrogate's Department	50.00	3,889,080.12	11,288.28	160.00	3,900,258.40
Totals December 31, 2025	$ 1,150.00	$ $ 219,781,769.91	$ 1,761,890.97	$ 6,218,486.85	$ 215,326,324.03

Custodial Credit Risk-Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The County does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2025, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank $1,250,000.00 was covered by Federal Depository Insurance and $212,395,374.80 was covered by NJ GUDPA. The County had $6,136,395.11 on deposit with the New Jersey Cash Management Fund which is an investment pool and is not insured by either FDIC or GUDPA.

B. Investments

The purchase of investments by the County are strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization;

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located;

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

8. Agreements for the repurchase of fully collateralized securities if:

   a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;

   b the custody of collateral is transferred to a third party;

   c. the maturity of the agreement is not more than 30 days;

   d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and

   e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2025, the County has $6,136,395.11 on deposit with the New Jersey Cash Management Fund. Based upon limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the County is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks of its investments nor is it exposed to foreign currency risk for its deposits and investments.

The County's investment activities during the year were in accordance with the above New Jersey Statute.

NOTE 3: GOVERNMENTAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the County are general obligation bonds, backed by the full faith and credit of the County. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

Long Term Debt

SUMMARY OF COUNTY DEBT

	YEAR 2025	2024	2023
Authorized But Not Issued			
General:			
Bonds and Notes	$ 65,398,765.66	$ 68,673,695.19	$ 71,347,396.35
Total Authorized But Not Issued	65,398,765.66	68,673,695.19	71,347,396.35
Net Bonds and Notes Issued and Authorized But Not Issued	$ 65,398,765.66	$ 68,673,695.19	$ 71,347,396.35

SUMMARY OF STATUTORY DEBT CONDITION ANNUAL DEBT STATEMENTS

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .224%.

	GROSS DEBT	DEDUCTIONS	NET DEBT
General Debt	$65,398,765.66		$65,398,765.66
	$65,398,765.66		$65,398,765.66

Net debt of $65,398,765.66 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, $29,219,811,638.00 equals .224%.

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

EQUALIZED VALUATION BASIS

2023 Equalized Valuation Basis of Real Property	$	26,989,573,948.00
2024 Equalized Valuation Basis of Real Property		29,223,049,599.00
2025 Equalized Valuation Basis of Real Property		31,446,811,367.00
	$	29,219,811,638.00

BORROWING POWER UNDER N.J.S.A.40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2025	$	29,219,811,638.00
2.00% of Equalized Valuation Basis	$	584,396,232.76
Net Debt		65,398,765.66
Remaining Borrowing Power	$	518,997,467.10

*Equalized Valuation Basis is the average of the equalized valuations of Real Estate, including improvements, and the assessed valuation of Class II Railroad Property of the County for the last three (3) preceding years.

Bonds and Notes Authorized But Not Issued

At December 31, 2025, the County has authorized but not issued bonds and notes as follows:

General Capital Fund	$65,398,765.66

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

SHORT-TERM DEBT

In accordance with NJSA 40A:2-8.1, a local unit may, in anticipation of the issuance of bonds, borrow money and issue notes if the bond ordinance or subsequent resolution so provides. Any such note shall be designated as a "bond anticipation note" and shall be subject to the following provisions:

(1) every note shall contain a recital that it is issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year;

(2) all such notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes; and

(3) no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which those notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations.

The County did not have any Bond Anticipation Notes in 2025.

In accordance with NJSA 40A:4 sections 64 through 73, in any fiscal year, in anticipation of the collection of taxes for such year, whether levied in such year, or in anticipation of other revenue for such year, the County may, by resolution, borrow money and issue its negotiable notes, each of which shall be designated by the fiscal year to which it pertains. The proceeds may be used to pay outstanding previous notes of same purpose, or for purposes provided for in the budget or for which taxes are levied or to be levied for in such year. The amount outstanding shall not exceed an amount certified as the gross borrowing power, and no such notes shall be authorized in excess of an amount certified as the net borrowing power. Tax anticipation notes may be renewed from time to time, but any note shall mature within 120 days after the beginning of the succeeding fiscal year, and bear an interest rate that does not exceed 6%. The County did not have any Tax Anticipation Notes in 2025.

NOTE 4: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2025:

	Balance, December 31, 2024	Additions	Deletions	Balance, December 31, 2025
Land	$ 76,468,310.20	$ 96,750.00	$	$ 76,565,060.20
Building and Improvements	78,308,945.00	1,920,000.00		80,228,945.00
Machinery, Equipment and Vehicles	42,075,514.05	5,297,943.52	1,195,834.15	46,177,623.42
Total	$ 196,852,769.25	$ 7,314,693.52	$ 1,195,834.15	$ 202,971,628.62

NOTE 5: FUND BALANCE APPROPRIATED

Fund Balance at December 31, 2025, which was appropriated and included as anticipated revenue in the County budget for the year ending December 31, 2026, was as follows:

Fund Type	BALANCE DECEMBER 31, 2025	2026 AMOUNT APPROPRIATED
Current Fund	$ 52,484,334.14	$ 25,800,000.00
Solid Waste Utility	$ 1,334,096.67	$ -0-

NOTE 6: PENSIONS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Firemen's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrprts.shtml.

NOTE 6: PENSIONS (CONTINUED)

Plan Descriptions

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Firemen's Retirement System (PFRS) - The Police and Firemen's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

NOTE 6: PENSIONS (CONTINUED)

Vesting and Benefit Provisions (Continued)

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 7.50% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43: 16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by Slate of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. PFRS members contributed at a uniform rate of 10.00% of base salary.

Certain portions of the costs are contributed by the employees. The County's contributions to the PERS, which is based upon the annual billings received from the State, amounted to $3,985,000.00 for 2025, $3,910,082.00 for 2024 and $3,611,277.00 for 2023. The County's contributions to the PFRS, which is based upon the annual billings received from the State, amounted to $1,611,592.00 for 2025, $1,377,556.00 for 2024 and $1,287,344.00 for 2023.

The County’s share for DCRP amounted to $44,322.59 for 2025, $40,047.12 for 2024 and $36,963.98 for 2023.

All contributions were equal to the required contributions for each of the three years, respectively. Certain County employees are also covered by Federal Insurance Contribution Act.

NOTE 6: PENSIONS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB #68

As discussed in Note 1, as of the date of this report the information for the period ended June 30, 2025, for PERS was not available, therefore the information dated June 30, 2024 is disclosed.

Public Employees Retirement System (PERS)

At June 30, 2024, the State reported a net pension liability of $39,793,891.00 for the County 's proportionate share of the total net pension liability. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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. At June 30, 2024, the County's proportion was 0.2928595612 percent, which was an increase of 0.0003042112 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the State recognized an actuarially determined pension expense of $849,088.00 for the County 's proportionate share of the total pension expense. The pension expense recognized in the County's financial statements based on the April 1, 2025 billing was $3,985,000.00.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 797,145.00	$ 105,942.00
Changes of assumptions	49,437.00	452,763.00
Net difference between projected and actual earnings on pension plan investments		1,845,134.00
Changes in proportion and differences between County contributions and proportionate share of contributions	900,599.00	269,115.00
	$ 1,747,181.00	$ 2,672,954.00

Other local amounts reported by the State as the County's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

Year Ended June 30,	Amount
2025	($1,563,254.20)
2026	1,433,620.80
2027	(625,835.20)
2028	(307,902.20)
2029	137,597.80
	($925,773.00)

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. These actuarial valuations used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	2.75-6.55% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major assets class included in PERS's target assets allocation as of June 30, 2024 asset are summarized in the following table:

Assets Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasury's	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Sensitivity of the County's proportionate share of net pension liability to changes in the discount rate

The following presents the County's proportionate share of the net pension liability of the participating employers as of June 30, 2024 respectively, calculated using the discount rate as disclosed above as well as what the County's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2024		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
County's proportionate share of the pension liability	$52,876,298.00	$39,793,891.00	$28,660,835.00

Special Funding Situation

In accordance with 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. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2024, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

The amounts contributed by the State on behalf of the County 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 County does 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 County related to this legislation.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation (Continued):

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the County as of June 30, 2024 was 1.6391971368% which was an increase of 0.0168586802 percent from its proportion measured as of June 30, 2023. The non-employer contributing entities' contribution and employer pension expense and related revenue for the years ended June 30, 2024 and June 30, 2023 was $292,254.00 and $265,505.00, respectively.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 http://www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At June 30, 2024, the State reported a net pension liability of $12,031,370.00 for the County 's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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.

At June 30, 2024, the County's proportion was 0.1165085400 percent, which was an increase of 0.0130263600 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the State recognized an actuarially determined pension expense of $1,027,943.00. The pension expense recognized in the County's financial statements based on the April 1, 2025 billing was $1,611,592.00.

NOTE 6: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 797,145.00	$ 105,942.00
Changes of assumptions	49,437.00	452,763.00
Net difference between projected and actual earnings on pension plan investments		1,845,134.00
Changes in proportion and differences between County contributions and proportionate share of contributions	900,599.00	269,115.00
	$ 1,747,181.00	$ 2,672,954.00

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

Year Ended June 30,	Amount
2025	($1,563,254.20)
2026	1,433,620.80
2027	(625,835.20)
2028	(307,902.20)
2029	137,597.80
	($925,773.00)

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	All future years 3.25-16.25% Based on years of Service
Investment Rate of Return	7.00%

Employee mortality rates were based on the Pubs-2010 Safety Employee amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pubs-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount weighted mortality table for males and 100% for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2024 are summarized in the following table:

Assets Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	28.00%	6.25%
Foreign Equity	11.50%	6.35%
Emerging Market Equity	7.50%	7.65%
Private Equity	10.00%	9.55%
Core Fixed Income	17.00%	1.45%
High Yield Fixed Income	6.00%	3.25%
Private Debt	8.00%	5.85%
Real Estate	7.00%	3.05%
Infrastructure	3.00%	5.65%
Cash	2.00%	0.65%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Sensitivity of the County's proportionate share of net pension liability to changes in the discount rate

The following presents the County's proportionate share of the net pension liability of the participating employers as of June 30, 2024 respectively, calculated using the discount rate as disclosed above as well as what the County's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2024		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
County's proportionate share of the PFRS pension liability	$17,190,151.00	$12,031,370.00	$7,735,236.00

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation

In accordance with 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.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the County under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a non-employer contributing entity. Since the County does 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 County related to this legislation.

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the County as of June 30, 2024 and 2023 is .1165086900% and .1034825700% respectively, the non-employer contributing entities' contribution for the year ended June 30, 2024 and 2023 was $272,875.00 and $240,933.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2024 and 2023 was $272,875.00 and $240,933.00, respectively.

At June 30, 2024 and 2023, the State's proportionate share of the net pension liability attributable to the County for the PFRS special funding situation is $2,371,959.00 and $2,106,759.00, respectively.

At June 30, 2024, 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	$12,031,370.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the County	2,371,959.00
	$14,403,329.00

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 http://www.state.nj.us/treasury/pensions.

NOTE 7: LITIGATION

The County counsel's letter did not indicate any litigation, claims or contingent liabilities which would materially affect the financial statements of the County.

NOTE 8: RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Beginning in 1994, the County became a member of the Hunterdon County Joint Insurance Fund (the "Fund"), which was formed in accordance with P.L. 1983, C 372 entitled "An Act Concerning Joint Insurance Funds for Local Government Units of Government." The Fund provides insurance coverage covering each of the above-mentioned risks of loss. The County's contribution to the Fund is based on actuarial assumptions determined by the Fund's actuary. The Fund also purchases commercial insurance for claims in excess of coverage provided by the Fund. Workers' compensation claims incurred prior to January 1, 1994 are required to be financed by the County. The loss from these claims incurred, but not reported, has not been determined.

The County also maintained a risk management program which combines risk retention and reinsurance coverage for claims relating to employee health benefits. The County provides coverage up to $100,000.00 to any one individual. Any claims in excess of coverage provided by the County is covered by commercial insurance carriers.

NOTE 8: RISK MANAGEMENT (CONTINUED)

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

Year	Interest Earned	Employee Contributions	Amount Reimbursed	Ending Balance
2025	$17,558.16	$69,587.27	$80,748.29	$856,326.91
2024	20,557.80	66,319.69	23,820.07	$849,929.77
2023	18,992.73	63,462.33	40,474.74	$786,872.35

NOTE 9: DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all County employees, permits them to defer a portion of their salaries until future years. The County does not make any contribution to the Plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

The County has engaged a private contractor to administer the plan.

The accompanying financial statements do not include the County's Deferred Compensation Plan activities

NOTE 10: CONTINGENT LIABILITIES

The County participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. The state and federal grants received and expended in 2025 were subject to the Single Audit Act Amendment of 1996 and State of New Jersey OMB Circular 25-12 which mandates that grants revenues and expenditures be audited in conjunction with the County's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II Single Audit Section of the 2025 audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2025 the County does not believe that any material liabilities will result from such audit.

NOTE 11: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The County offers OPEB to their employees per the terms of their various labor contracts through both a single employer plan and for other employees through a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation.

Single Employer Plan Defined Benefit Plan

Plan Description

The County of Hunterdon offers a single-employer defined benefit healthcare plan. The plan provides lifetime Medicare Part B premium reimbursement to eligible retirees. Generally, to be eligible, an employee must retire with at least 25 years of service, or retire after age 62 with at least 15 years of service.

GASB Statement No. 75 requires that the County disclose its annual OPEB liability for the plan. The actual amounts paid for the OPEB medical benefits, accounted for on the pay-as-you-go basis, for retired County employees and their spouses during 2025 and 2024 totaled $386,342.00 and $321,269.00, respectively. The County engaged an actuary to perform the calculations as of December 31, 2025 and December 31, 2024 for the County and the required information is presented below.

Employees Covered by Benefits Terms

Inactive employees or beneficiaries currently receiving benefits payments	54
Inactive employees entitled to but not currently receiving benefits payments	-0-
Active Employees	194
	248

NOTE 11: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Single Employer Plan Defined Benefit Plan

Contributions

The contribution requirements of the County and Plan members are established and may be amended by the County's governing body.

Pursuant to Chapter 78, P.L, 2011, future retirees eligible for postemployment medical, prescription, dental and vision 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.

Total OPEB Liability

The total OPEB liability from the County's plan as of December 31, 2025 and 2024 is $10,403,805.00 and $9,909,519.00, respectively.

Actuarial Assumptions

The total OPEB liability of $10,403,805.00 in the December 31, 2025 actuarial valuation prepared by the County's actuary, Danziger and Markhoff LLP, which was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate		4.43%
Inflation Rate		3.00%
Salary Increases		3.00%
Healthcare Cost Trend Rates	Year 1	7.00%
	Year 2	6.50%
	Year 3	6.25%
	Year 4	6.00%
	Year 5	5.75%
	Year 6	5.50%
	Year 7	5.25%
	Year 8	5.00%
	Year 9	4.75%
	Year 10+	4.50%

NOTE 11: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Single Employer Plan Defined Benefit Plan

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following simplifying assumptions were made:

Retirement age for active employees – 50% of all employees are assumed to retire at age 55. 3% of employees are assumed to retire at each year of age 56 – 64. 100% of all employees are assumed to retire at age 65 with 25 years of service.

Mortality – Life expectancies were based on the PUB-2010 Mortality Table with MP-2021 Projection.

The actuarial assumptions used in the December 31, 2025 valuation were based on the results of an actuarial experience study as of January 1, 2025. Changes in the net OPEB liability reported by Danzinger & Markhoff LLP are as follows:

	Measurement Date Ended December 31,		
	2025	2024	2023
Net OPEB Liability, January 1	$ 9,909,519.00	$ 11,090,427.00	$ 10,312,891.00
Changes for the year:			
Service cost	120,277.00	123,212.00	105,325.00
Interest	421,008.00	437,192.00	437,495.00
Differences between expected and actual experience	261,477.00	(953,127.00)	86,901.00
Changes in assumptions or other inputs	77,866.00	(466,916.00)	472,206.00
Benefit payments - Net	(386,342.00)	(321,269.00)	(324,391.00)
Net changes	494,286.00	(1,180,908.00)	777,536.00
Net OPEB Liability, December 31	$ 10,403,805.00	$ 9,909,519.00	$ 11,090,427.00
Covered Employee Payroll	4,702,179	4,837,537	4,951,045
Net OPEB Liability as a percentage of Covered Employee Payroll	221.25%	204.85%	224.00%

NOTE 11: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Single Employer Plan Defined Benefit Plan

Discount Rate

The discount rate under GASB 75 should be the single rate that reflects (a) the long-term expected rate of return on plan investments that are expected to be used to finance the benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the assets are expected to be invested using a strategy to achieve that return and (b) a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/AAa or higher (or an equivalent quality on another scale) to the extent that the conditions in (a) are not met. The discount rates used for determining the Total OPEB liabilities at December 31, 2025 (4.43%) and December 31, 2024 (4.28%), based on the S&P Municipal Bond 20 year High Grade Bond index rates.

OPEB Income/Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the actuarially determined OPEB expense reflected in the Plan was $690,680.00.

At December 31, 2025, the Plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Outflow of Resources	Inflow of Resources
Differences between expected and actual experience	$ 174,318	$ 317,709
Changes of assumptions	51,911	155,638
	$ 226,229	$ 473,347

NOTE 11: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Single Employer Plan Defined Benefit Plan

Amounts reported for the County's share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the actuarially calculated pension (benefit)/expense as follows:

Measurement Period Ended December 31,	Amount
2026	($360,233)
2027	$113,115
	($247,118)

Sensitivity of the Total OPEB liability to changes in the discount rate and healthcare cost trend rates

The following presents the total OPEB liability of the County as of December 31, 2025 for retirees as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current discount rate:

	December 31, 2025		
	At 1% Decrease (3.43%)	At Current Discount Rate (4.43%)	At 1% Increase (5.43%)
Net OPEB Liability	11,749,852.00	10,403,805.00	9,296,517.00

Sensitivity of the Total OPEB liability to changes in the 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:

NOTE 11: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Single Employer Plan Defined Benefit Plan (Continued)

	December 31, 2025		
	At 1% Decrease (6.00% decreasing to 3.5%	At Healthcare Trend Rates (7.00% decreasing to 4.5%	At 1% Increase (8.00% decreasing to 5.5%
Net OPEB Liability	9,298,461.00	10,403,805.00	11,752,629.00

Funding Status and Funding Progress

As of December 31, 2025, the date of the most recent actuarial valuation, the plan is currently unfunded.

The projection of future benefit payments for an ongoing plan involves estimates of the value or reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Multiple-Employer State Plan

As discussed in Note 1, as of the date of this report the information for the period ended June 30, 2025, for OPEB was not available, therefore the information dated June 30, 2024 is disclosed.

Multiple-Employer State Plan (Continued)

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) 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*; therefore, assets are accumulated to pay associated benefits.

The Plan provides medical and prescription drug 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.

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.

Multiple-Employer State Plan (Continued)

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.

Total Net OPEB Liability

At June 30, 2024, the Plan reported a liability of $137,930,660.00 for the County's proportionate share of the collective net OPEB liability. The total net OPEB liability measured as of June 20, 2024 was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024.

The County's proportion of the Net OPEB Liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2023 through June 30, 2024.

At June 30, 2024, the County's proportion was 0.770328 percent, which was a decrease of .025526 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the State reported OPEB expense of $19,372,817.00. This OPEB expense was based on the OPEB plans June 30, 2024 measurement date.

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 11: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Multiple-Employer State Plan (Continued)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$6,985,213.00	$23,370,198.00
Changes of assumptions	23,059,395.00	22,895,619.00
Net difference between projected and actual earnings on OPEB plan investments		62,437.00
Changes in proportion	27,994,898.00	6,871,479.00
	$58,039,506.00	$53,199,733.00

Other local amounts reported by the State as the County's proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the State's actuarially calculated pension (benefit)/expense as follows:

Year Ended June 30,	Amount
2025	($4,433,617.20)
2026	497,039.80
2027	3,584,107.80
2028	809,550.80
2029	2,048,908.80
Thereafter	2,333,783.00
	$4,839,773.00

NOTE 11: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Multiple-Employer State Plan (Continued)

Actuarial Assumptions and Other Inputs

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

Salary Increases*:	
Public Employees Retirement System (PERS):	
Initial fiscal year applied	
Rate for all future years	2.75% to 6.55%
Police and Firemen's Retirement System (PFRS):	
Rate for all future years	3.25% to 16.25%

* Salary increases are based on years of service within the respective plan.

Mortality

Pre-Retirement Mortality

PERS	Pub-2010 "General" classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021
PFRS	Pub-2010 "Safety" classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021

Post-Retirement Mortality

Chapter 330 Retirees	Pub-2010 "Safety" classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021
Other Retirees	Pub-2010 "General" classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021

NOTE 11: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Multiple-Employer State Plan (Continued)

Actuarial Assumptions and Other Inputs (Continued)

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

Discount Rate

The discount rate for June 30, 2024 was 3.93%. 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 Assumption

For Pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend rate is increasing to 19.38% in fiscal year 2026 and decreases to 4.50% in fiscal year 2034. For HMO, the trend rate is increasing to 20.15% in fiscal year 2026 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB Liability associated with the County's as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage point higher than the current rate:

	1.00% Decrease (2.93%)	At Discount Rate (3.93%)	1.00% Increase (4.93%)
County's proportionate share of the Net OPEB Liability	$160,674,350.00	$137,930,660.00	$119,714,980.00

NOTE 11: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Multiple-Employer State Plan (Continued)

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Trends

The following presents the total Net OPEB Liability associated with the County's as of June 30, 2024, calculated using the healthcare trend rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
County's proportionate share of the Net OPEB Liability	$116,661,180.00	$137,930,660.00	$165,277,230.00

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 http://www.state.nj.us/treasury/pensions

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2025:

Fund	Interfund Receivable	Interfund Payable
Current Fund	$ 10.00	$
General Capital Fund		10.00
	$ 10.00	$ 10.00

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

NOTE 13: SUBSEQUENT EVENTS

The County of Hunterdon has evaluated subsequent events occurring after the financial statement date through July 22 , 2026 which is the date the financial statements were available to be issued. Based on this evaluation, the County has determined that no subsequent events needed to be disclosed.

APPENDIX C

Certain Information Regarding The Obligated Borrowers

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City of Lambertville

INFORMATION REGARDING THE CITY OF LAMBERTVILLE[1]

The following material presents certain economic and demographic information of the City of Lambertville (the "City"), in the County of Hunterdon (the "County"), State of New Jersey (the "State").

Employment and Unemployment Comparisons

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the City, the County, and the State:

	Total Labor Force	Employed Labor Force	Total Unemployed	Unemployment Rate
City				
2025	2,524	2,441	83	3.3%
2024	2,521	2,455	66	2.6%
2023	2,543	2,477	66	2.6%
2022	2,510	2,448	62	2.5%
2021	2,440	2,348	92	3.8%
County				
2025	68,285	65,411	2,874	4.2%
2024	68,286	65,795	2,491	3.6%
2023	68,594	66,236	2,358	3.4%
2022	67,541	65,464	2,077	3.1%
2021	65,696	62,431	3,265	5.0%
State				
2025	4,905,633	4,648,499	257,134	5.2%
2024	4,899,384	4,672,089	227,295	4.6%
2023	4,879,285	4,668,296	210,989	4.3%
2022	4,771,781	4,586,675	185,106	3.9%
2021	4,674,518	4,361,147	313,371	6.7%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

[1] Source: The City, unless otherwise indicated.

Income (as of 2024)

	City	County	State
Median Household Income	$109,733	$141,715	$103,556
Median Family Income	136,250	171,597	127,025
Per Capita Income	90,431	72,227	54,253

Source: US Bureau of the Census, 2024 American Community Survey 5-Year Estimates

Population

The following tables summarize population increases and the decreases for the City, the County, and the State.

	City		County		State	
Year	Population	% Change	Population	% Change	Population	% Change
2025 est.	4,198	1.43%	131,781	2.20%	9,548,218	2.79%
2020	4,139	5.97	128,947	0.47	9,288,994	5.65
2010	3,906	0.98	128,349	5.21	8,791,894	4.49
2000	3,868	-1.50	121,989	13.19	8,414,350	8.85
1990	3,927	-2.89	107,776	23.37	7,730,188	4.96

Source: United States Department of Commerce, Bureau of the Census

Largest Taxpayers

The ten largest taxpayers in the City and their assessed valuations are listed below:

Taxpayers	2025 Assessed Valuation	% of Total Assessed Valuation
Access Property Management	$28,775,000	2.89%
Houston-MDL LLC & SRI Holdings LLC	11,836,000	1.19%
LV Hotel Property LLC	4,938,700	0.50%
8 Centre Market Place Realty INC	3,889,700	0.39%
Lambertville Canal Properties LLC	3,631,000	0.36%
Promar Development Co LLC	3,560,800	0.36%
Route 12-1 Properties LLC	3,268,000	0.33%
Allied Villiage Square LLC	2,880,500	0.29%
Lambertville VLG RLTY C/O	2,864,000	0.29%
Dorsa Partners LLC	2,595,500	0.26%
Total	$68,239,200	6.85%

Source: Annual Comprehensive Financial Report of the School District and Municipal Tax Assessor

Comparison of Tax Levies and Collections

Year	Tax Levy	Current Year Collection	Current Year % of Collection
2025	$21,897,145	$21,597,584	98.63%
2024	21,384,194	21,128,291	98.80%
2023	20,437,730	20,177,059	98.72%
2022	19,416,382	19,162,179	98.69%
2021	18,212,878	17,967,879	98.65%

Source: Annual Audit Reports of the City

Delinquent Taxes and Tax Title Liens

Year	Amount of Tax Title Liens	Amount of Delinquent Tax	Total Delinquent	% of Tax Levy
2025	$142,782	$257,621	$400,403	1.83%
2024	133,823	235,565	369,388	1.73%
2023	114,149	212,359	326,507	1.60%
2022	148,876	142,622	291,498	1.50%
2021	136,778	140,173	276,950	1.52%

Source: Annual Audit Reports of the City

Property Acquired by Tax Lien Liquidation

Year	Amount
2025	$0
2024	0
2023	0
2022	0
2021	0

Source: Annual Audit Reports of the City

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Tax Rates per $100 of Net Valuations Taxable and Allocations

The table below lists the tax rates for City residents for the past five (5) years.

Year	Municipal	Municipal Open Space	Municipal Library	Fire District	Regional School	County	Total
2025	$0.454	$0.010	$0.037	$0.137	$1.248	$0.377	$2.263
2024	0.446	0.010	0.038	0.144	1.291	0.382	2.311
2023	0.451	0.010	0.037	0.148	1.319	0.377	2.342
2022	0.417	0.010	0.034	0.149	1.342	0.358	2.310
2021	0.375	0.010	0.034	0.151	1.345	0.353	2.268

Source: Abstract of Ratables and State of New Jersey – Property Taxes

Valuation of Property

Year	Aggregate Assessed Valuation of Real Property	Aggregate True Value of Real Property	Ratio of Assessed to True Value	Assessed Value of Personal Property	Equalized Valuation
2025	$995,947,919	$1,153,384,967	86.35%	$0	$1,153,384,967
2024	922,625,419	1,104,279,376	83.55	0	1,104,279,376
2023	871,158,792	1,032,423,314	84.38	0	1,032,423,314
2022	839,618,392	954,871,366	87.93	0	954,871,366
2021	802,923,992	864,288,474	92.90	0	864,288,474

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

Classification of Ratables

The table below lists the comparative assessed valuation for each classification of real property within the City for the past five (5) years.

Year	Vacant Land	Residential	Farm	Commercial	Industrial	Apartments	Total
2025	$33,470,800	$771,148,100	$501,119	$144,035,200	$13,770,300	$33,022,400	$995,947,919
2024	4,278,000	734,584,900	486,919	138,316,500	13,162,900	31,796,200	922,625,419
2023	5,251,983	691,773,600	469,616	131,124,700	12,434,000	30,104,893	871,158,792
2022	5,022,883	667,878,100	464,616	125,843,800	12,255,000	28,153,993	839,618,392
2021	4,245,183	638,712,900	1,681,016	122,353,200	11,542,000	24,389,693	802,923,992

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

Financial Operations

The following table summarizes the City's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

Summary of Current Fund Budget

Anticipated Revenues	**2022**	**2023**	**2024**	**2025**	**2026**
Fund Balance Utilized	$250,000	$250,000	$523,000	$523,000	$643,500
Miscellaneous Revenues	2,238,899	2,773,594	3,323,171	2,590,288	2,700,095
Receipts from Delinquent Taxes	169,189	100,000	100,000	100,000	100,000
Amount to be Raised by Taxation	3,791,026	4,260,131	4,453,757	4,892,044	5,129,094
Total Revenue:	$6,449,114	$7,383,725	$8,399,928	$8,105,332	$8,572,689
Appropriations					
General Appropriations	$4,133,861	$4,388,636	$4,760,091	$5,099,077	$5,366,381
Operations (Excluded from CAPS)	405,479	806,251	580,718	742,063	904,623
Total Deferred Charges	84,338	256,701	962,064	253,206	300,485
Capital Improvement Fund	95,000	51,000	51,000	80,000	25,000
Municipal Debt Service	1,490,436	1,616,136	1,781,055	1,645,986	1,651,200
Reserve for Uncollected Taxes	240,000	265,000	265,000	285,000	325,000
Total Appropriations:	$6,449,114	$7,383,725	$8,399,928	$8,105,332	$8,572,689

Source: Annual Adopted Budgets of the City

Fund Balance

Current Fund

The following table lists the City's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

Fund Balance - Current Fund

Year	**Balance 12/31**	**Utilized in Budget of Succeeding Year**
2025	$1,461,681	$643,500
2024	1,584,673	523,000
2023	1,533,261	523,000
2022	1,118,667	250,000
2021	1,015,528	250,000

Source: Annual Audit Reports of the City

City Indebtedness as of December 31, 2025

General Purpose Debt	
Serial Bonds	$13,090,000
Bond Anticipation Notes	3,443,938
Bonds and Notes Authorized but Not Issued	124,685
Other Bonds, Notes and Loans	182,934
Total:	$16,841,557
Regional School District Debt	
Serial Bonds	$19,475,660
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	$19,475,660
Self-Liquidating Debt	
Serial Bonds	$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	$0
TOTAL GROSS DEBT	**$36,317,217**
Less: Statutory Deductions	
General Purpose Debt	$762,886
Regional School District Debt	19,475,660
Self-Liquidating Debt	0
Total:	$20,238,547
TOTAL NET DEBT	**$16,078,670**

Source: Annual Audit Reports of the City

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Overlapping Debt (as of December 31, 2025)[2]

Name of Related Entity	Related Entity Debt Outstanding	City Percentage	City Share
Regional School District	$33,645,000	57.89%	$19,475,660
County	65,398,766	3.67%	2,398,399
Net Indirect Debt			$21,874,059
Net Direct Debt			16,078,670
Total Net Direct and Indirect Debt			**$37,952,729**

Debt Limit

Average Equalized Valuation Basis (2023, 2024, 2025)	$1,096,695,886
Permitted Debt Limitation (3 1/2%)	38,384,356
Less: Net Debt	16,078,670
Remaining Borrowing Power	$22,305,686
Percentage of Net Debt to Average Equalized Valuation	1.466%
Gross Debt Per Capita based on 2020 population of 4,139	$8,774
Net Debt Per Capita based on 2020 population of 4,139	$3,885

Source: Annual Audit Reports of the City

[2] City percentage of County debt is based on the City's share of total equalized valuation in the County.

Township of Raritan

INFORMATION REGARDING THE TOWNSHIP OF RARITAN[1]

The following material presents certain economic and demographic information of the Township of Raritan (the "Township"), in the County of Hunterdon (the "County"), State of New Jersey (the "State").

Employment and Unemployment Comparisons

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State:

	Total Labor Force	Employed Labor Force	Total Unemployed	Unemployment Rate
Township				
2025	13,684	13,142	542	4.0%
2024	13,670	13,219	451	3.3%
2023	13,551	13,119	432	3.2%
2022	13,218	12,849	369	2.8%
2021	12,637	12,062	575	4.6%
County				
2025	68,285	65,411	2,874	4.2%
2024	68,286	65,795	2,491	3.6%
2023	68,594	66,236	2,358	3.4%
2022	67,541	65,464	2,077	3.1%
2021	65,696	62,431	3,265	5.0%
State				
2025	4,905,633	4,648,499	257,134	5.2%
2024	4,899,384	4,672,089	227,295	4.6%
2023	4,879,285	4,668,296	210,989	4.3%
2022	4,771,781	4,586,675	185,106	3.9%
2021	4,674,518	4,361,147	313,371	6.7%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

[1] Source: The Township, unless otherwise indicated.

Income (as of 2024)

	Township	County	State
Median Household Income	$165,174	$141,715	$103,556
Median Family Income	194,717	171,597	127,025
Per Capita Income	79,932	72,227	54,253

Source: US Bureau of the Census, 2024 American Community Survey 5-Year Estimates

Population

The following tables summarize population increases and the decreases for the Township, the County, and the State.

	Township		County		State	
Year	Population	% Change	Population	% Change	Population	% Change
2025 est.	25,281	7.82%	131,781	2.20%	9,548,218	2.79%
2020	23,447	5.69	128,947	0.47	9,288,994	5.65
2010	22,185	11.99	128,349	5.21	8,791,894	4.49
2000	19,809	26.85	121,989	13.19	8,414,350	8.85
1990	15,616	88.33	107,776	23.37	7,730,188	4.96

Source: United States Department of Commerce, Bureau of the Census

Largest Taxpayers

The ten largest taxpayers in the Township and their assessed valuations are listed below:

Taxpayers	2025 Assessed Valuation	% of Total Assessed Valuation
Flemington Fair Associates	$70,000,000	1.62%
Hunterdon Medical Center	35,808,400	0.83%
Ciocca Flemington Realty LLC	33,882,300	0.78%
Emerald Sky, LLC	27,182,700	0.63%
Johanna Foods, Inc.	23,654,700	0.55%
REEP - RTL Flemington NJ LLC	23,000,000	0.53%
Raritan Junction LLC	22,145,500	0.51%
RVSC II Villages at Healthquest, LLC	19,818,200	0.46%
Clojo Circle LLC c/o Flem Retail	19,486,900	0.45%
Flemington Junction Assoc, LLC	18,325,600	0.42%
Total	$293,304,300	6.77%

Source: Annual Comprehensive Financial Report of the School District & Municipal Tax Assessor

Comparison of Tax Levies and Collections

Year	Tax Levy	Current Year Collection	Current Year % of Collection
2025	$131,593,680	$130,816,877	99.41%
2024	125,498,021	124,921,771	99.54%
2023	116,994,007	116,356,926	99.46%
2022	114,158,909	113,481,728	99.41%
2021	110,597,057	109,861,879	99.34%

Source: Annual Audit Reports of the Township

Delinquent Taxes and Tax Title Liens

Year	Amount of Tax Title Liens	Amount of Delinquent Tax	Total Delinquent	% of Tax Levy
2025	$47,386	$738,532	$785,918	0.60%
2024	41,852	520,557	562,409	0.45%
2023	36,609	567,657	604,266	0.52%
2022	55,769	526,038	581,807	0.51%
2021	45,250	670,623	715,873	0.65%

Source: Annual Audit Reports of the Township

Property Acquired by Tax Lien Liquidation

Year	Amount
2025	$0
2024	0
2023	0
2022	0
2021	0

Source: Annual Audit Reports of the Township

Tax Rates per $100 of Net Valuations Taxable and Allocations

The table below lists the tax rates for the past five (5) years.

Year	Municipal	Local School	Regional School	County	Total
2025	$0.418	$1.428	$0.658	$0.525	$3.029
2024	0.397	1.345	0.663	0.492	2.897
2023	0.348	1.285	0.634	0.457	2.724
2022	0.319	1.292	0.633	0.411	2.655
2021	0.315	1.265	0.645	0.398	2.623

Source: Abstract of Ratables and State of New Jersey – Property Taxes

Valuation of Property

Year	Aggregate Assessed Valuation of Real Property	Aggregate True Value of Real Property	Ratio of Assessed to True Value	Assessed Value of Personal Property	Equalized Valuation
2025	$4,332,219,700	$6,441,962,379	67.25%	$0	$6,441,962,379
2024	4,299,388,200	6,124,484,615	70.20	0	6,124,484,615
2023	4,289,215,100	5,699,953,621	75.25	0	4,554,604,026
2022	4,260,254,500	5,153,325,874	82.67	0	4,340,763,867
2021	4,185,681,100	4,554,604,026	91.90	0	4,252,970,881

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

Classification of Ratables

The table below lists the comparative assessed valuation for each classification of real property within the Township for the past five (5) years.

Year	Vacant Land	Residential	Farm	Commercial	Industrial	Apartments	Total
2025	$35,506,400	$3,385,720,500	$71,148,800	$674,558,400	$105,571,500	$59,714,100	$4,332,219,700
2024	35,207,300	3,381,720,700	68,851,000	659,942,300	105,571,500	48,095,400	4,299,388,200
2023	42,030,100	3,378,006,700	70,263,400	658,686,100	107,697,400	32,531,400	4,289,215,100
2022	49,103,200	3,354,143,300	69,334,300	647,156,400	107,985,900	32,531,400	4,260,254,500
2021	49,627,400	3,316,986,500	67,822,500	616,567,800	106,985,900	27,691,000	4,185,681,100

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

Financial Operations

The following table summarizes budgeted information on changes in financial resources and fund balance for the last five (5) fiscal years for the Current Fund. This summary should be used in conjunction with the tables from which it is derived.

Budgeted Information of Operations and Changes in Fund Balances for the Years Ended December 31

Anticipated Revenues	2022	2023	2024	2025	2026
Fund Balance Utilized	$2,199,964	$2,071,989	$1,930,000	$1,800,000	$2,600,000
Miscellaneous Revenues	6,552,389	6,794,626	5,693,451	5,980,436	7,063,696
Receipts from Delinquent Taxes	600,000	525,000	540,000	525,000	525,000
Amount to be Raised by Taxation	13,152,600	14,485,301	16,193,416	17,252,873	18,254,501
Total Revenue:	$22,504,952	$23,876,917	$24,356,867	$25,558,309	$28,443,197
Appropriations					
General Appropriations	$16,024,510	$19,497,585	$20,203,865	$21,083,827	$21,845,983
Operations (Excluded from CAPS)	763,281	1,161,070	301,787	928,016	3,201,191
Deferred Charges and Statutory Expenditures	2,687,950	41,000	41,000	172,725	41,000
Capital Improvement Fund	573,894	306,478	875,000	315,000	1,000
Municipal Debt Service	1,440,318	1,748,032	1,812,464	1,935,990	2,231,272
Reserve for Uncollected Taxes	1,015,000	1,122,751	1,122,751	1,122,751	1,122,751
Total Appropriations:	$22,504,952	$23,876,917	$24,356,867	$25,558,309	$28,443,197

Source: Annual Adopted Budgets of the Township

Fund Balance

Current Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

Fund Balance - Current Fund

Year	Balance 12/31	Utilized in Budget of Succeeding Year
2025	$5,160,356	$2,600,000
2024	4,708,301	1,800,000
2023	3,701,387	1,930,000
2022	3,389,606	2,071,989
2021	3,454,274	2,199,964

Source: Annual Audit Reports of the Township

Township Indebtedness as of December 31, 2025

General Purpose Debt	
Serial Bonds	$14,711,000
Bond Anticipation Notes	2,518,000
Bonds and Notes Authorized but Not Issued	3,942,631
Other Bonds, Notes and Loans	3,033,086
Total:	$24,204,717
Regional School District Debt	
Serial Bonds	$38,146,060
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	581
Total:	$38,146,641
Regional School District Debt (HS)	
Serial Bonds	$0
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	$0
Self-Liquidating Debt	
Serial Bonds	$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	$0
TOTAL GROSS DEBT	**$62,351,359**
Less: Statutory Deductions	
General Purpose Debt	$0
Regional School Debt #1	38,146,641
Regional School District Debt #2	0
Self-Liquidating Debt	0
Total:	$38,146,641
TOTAL NET DEBT	**$24,204,717**

Source: Annual Debt Statement of the Township

Overlapping Debt (as of December 31, 2025)[2]

Name of Related Entity	Related Entity Debt Outstanding	Township Percentage	Township Share
Regional School District	$41,730,000	91.41%	$38,146,060
Regional School District (HS)	0	0.00%	0
Raritan Twp Municipal Utilities Authority (2024)	6,946,499	100.00%	6,946,499
County	65,398,766	20.48%	13,395,696
Net Indirect Debt			$58,488,255
Net Direct Debt			24,204,717
Total Net Direct and Indirect Debt			**$82,692,972**

Debt Limit

Average Equalized Valuation Basis (2023, 2024, 2025)	$6,088,800,205
Permitted Debt Limitation (3 1/2%)	213,108,007
Less: Net Debt	24,204,717
Remaining Borrowing Power	$188,903,290
Percentage of Net Debt to Average Equalized Valuation	0.398%
Gross Debt Per Capita based on 2020 population of 23,447	$2,659
Net Debt Per Capita based on 2020 population of 23,447	$1,032

Source: Annual Debt Statement of the Township

[2] Township percentage of County debt is based on the Township's share of total equalized valuation in the County

Township of Readington

INFORMATION REGARDING THE TOWNSHIP OF READINGTON[1]

The following material presents certain economic and demographic information of the Township of Readington (the "Township"), in the County of Hunterdon (the "County"), State of New Jersey (the "State").

Employment and Unemployment Comparisons

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State:

	Total Labor Force	Employed Labor Force	Total Unemployed	Unemployment Rate
Township				
2025	8,000	7,619	381	4.8%
2024	7,994	7,664	330	4.1%
2023	8,078	7,753	325	4.0%
2022	7,937	7,676	261	3.3%
2021	7,791	7,348	443	5.7%
County				
2025	68,285	65,411	2,874	4.2%
2024	68,286	65,795	2,491	3.6%
2023	68,594	66,236	2,358	3.4%
2022	67,541	65,464	2,077	3.1%
2021	65,696	62,431	3,265	5.0%
State				
2025	4,905,633	4,648,499	257,134	5.2%
2024	4,899,384	4,672,089	227,295	4.6%
2023	4,879,285	4,668,296	210,989	4.3%
2022	4,771,781	4,586,675	185,106	3.9%
2021	4,674,518	4,361,147	313,371	6.7%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

[1] Source: The Township, unless otherwise indicated.

Income (as of 2024)

	Township	County	State
Median Household Income	$157,625	$141,715	$103,556
Median Family Income	188,958	171,597	127,025
Per Capita Income	74,445	72,227	54,253

Source: US Bureau of the Census, 2024 American Community Survey 5 -Year Estimates

Population

The following tables summarize population increases and the decreases for the Township, the County, and the State.

	Township		County		State	
Year	Population	% Change	Population	% Change	Population	% Change
2025 est.	16,406	1.72%	131,781	2.20%	9,548,218	2.79%
2020	16,128	0.01	128,947	0.47	9,288,994	5.65
2010	16,126	2.04	128,349	5.21	8,791,894	4.49
2000	15,803	17.93	121,989	13.19	8,414,350	8.85
1990	13,400	23.45	107,776	23.37	7,730,188	4.96

Source: United States Department of Commerce, Bureau of the Census

Largest Taxpayers

The ten largest taxpayers in the Township and their assessed valuations are listed below:

Taxpayers	2025 Assessed Valuation	% of Total Assessed Valuation
Unicom Science Technology Park Inc.	$87,780,800	2.62%
Oak St Real Est Cap	62,000,000	1.85%
Readington Commons	50,000,000	1.49%
LFARMS ATTN: Steve Roth	20,604,800	0.61%
Whitehouse Mall	11,500,000	0.34%
Individual Property Owner #1	9,955,300	0.30%
Transcontinental Gas Pipeline	9,592,600	0.29%
Commerce Park Ventures	9,307,000	0.28%
Branchburg Rte 22 LLC	8,580,000	0.26%
Mill Rd Dairy Holdings LLC	6,973,200	0.21%
Total	$276,293,700	8.24%

Source: Comprehensive Annual Financial Report of the School District & Municipal Tax Assessor

Comparison of Tax Levies and Collections

Year	Tax Levy	Current Year Collection	Current Year % of Collection
2025U	$93,986,107	$93,398,578	99.37%
2024	87,694,255	87,029,373	99.24%
2023	85,957,067	85,154,983	99.07%
2022	84,326,662	83,591,684	99.13%
2021	81,098,136	80,356,461	99.09%

U=Unaudited
Source: Annual Audit Reports of the Township

Delinquent Taxes and Tax Title Liens

Year	Amount of Tax Title Liens	Amount of Delinquent Tax	Total Delinquent	% of Tax Levy
2025U	$143,479	$561,602	$705,081	0.75%
2024	138,669	666,914	805,583	0.92%
2023	134,164	801,369	935,532	1.09%
2022	129,665	699,022	923,329	1.09%
2021	125,311	643,001	801,738	0.99%

U=Unaudited
Source: Annual Audit Reports of the Township

Property Acquired by Tax Lien Liquidation

Year	Amount
2025U	$0
2024	0
2023	0
2022	0
2021	0

U=Unaudited
Source: Annual Audit Reports of the Township

Tax Rates per $100 of Net Valuations Taxable and Allocations

The table below lists the tax rates for the past five (5) years.

Year	Municipal	Municipal Open Space	Local School	Regional School	County	Total
2025	$0.584	$0.020	$1.071	$0.637	$0.506	$2.818
2024	0.508	0.020	1.044	0.600	0.449	2.621
2023	0.508	0.020	1.032	0.612	0.427	2.599
2022	0.508	0.020	0.998	0.603	0.403	2.532
2021R	0.488	0.020	0.985	0.592	0.362	2.447

R=Revaluation of property effective January 1, 2021
Source: Abstract of Ratables and State of New Jersey – Property Taxes

Valuation of Property

Year	Aggregate Assessed Valuation of Real Property	Aggregate True Value of Real Property	Ratio of Assessed to True Value	Assessed Value of Personal Property	Equalized Valuation
2025	$3,350,854,300	$4,609,787,178	72.69%	$264,500	$4,610,051,678
2024	3,337,066,300	4,590,818,957	72.69	295,200	4,591,114,157
2023	3,288,972,900	4,011,431,760	81.99	526,900	4,011,958,660
2022	3,310,837,200	3,755,486,842	88.16	592,163	3,756,079,005
2021R	3,307,440,100	3,534,722,774	93.57	592,163	3,535,314,937

R=Revaluation of property effective January 1, 2021
Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

Classification of Ratables

The table below lists the comparative assessed valuation for each classification of real property within the Township for the past five (5) years.

Year	Vacant Land	Residential	Farm	Commercial	Industrial	Apartments	Total
2025	$16,392,400	$2,691,591,300	$138,172,200	$367,535,000	$85,348,400	$51,815,000	$3,350,854,300
2024	18,163,100	2,673,478,900	140,259,100	368,001,800	85,348,400	51,815,000	3,337,066,300
2023	19,261,400	2,659,724,300	143,715,700	369,283,500	83,473,000	13,515,000	3,288,972,900
2022	17,487,300	2,651,788,600	143,424,300	412,961,800	83,360,200	1,815,000	3,310,837,200
2021R	19,277,900	2,648,491,100	144,143,600	412,302,300	81,410,200	1,815,000	3,307,440,100

R=Revaluation of property effective January 1, 2021
Source: Abstract of Ratables and State of New Jersey – Property Value Classification

Financial Operations

The following table summarizes the Township's Current Fund budget for the current and past four (4) fiscal years ending December 31. This summary should be used in conjunction with the tables from which it is derived.

Summary of Current Fund Budget

Anticipated Revenues	**2022**	**2023**	**2024**	**2025**	**2026**
Fund Balance Utilized	$1,960,000	$1,940,000	$1,093,242	$943,250	$1,067,408
Miscellaneous Revenues	3,942,237	3,940,526	6,041,244	7,079,300	6,036,636
Receipts from Delinquent Taxes	640,000	680,000	700,000	700,000	581,833
Amount to be Raised by Taxation	16,828,426	16,715,901	16,950,897	18,891,123	22,216,566
Total Revenue:	$23,370,663	$23,276,427	$24,785,384	$27,613,673	$29,902,442
Appropriations					
General Appropriations	$16,956,406	$17,070,193	$17,971,010	$18,687,116	$19,478,606
Operations (Excluded from CAPS)	97,920	872,713	539,568	1,821,966	2,657,394
Deferred Charges and Statutory Expenditures	107,059	250,000	100,000	142,500	300,000
Judgments	0	0	0	0	0
Capital Improvement Fund	550,865	393,590	702,000	1,396,000	1,446,000
Municipal Debt Service	4,605,640	3,915,940	4,584,514	4,676,092	5,130,442
Reserve for Uncollected Taxes	1,052,773	773,991	888,292	890,000	890,000
Total Appropriations:	$23,370,663	$23,276,427	$24,785,384	$27,613,673	$29,902,442

Source: Annual Adopted Budgets of the Township

Fund Balance

Current Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

Fund Balance - Current Fund

Year	**Balance 12/31**	**Utilized in Budget of Succeeding Year**
2025U	$4,143,606	$1,067,408
2024	2,278,988	943,250
2023	2,267,322	1,093,242
2022	3,492,592	1,940,000
2021	3,645,973	1,960,000

U=Unaudited
Source: Annual Audit Reports of the Township

Sewer Utility Operating Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Sewer Utility Operating Fund for the past five (5) fiscal years ending December 31.

Fund Balance - Sewer Utility Operating Fund

Year	**Balance 12/31**	**Utilized in Budget of Succeeding Year**
2025U	$182,710	$85,000
2024	449,432	398,000
2023	926,293	830,000
2022	938,431	469,186
2021	1,017,295	193,000

U=Unaudited
Source: Annual Audit Reports of the Township

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Township Indebtedness as of December 31, 2025

General Purpose Debt	
Serial Bonds	$27,605,000
Bond Anticipation Notes	6,163,000
Bonds and Notes Authorized but Not Issued	3,228,693
Other Bonds, Notes and Loans	0
Total:	$36,996,693
Local School District Debt	
Serial Bonds	$3,880,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	$3,880,000
Regional School District Debt	
Serial Bonds	$0
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	$0
Self-Liquidating Debt	
Serial Bonds	$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	$0
TOTAL GROSS DEBT	**$40,876,693**
Less: Statutory Deductions	
General Purpose Debt	$0
Local School District Debt	3,880,000
Regional School District Debt	0
Self-Liquidating Debt	0
Total:	$3,880,000
TOTAL NET DEBT	**$36,996,693**

Source: Annual Debt Statement of the Township

Overlapping Debt (as of December 31, 2025)[2,3]

Name of Related Entity	Related Entity Debt Outstanding	Township Percentage	Township Share
Local School District	$3,880,000	100.00%	$3,880,000
Regional School District	0	0.00%	0
County	65,398,766	15.35%	10,036,431
Net Indirect Debt			$13,916,431
Net Direct Debt			36,996,693
Total Net Direct and Indirect Debt			**$50,913,123**

Debt Limit

Average Equalized Valuation Basis (2023, 2024, 2025)	$4,476,161,589
Permitted Debt Limitation (3 1/2%)	156,665,656
Less: Net Debt	36,996,693
Remaining Borrowing Power	$119,668,963
Percentage of Net Debt to Average Equalized Valuation	0.827%
Gross Debt Per Capita based on 2020 population of 16,128	$2,535
Net Debt Per Capita based on 2020 population of 16,128	$2,294

Source: Annual Debt Statement of the Township

Litigation

The status of pending litigation is included in the Notes to Financial Statements of the Township's annual audit report.

2 Township percentage of County debt is based on the Township's share of total equalized valuation in the County.

3 County debt is based on the Gross Debt of the County.

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APPENDIX D

Proposed Form of Authority Bond Counsel Legal Opinion

ARCHER & GREINER, P.C.
ATTORNEYS AT LAW
RIVERVIEW PLAZA
10 HIGHWAY 35
RED BANK, NJ 07701
732-268-8000
FAX 732-345-8420

September __, 2026

The Hunterdon County Improvement Authority
71 Main Street
Flemington, New Jersey 08822

Dear Members:

We have examined a record of proceedings relating to the issuance of $__________ Governmental Pooled Loan Project Notes, Series 2026 (the "Notes"), of The Hunterdon County Improvement Authority (the "Authority"), a body corporate and politic created under and by virtue of the County Improvement Authorities Law, constituting Chapter 183 of the Laws of New Jersey of 1960, as amended and supplemented (the "Act").

The Notes are issued under and pursuant to the Act, and under and pursuant to the 2026 Governmental Pooled Loan Project Note Resolution adopted by the Authority on July 9, 2026 (the "Note Resolution").

The Notes are dated and shall bear interest from their date of delivery to maturity at the rate of ___ % per annum. The Notes shall be payable as to both principal and interest on March 16, 2027.

The Notes are not subject to redemption prior to maturity. The Notes are in fully registered form without interest coupons in the denomination of $5,000 or any integral multiple of $1,000 in excess thereof.

The Notes are being issued for the purpose of making loans to six (6) municipalities located in Hunterdon County, New Jersey (the "Borrowers"), to finance and/or refinance capital projects of the Borrowers through the acquisition of six (6) series of Governmental Loan Project Notes, Series 2026 (Hunterdon County Guaranteed) (the "Borrower Notes") with the Note proceeds.

We are of the opinion that:

1. The Authority is duly created and validly existing under the provisions of the Act and has good right and lawful authority under the Act to acquire the Borrower Notes or to cause the same to be acquired in accordance with the terms and provisions of the Note Resolution.

2. The Authority has the right and power under the Act to adopt the Note Resolution, and the Note Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms, and no other authorization for the Note Resolution is required. The Note Resolution creates the valid pledge which it purports to create of the Pledged Property (as defined in the Note Resolution) subject to the application thereof as provided in the Note Resolution.

3. The Authority is duly authorized and entitled to issue the Notes and the same have been duly and validly authorized and issued by the Authority in accordance with the Constitution and statutes of the State of New Jersey, including the Act, and the Note Resolution, and constitute valid, binding, direct and special obligations of the Authority enforceable in accordance with their terms and the terms of the Note Resolution and of the Act and are entitled to the benefits of the Note Resolution and the Act.

4. Under existing law, interest on the Notes is not included in the gross income of the owners of the Notes for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code.

5. Under existing law, interest on the Notes and any gain on the sale thereof are not includable in the gross income under the New Jersey Gross Income Tax Act, as amended.

With respect to our federal income tax opinion, we note that the Code imposes certain requirements that must be met on the date of issuance and on a continuing basis subsequent to the issuance of the Notes in order for interest on the Notes to be excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code. The Authority and each Borrower have made certain representations and covenants in their applicable tax certificates, which are executed on the date of issuance of the Notes, as to various tax requirements. In addition, the Authority and each Borrower have covenanted to comply with the provisions of the Code applicable to the Notes and have covenanted not to take any action or fail to take any action to be taken which would cause the interest on the Notes to lose the exclusion from gross income for Federal income tax purposes under Section 103 of the Code or cause interest on the Notes to be treated as an item of tax preference under Section 57 of the Code. With your permission, we have relied upon the representations made in the tax certificates and have assumed continuing compliance by the Authority and each Borrower with the above covenants in rendering our federal tax opinion with respect to the exclusion of interest on the Notes from gross income for federal income tax purposes and with respect to interest on the Notes not constituting an item of tax preference.

Attention is called to the fact that for purposes of this letter we have not been requested to examine and have not examined any documents or information relating to the Authority other than the certified copies of the proceedings and proofs referred to hereinabove, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of said Notes.

The opinions contained in paragraphs 2 and 3 above are qualified to the extent that the enforceability of the Note Resolution and the Notes is subject to federal and state laws regarding bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and remedies generally (including, without limitation, laws relating to fraudulent conveyance, and by general principles of law and equity (regardless of whether enforcement is considered or sought in proceedings at law or in equity) and by limitation on remedial rights under applicable law). Their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

The opinions expressed herein are based upon the laws and judicial decisions of the State of New Jersey and the federal laws and judicial decisions of the United States as of the date hereof and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions, or laws or judicial decisions hereafter enacted or rendered. Our engagement by the Authority with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or otherwise inform the addressee hereof of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for this opinion letter or of laws or judicial decisions hereafter enacted or rendered which impact on this opinion letter.

We have examined an executed Note and, in our opinion, the form of such Note and its execution are regular and proper.

We express no opinion as to any matter not set forth above. The opinions expressed above are being rendered on the basis of federal law and the laws of the State of New Jersey as presently enacted and construed, and we assume no responsibility to advise any party as to changes in fact or law subsequent to the date hereof that may affect the opinions expressed above.

This is only an opinion letter and not a warranty or guaranty of the matters discussed herein.

This letter is being provided for your exclusive benefit pursuant to the requirements of the closing of the Notes and may not be provided to (except in connection with the preparation of a closing transcript with respect to the Notes) or relied upon by any other person, party, firm or organization without our prior written consent. Notwithstanding anything to the contrary herein, the undersigned acknowledges that this opinion is a governmental record subject to release under the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq., as amended and supplemented.

Very truly yours,

ARCHER & GREINER P.C.

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APPENDIX E

Proposed Form of County Bond Counsel Legal Opinion

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ARCHER & GREINER, P.C.
ATTORNEYS AT LAW
RIVERVIEW PLAZA
10 HIGHWAY 35
RED BANK, NJ 07701
732-268-8000
FAX 732-345-8420

September __, 2026

Commissioner-Director and Members
of the Board of County Commissioners
of the County of Hunterdon
Flemington, New Jersey

Raymond James & Associates, Inc.
As Underwriter
New York, New York

Chairman and Members of
The Hunterdon County
Improvement Authority
Flemington, New Jersey

TD Bank, National Association,
as Trustee
Mount Laurel, New Jersey

Ladies and Gentlemen:

We have acted as County Bond Counsel for the County of Hunterdon, State of New Jersey (the “County”) in connection with the issuance by The Hunterdon County Improvement Authority (the “Authority”) of $__________ aggregate principal amount of the Authority’s Governmental Pooled Loan Project Notes, Series 2026 (the “Notes”). In such capacity, we have examined such documents, records of the County and other instruments as we deemed necessary to enable us to express the opinions set forth below, including original counterparts or certified copies of the County Guaranty Ordinances each respectively adopted on August 4, 2026 which guarantees payment of principal of and interest on the Notes (the “County Guaranties”) and the County Guaranty Agreements, each dated as of September 1, 2026, between the Authority, TD Bank, National Association, as Trustee (the “Trustee”) and the County which secures the Notes (the “County Guaranty Agreements”). In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms under the Contract of Purchase dated September __, 2026 by and between the Authority, the County and Raymond James & Associates, Inc., as the Underwriter (the “Contract of Purchase”).

Based upon the foregoing, we are of the opinion that:

1. The County Guaranties and assuming the due authorization, execution and delivery thereof by the Authority, the County Guaranty Agreements are legal, valid and binding obligations of the County enforceable against the County in accordance with their respective terms, except as such enforceability may be limited, extended, altered or impaired by applicable bankruptcy, insolvency, moratorium and other laws or equitable principles affecting the enforcement of creditors’ rights and by the exercise of judicial discretion.

2. Under the existing law, the obligation of the County to make payments under the County Guaranties is a direct and general obligation of the County payable, unless paid from some other sources, from the levy of *ad valorem* taxes upon all the taxable property within the jurisdiction of the County without regard to rate or amount.

We express no opinion as to any matter not set forth above. The opinions expressed above are being rendered on the basis of federal law and the laws of the State of New Jersey as presently enacted and construed, and we assume no responsibility to advise any party as to changes in fact or law subsequent to the date hereof that may affect the opinions expressed above.

This is only an opinion letter and not a warranty or guaranty of the matters discussed herein.

This letter is being provided for your exclusive benefit pursuant to the requirements of the closing of the Notes and may not be provided to (except in connection with the preparation of a closing transcript with respect to the Notes) or relied upon by any other person, party, firm or organization without our prior written consent. Notwithstanding anything to the contrary herein, the undersigned acknowledges that this opinion is a governmental record subject to release under the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq., as amended and supplemented.

Very truly yours,

ARCHER & GREINER P.C.