

OFFICIAL STATEMENT

New Issue - Book-Entry-Only

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

\$237,071,000*

The Monmouth County Improvement Authority
(Monmouth County, New Jersey)
Governmental Pooled Loan Project Notes, Series 2025

Dated: Date of Delivery

Interest Rate: ___%
Reoffered to Yield: ___%

Due: March 13, 2026

The Governmental Pooled Loan Project Notes, Series 2025 (the "Series 2025 Notes") will be issued by The Monmouth 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 2025 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 2025 Notes is payable at maturity upon presentation and surrender at designated corporate trust office of U.S. Bank Trust Company, National Association, Edison, New Jersey, trustee, registrar and paying agent. Provided DTC or its nominee Cede is the registered owner of the Series 2025 Notes, payments of the principal of and interest on the Series 2025 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 2025 Notes. See "DESCRIPTION OF THE SERIES 2025 NOTES - The DTC Book-Entry-Only System" herein.

The Series 2025 Notes are not subject to redemption prior to maturity.

The Series 2025 Notes are being issued pursuant to the 2025 Governmental Pooled Loan Project Note Resolution of the Authority adopted on January 9, 2025 (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 2025 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 twenty-three municipalities (the "Municipal Borrowers"), a certain utilities authority (the "Local Authority Borrower"), and a certain fire district (the "Fire District Borrower", and together with the Municipal Borrowers and the Local Authority Borrower, the "Borrowers") in the County of Monmouth, New Jersey (the "County") to, as applicable, (i) refinance 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 2025 Notes, the Authority Local Unit Notes and the Borrower Notes, as hereinafter defined.

The Series 2025 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 (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 2025 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 Municipal Borrowers (the "Municipal Borrower Notes"), by payments made on general obligation notes of the Fire District Borrower (the "Fire District Borrower Notes"), and by payments made on revenue notes of the Local Authority Borrower (the "Local Authority Borrower Notes", and together with the Municipal Borrower Notes and the Fire District Borrower Notes, 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 Municipal Borrower Notes and the Fire District Borrower Notes shall be direct and general obligations of each of the respective Municipal Borrower and Fire District Borrower. In the opinion of bond counsel to each of the Municipal Borrowers and the Fire District Borrower, each respective Municipal Borrower Note and Fire District Borrower Note is a valid and legally binding general obligation of the applicable Municipal Borrower and Fire District Borrower and, unless paid from other sources, is payable from *ad valorem* taxes levied upon all the taxable property within the jurisdiction of such Municipal Borrower and Fire District Borrower, without limitation as to rate or amount. Payments on the Local Authority Borrower Notes will be derived from net revenues of the Local Authority Borrower consisting principally of service charges imposed upon the users of the Local Authority Borrower's water system and annual charges (collectively, the "Annual Charges"), payable ultimately by the Participants (as defined herein) to the Local Authority Borrower pursuant to the Service Contract (as defined herein) entered into by the Participants for the benefit of the Local Authority Borrower. In the opinion of bond counsel to the Local Authority Borrower, the obligation of the Participants to pay Annual Charges to the Local Authority Borrower constitutes a general obligation of the Participants payable, if not otherwise available, from *ad valorem* taxes levied upon all the taxable property within the jurisdiction of the applicable Participant, without limitation as to rate or amount, with respect to any amount of the Annual Charges that is necessary for the Local Authority Borrower to meet its debt service obligations. See "SECURITY FOR THE SERIES 2025 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 resolution adopted on January 30, 2025 by the County (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 2025 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 2025 NOTES ARE NEITHER A DEBT NOR LIABILITY OF THE STATE OF NEW JERSEY, THE COUNTY OR THE BORROWERS.

In the opinion of Gibbons P.C., Bond Counsel to the Authority, assuming continuing compliance by the Authority and the Borrowers with certain tax covenants described herein, under existing law, interest on the Series 2025 Notes is excluded from the gross income of the owners of the Series 2025 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 Series 2025 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 2025 Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code. Under existing law, interest on the Series 2025 Notes and net gains from the sale of the Series 2025 Notes are exempt from the tax imposed by the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein regarding certain other tax considerations.

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 2025 Notes are offered for delivery when, as and if issued and delivered to the Underwriter, subject to the approval of legality by Gibbons P.C., Newark, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed upon by McLaughlin Stauffer & Shaklee, P.C., Wall, New Jersey, Disclosure Counsel to the Authority. Certain legal matters concerning the obligations of the County will be passed upon by Michael D. Fitzgerald, Esq., Freehold, New Jersey, the County Counsel and by Archer & Greiner P.C., Red Bank, New Jersey, the County Bond 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, Gregory Vella, Esq., Manasquan, New Jersey, and for the Underwriter by Dilworth Paxson LLP, Freehold, New Jersey. NW Financial Group, LLC, Bloomfield, New Jersey has acted as financial advisor to the Authority in connection with the issuance of the Series 2025 Notes. It is expected that the Series 2025 Notes will be available for delivery to DTC on or about March 13, 2025 in New York, New York or such other place as agreed to by the Authority.

RAYMOND JAMES

The date of this Official Statement is February __, 2025.

* Preliminary, subject to change.

THE MONMOUTH COUNTY IMPROVEMENT AUTHORITY

MEMBERS AND PROFESSIONALS

MEMBERS

William C. Barham, Chairman
Andrew J. Melnick, Vice Chairman
Robert Nicastro, Secretary
Joseph R. Iantosca, Treasurer
Eric Hinds, Member

AUTHORITY GENERAL COUNSEL

Gregory Vella, Esq.
Manasquan, New Jersey

AUTHORITY FINANCIAL ADVISOR

NW Financial Group, LLC
Bloomfield, New Jersey

AUTHORITY BOND COUNSEL

Gibbons P.C.
Newark, New Jersey

AUTHORITY DISCLOSURE COUNSEL

McLaughlin Stauffer & Shaklee, P.C.
Wall, New Jersey

INDEPENDENT AUDITOR

Robert Hulsart & Company
Wall, New Jersey

COUNTY OF MONMOUTH
STATE OF NEW JERSEY

BOARD OF COUNTY COMMISSIONERS

Thomas A. Arnone	Director of the Board
Ross F. Licitra	Deputy Director
Nick DiRocco	Commissioner
Susan M. Kiley	Commissioner
Erik Anderson	Commissioner

COUNTY OFFICIALS

Teri O'Connor	County Administrator
Joseph F. Kelly	Chief Financial Officer/ Director of Finance
Tamara Brown	Clerk of the Board of County Commissioners

COUNTY COUNSEL

Michael D. Fitzgerald, Esq.
Freehold, New Jersey

COUNTY BOND COUNSEL

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

INDEPENDENT AUDITOR

Holman Frenia Allison, P.C.
Freehold, 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 2025 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 2025 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. 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 2025 Notes referred to herein and may not be used, in whole or in part, for any other purpose.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2025 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 MONMOUTH COUNTY IMPROVEMENT AUTHORITY
Relating to its
\$237,071,000*
Governmental Pooled Loan Project Notes, Series 2025

INTRODUCTION

This Official Statement, which includes the cover page and the Appendices attached hereto, is furnished by The Monmouth 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 twenty-three municipalities (the “Municipal Borrowers”), a certain utilities authority (the “Local Authority Borrower”) and a certain fire district (the “Fire District Borrower”, and together with the Municipal Borrowers and the Local Authority Borrower, the “Borrowers”) located within the County of Monmouth, New Jersey (the “County”), as described under “THE LOANS” herein, and the \$237,071,000* principal amount of the Governmental Pooled Loan Project Notes, Series 2025 (the “Series 2025 Notes”) to be issued by the Authority. The Series 2025 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 2025 Governmental Pooled Loan Project Note Resolution adopted by the Authority on January 9, 2025 (the “Resolution”).

The proceeds to be received by the Authority from the sale of the Series 2025 Notes will be used to acquire twenty-five separate series of Governmental Loan Project Notes, Series 2025 (the “Authority Local Unit Notes”) in the aggregate principal amount of \$237,071,000* issued by the Authority under its twenty-five separate 2025 Governmental Loan Project Note Resolutions (the “Local Note Resolutions”). The aggregate debt service on the Authority Local Unit Notes, which will be held by the Trustee for the Series 2025 Notes, will be sufficient to pay the principal of and interest on the Series 2025 Notes when due.

An Authority Local Unit Note will be issued pursuant to the applicable Local Note Resolution for the benefit of each Borrower to, as applicable, (i) refinance 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 2025 Notes, the Authority Local Unit Notes and the Borrower Notes, as hereinafter defined.

The Series 2025 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 (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 U.S. Bank Trust Company, National Association, Edison, New Jersey, the trustee under each Local Note Resolution (the “Local Unit Trustee”), debt payments which will be sufficient to make required debt service payments when due on the Authority Local Unit Note issued to finance the Borrower Loan (as hereinafter defined) to such Borrower.

* Preliminary, subject to change.

The Authority Local Unit Notes constitute special and limited 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 Municipal Borrowers and the Fire District Borrower, each respective Municipal Borrower Note and the Fire District Borrower Note (each as hereinafter defined) is a valid and legally binding general obligation of the applicable Municipal Borrower and Fire District Borrower and, unless paid from other sources, is payable from *ad valorem* taxes levied upon all the taxable property within the jurisdiction of such Municipal Borrower and the Fire District Borrower, respectively, without limitation as to rate or amount. Payments on the Local Authority Borrower Note (as hereinafter defined) will be derived from net revenues of the Local Authority Borrower, consisting principally of service charges imposed upon the users of the Local Authority Borrower’s water system, and annual charges (collectively, the “Annual Charges”), payable ultimately by its member municipalities (each such member municipality is referred hereto as the “Participant” and collectively, the “Participants”), to the Local Authority Borrower pursuant to the Service Contract entered into by the Participants (the “Service Contract”) for the benefit of the Local Authority Borrower. The terms of the Service Contract obligate the Participants to pay to the Local Authority Borrower in each fiscal year Annual Charges in amounts sufficient to cover the Local Authority Borrower’s operations, required reserves and debt service (including debt service on the Authority Local Unit Note). In the opinion of bond counsel to the Local Authority Borrower, the obligation of the Participants to pay Annual Charges to the Local Authority Borrower, constitutes a general obligation of the Participants payable, if not otherwise available, from *ad valorem* taxes levied upon all the taxable property within the jurisdiction of the applicable Participant, without limitation as to rate or amount, with respect to any amount of the Annual Charges that is necessary for the Local Authority Borrower to meet its debt service obligations. See “SECURITY FOR THE SERIES 2025 NOTES - Obligation of the Borrowers” herein.

In addition, simultaneously with the issuance of the Series 2025 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 2025 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 2025 Notes, the Authority Local Unit Notes, and the County Guaranties, and, by resolution dated January 8, 2025, made favorable findings and recommendations with regard thereto.

U.S. Bank Trust Company, National Association, Edison, New Jersey (the “Trustee”, “Paying Agent”, and “Registrar”) has been appointed to serve as trustee, paying agent and registrar for the Series 2025 Notes.

Copies of the Resolution, the Local 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 Freehold, New Jersey and at the corporate trust office of the Trustee in Edison, 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 2025 Notes, the custody and application of the proceeds of the Series 2025 Notes, the rights and remedies of the holders of the Series 2025 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 2025 Notes, the Resolution, the Local Note Resolutions, the Borrower Purchase Agreements, the County Guaranties, the County Guaranty Agreements and the Authority. A brief description and financial statements of the County are attached to this Official Statement as Appendices A and B, respectively. 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 the County or the 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 2025 Notes are being issued to acquire twenty-five (25) 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) refinance 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 2025 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 Municipal Borrower and the Fire District Borrower will issue and sell its respective general obligation note (each, a “Municipal Borrower Note” or “Fire District Borrower Note”, as applicable), and the Local Authority Borrower will issue and sell its revenue note (the “Local Authority 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.

<u>Borrower</u>	<u>Borrower Note Amount</u>*
Township of Aberdeen	\$27,085,000
Borough of Atlantic Highlands	2,560,000
Borough of Avon-by-the-Sea	6,455,000
Borough of Bradley Beach	10,620,000
Township of Colts Neck	3,280,000
Borough of Fair Haven	17,730,000
Borough of Freehold	17,225,000
Borough of Highlands	13,795,000
Township of Howell	24,215,000
Borough of Keansburg	8,490,000
Borough of Keyport	8,745,000
Village of Loch Arbour	141,000
Township of Manalapan	2,145,000
Marlboro Township Fire District No. 3	3,355,000
Borough of Monmouth Beach	8,520,000
Township of Ocean	18,075,000
Borough of Red Bank	8,360,000
Borough of Roosevelt	1,930,000
Borough of Sea Girt	2,275,000
Borough of Shrewsbury	2,920,000
Southeast Monmouth Municipal Utilities Authority	3,290,000
Borough of Tinton Falls	12,255,000
Borough of Union Beach	10,930,000
Township of Wall	17,925,000
Borough of West Long Branch	4,750,000

* Preliminary, subject to change.

ESTIMATED SOURCES AND USES OF SERIES 2025 NOTE PROCEEDS

Sources of Funds

Principal Amount of Series 2025 Notes
[Net] Original Issue Premium
Total Sources of Funds

Uses of Funds

Deposit to Note Proceeds Fund ⁽¹⁾
Costs of Issuance ⁽²⁾
Total Uses of Funds

⁽¹⁾ Represents the purchase price of the Borrower Notes less certain costs incurred by the Authority in connection with the issuance and delivery of the Series 2025 Notes, which will be netted against the purchase price.

⁽²⁾ Such costs include the underwriting fee, legal, printing, financial advisory and fiduciary expenses incurred in connection with the issuance of the Series 2025 Notes.

DESCRIPTION OF THE SERIES 2025 NOTES

General

The Series 2025 Notes shall be issued in the aggregate principal amount of \$237,071,000*, shall be dated their date of delivery, shall bear interest at the rate of ____% per annum from their dated date to maturity and shall be payable as to both principal and interest on March 13, 2026. Interest on the Series 2025 Notes shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2025 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 2025 Notes under its book-entry-only system (the “DTC Book-Entry-Only System”). An individual purchaser may purchase a Series 2025 Note in book-entry-only form, without certificates, in denominations of \$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 2025 Notes, the principal of and interest on the Series 2025 Notes will be paid to DTC or Cede, as its nominee. See “The DTC Book-Entry-Only System” herein. In the event the Series 2025 Notes are no longer subject to the DTC Book-Entry-Only System, the principal of and interest on the Series 2025 Notes will be payable upon surrender of the respective Series 2025 Notes at the designated corporate trust office of the Paying Agent. Interest on the Series 2025 Notes will then be paid by check or bank draft mailed by the Paying Agent to the registered owner thereof as of February 28, 2026 at their addresses on file with the Registrar.

The DTC Book-Entry-Only System

DTC will act as securities depository for the Series 2025 Notes. The Series 2025 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

*Preliminary, subject to change.

DTC. One fully-registered Series 2025 Note certificate will be issued in the aggregate principal amount of the Series 2025 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 2025 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Notes on DTC's records. The ownership interest of each actual purchaser of each Series 2025 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 2025 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 2025 Notes, except in the event that use of the book-entry system for the Series 2025 Notes is discontinued.

To facilitate subsequent transfers, all Series 2025 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 2025 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 2025 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 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 2025 Notes may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2025 Notes, such as redemptions, tenders, defaults and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2025 Notes may wish to ascertain that the nominee holding the Series 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 Notes

The Series 2025 Notes shall not be subject to redemption prior to their respective maturity dates.

Additional Notes

The Authority may not issue additional notes under the Resolution.

SECURITY FOR THE SERIES 2025 NOTES

General

The Series 2025 Notes constitute direct and special obligations of the Authority. The Series 2025 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 other than the Rebate Fund, including Investment Securities 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 2025 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 2025 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 2025 Notes when due.

THE SERIES 2025 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 2025 NOTES ARE NEITHER A DEBT NOR LIABILITY OF THE STATE, THE COUNTY OR THE BORROWERS.

The provisions of the Series 2025 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 2025 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 2025 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 2025 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 Note Resolution are deemed to be and constitute contracts by and among the Authority, the Local Unit Trustee and the Trustee for the Series 2025 Notes, as the registered owner of the Authority Local Unit Notes, and the pledge which is made in a Local Note Resolution and the covenants and agreements which are set forth in such Local 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 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

Municipal Borrowers and Fire District Borrower. The obligation of each Municipal Borrower and the Fire District Borrower to repay its Borrower Loan is a direct and general obligation of each such Municipal Borrower and the Fire District Borrower payable from its general revenues. In the opinion of bond counsel to each of the Municipal Borrowers and the Fire District Borrower, each respective Municipal Borrower Note and the Fire District Borrower Note is a valid and legally binding general obligation of the applicable Municipal Borrower and Fire District Borrower and, unless paid from other sources, is payable from *ad valorem* taxes levied upon all the taxable property within the jurisdiction of such Municipal Borrower and the Fire District Borrower, without limitation as to rate or amount. The jurisdiction of the Fire District Borrower only includes the geographical boundaries as designated by ordinance and the Fire District Borrower’s territorial designation is only a portion of its municipality’s (the Township of Freehold) geographical boundaries.

Local Authority Borrower. Payments on the Local Authority Borrower Note will be derived from Annual Charges payable ultimately by the Participants to the Local Authority Borrower pursuant to the Service Contract for the benefit of the Local Authority Borrower. The terms of the Service Contract obligate the Participants to pay to the Local Authority Borrower in each fiscal year Annual Charges in amounts sufficient to cover the Local Authority Borrower’s operations, required reserves and debt service (including debt service on the Authority Local Unit Bond). In the opinion of Bond Counsel to the Local Authority Borrower, the obligation of the Participants to pay Annual Charges to the Local Authority Borrower, constitutes a general obligation of the Participants payable, if not otherwise available, from *ad valorem* taxes levied upon all the taxable property within the jurisdiction of the applicable Participant, without limitation as to rate or amount, with respect to any amount of the Annual Charges that is necessary for the Local Authority Borrower to meet its debt service obligations.

Obligations of the County

The County Guaranties

At the time of issuance and delivery of the Series 2025 Notes, the County, pursuant to resolutions respectively adopted by the County on January 30, 2025 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 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 (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. 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 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 a resolution of the Board of County Commissioners of the County adopted June 5, 1986. 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:

<u>MEMBER</u>	<u>EXPIRATION OF CURRENT TERM</u>
William C. Barham Chairman	February 1, 2028
Andrew J. Melnick Vice Chairman	February 1, 2030
Robert Nicastro Secretary	February 1, 2029
Joseph R. Iantosca Treasurer	February 1, 2026
Eric Hinds Member	February 1, 2027

Gibbons P.C., Newark, New Jersey, is Bond Counsel to the Authority with respect to the issuance of the Series 2025 Notes and McLaughlin Stauffer & Shaklee, P.C., Wall, New Jersey, is Disclosure Counsel to the Authority with respect to the issuance of the Series 2025 Notes. The Financial Advisor to the Authority is NW Financial Group, LLC, Bloomfield, New Jersey. Gregory Vella, Esq., Manasquan, New Jersey, is General Counsel to the Authority.

**SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF GENERAL
OBLIGATION DEBT OF NEW JERSEY MUNICIPALITIES, COUNTIES AND FIRE
DISTRICTS**

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 Municipal Borrowers, each respective Municipal Borrower Note (which is pledged to the Holders of the Series 2025 Notes) constitutes a general obligation of the applicable Municipal 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 Municipal 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 Pamphlet Laws 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.

Budget Transfers. 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.

Capital Budget. 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.

Operation of Utilities. 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.

Local Fiscal Affairs Law (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 Municipal 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.

FIRE DISTRICTS

The following is a summary of certain provisions of New Jersey law relating to the protection of general obligation debt of New Jersey fire districts. In the opinion of bond counsel to the Fire District Borrower, the Fire District Borrower Note (which is pledged to the Holders of the Series 2025 Notes) constitute general obligations of the Fire District 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.

Budget Adoption Procedure (N.J.S.A. 40A:14-78.4 -.5). The fire district budget shall be adopted, by a vote of a majority of the full membership of the board of fire commissioners, not later than twenty-five (25) days prior to the annual election. If at the annual election held pursuant to N.J.S.A. 40A:14-72 the question of finally adopting the budget is voted affirmatively upon by a majority of the legal voters voting in the election, the budget shall be considered finally adopted, and the board of fire commissioners shall certify the amount to be raised by taxation to support the fire district budget to the assessor of the municipality.

If at the annual election the question of finally adopting the budget is voted negatively upon by a majority of the legal voters voting in the election, the governing body of the municipality in which the fire district is located shall, by resolution of a majority of its full membership, within thirty (30) days after the annual election and after a public hearing for which the legal voters of the fire district shall be given five (5) days' advertised notice, and at which any interested person shall be heard, fix an annual budget for the fire district. The amount of each appropriation section of the budget so fixed shall not exceed the amount for each as previously voted upon at the annual election, except the appropriation for debt service which shall be included in the amount that is required to be paid. The governing body shall certify the amount to be raised by taxation to support the fire district as set forth in the final budget to the assessor of the municipality.

Funds Raised by Real Estate Tax (N.J.S.A. 40A:14-79). Upon proper certification, the assessor of the municipality in which the fire district is situate shall assess the amount to be raised by taxation to support the district budget against the taxable property therein, in the same manner as municipal taxes are assessed and the said amount shall be assessed, levied and collected at the same time and in the same manner as other municipal taxes.

Authorization of Bonds (N.J.S.A. 40A:14-86). The legal voters, at any election held for the purpose of raising money by issuance of bonds, shall vote by ballot on the question. The election shall be conducted in the same manner as other fire district elections. If a majority of the legal voters voting on the question favor the issuance of such bonds the board of fire commissioners shall be authorized to issue them. Bonds of a fire district shall not exceed in the aggregate 2% of the assessed valuation of the taxable property of the fire district.

Debt Service Payments (N.J.S.A. 40A:14-87). Whenever bonds have been duly issued the board of fire commissioners shall annually include in the budget of the fire district under the section for capital appropriations, the amount required to meet the interest payments and pay the bonds maturing in the ensuing year, together with interest thereon. The board of fire commissioners shall cause the principal and interest on said bonds to be paid as they become due. If no funds are currently available to pay the maturing bonds or interest, the board of fire commissioners may borrow money and execute evidences of indebtedness for the purpose of making such payments in the same manner as in other cases of borrowing.

Property Tax Act and Municipal Finance Commission. The provisions of the Property Tax Act and N.J.S.A. 52:27-40 relating to the Municipal Finance Commission of New Jersey apply to fire districts. See “Municipalities and Counties” above.

**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, or other applicable law in the case of the Fire District Borrower and the Local Authority Borrower, 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 Municipal Borrower and the Fire District Borrower, and, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable property located within such Municipal Borrower or the Fire District 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.

Payments on the Local Authority Borrower Note will be derived from Annual Charges payable ultimately by the Participants to the Local Authority Borrower, pursuant to the Service Contract for the benefit of the Local Authority Borrower. The terms of the Service Contract obligate the Participants to pay to the Local Authority Borrower in each fiscal year Annual Charges in amounts sufficient to cover the Local Authority Borrower’s operations, required reserves and debt service (including debt service on the Authority Local Unit Note). In the opinion of bond counsel to the Local Authority Borrower, the obligation of the Participants to pay Annual Charges to the Local Authority Borrower, constitutes a general obligation of the Participants payable, if not otherwise available, from *ad valorem* taxes levied upon all the taxable property within the jurisdiction of the applicable Participant without limitation as to rate

or amount, with respect to any amount of the Annual Charges that is necessary for the Local Authority to meet its debt service obligations.

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 2025 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 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 Bond 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 Bond or the unsatisfied balance of any Sinking Fund Installment therefor (except when such Installment is due on the maturity date of such Bond), 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

2025 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 2025 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 2025 Notes in order to assure that interest on the Series 2025 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 2025 Notes to lose the exclusion from gross income for Federal income tax purposes, retroactive to the date of the issuance of the Series 2025 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 2025 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 2025 Notes and has covenanted not to take any action or fail to take any action that would cause the interest on the Series 2025 Notes to lose the exclusion from gross income under Section 103 of the Code or cause interest on the Series 2025 Notes to be treated as an item of tax preference under Section 57 of the Code. Gibbons 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 2025 Notes from gross income for Federal income tax purposes and with respect to the treatment of interest on the Series 2025 Notes for the purposes of alternative minimum tax.

Assuming the Authority and the Borrowers observe their covenants with respect to continuing compliance with the Code, Gibbons P.C., Bond Counsel to the Authority, is of the opinion that, under existing law, interest on the Series 2025 Notes is excluded from the gross income of the owners of the Series 2025 Notes for Federal income tax purposes pursuant to Section 103 of the Code and interest on the Series 2025 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 2025 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 2025 Notes (the “Premium Notes”) is greater than the principal amount of such Series 2025 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 2025 Notes should be aware that ownership of, accrual of, receipt of, interest on, or disposition of, tax-exempt obligations, such as the Series 2025 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 2025 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 the exclusion of interest on the Series 2025 Notes from gross income pursuant to Section 103 of the Code and interest on the Series 2025 Notes not constituting an item of tax preference under Section 57 of the Code and interest on the Series 2025 Notes being included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under the Code. Prospective purchasers of the Series 2025 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 2025 Notes.

State Taxation

Bond Counsel is of the opinion that, under existing law, interest on the Series 2025 Notes and net gains from the sale of the Series 2025 Notes are exempt from the 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 2025 Notes, the exclusion of interest on the Series 2025 Notes from gross income, alternative minimum taxable income, state taxable income, or any combination from the date of issuance of the Series 2025 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 2025 NOTES SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE POSSIBLE FEDERAL, STATE AND LOCAL INCOME TAX CONSEQUENCES OF OWNERSHIP OF THE SERIES 2025 NOTES.

APPROVAL OF LEGALITY

All legal matters incident to the authorization, issuance, sale and delivery of the Series 2025 Notes are subject to the approval of Gibbons P.C., Newark, New Jersey, Bond Counsel to the Authority, whose approving legal opinion will be delivered with the Series 2025 Notes, substantially in the form annexed hereto as Appendix D. Certain legal matters will be passed upon by McLaughlin Stauffer & Shaklee, P.C., Wall, New Jersey, Disclosure Counsel to the Authority. 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, Gregory Vella, Esq., Manasquan, New Jersey and for each Borrower by its counsel. Certain legal matters will be passed upon for the County by its Counsel, Michael D. Fitzgerald, Esq., Freehold, New Jersey, and by its County Bond Counsel, Archer & Greiner P.C., Red Bank, New Jersey, whose legal opinion will be delivered with the Series 2025 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 2025 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 2025 Notes.

UNDERWRITING

Raymond James & Associates, Inc. (the “Underwriter”), has agreed, subject to certain customary conditions precedent to closing, to purchase the Series 2025 Notes from the Authority. The Contract of Purchase entered into between the Authority and the Underwriter provides that all of the Series 2025 Notes will be purchased if any are purchased. The Contract of Purchase further provides that the purchase price for the Series 2025 Notes is \$ _____. The Underwriter will receive an underwriting fee of \$ _____.

SECONDARY MARKET DISCLOSURE

County Obligation to Provide Continuing Disclosure

Pursuant to the provisions of a Continuing Disclosure Agreement dated as of March 1, 2025 (the “County Disclosure Agreement”), between the County and U.S. Bank Trust Company, National Association, Edison, 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 2025 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 2025 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 Authority’s prior bond issuances (the “Authority Prior Issuances”) and 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 since September 1, 2014 for Authority Prior Issuances, and 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.

Borrower 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 2025 which equal or exceed twenty percent (20%) of the debt service scheduled to be paid with respect to the Series 2025 Notes in such calendar year. As of the date hereof, no Borrowers are scheduled to make debt service payments with respect to their Borrower Notes in calendar year 2025 which equal or exceed twenty percent (20%) of the debt service scheduled to be paid with respect to the Series 2025 Notes in such calendar year.

Authority Obligation to Provide Continuing Disclosure

Pursuant to the provisions of a Continuing Disclosure Agreement, dated as of March 1, 2025 (the “Authority Disclosure Agreement”), between the Authority 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 nine (9) 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 2025 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 2025 Notes, or other material events affecting the tax status of the Series 2025 Notes;
- (vii) modifications to rights of Noteholders; if material;
- (viii) Series 2025 Note calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Series 2025 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 2025 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.

COVID-19 RISK FACTORS

On January 31, 2020, the United States Secretary of Health and Human Services declared a national public health emergency in response to the outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 11, 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19. On March 13, 2020, then President Trump declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy (the "Governor") of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to, among other things, provide relief to state and local governments. The pandemic and certain mitigation measures, which altered the behaviors of businesses and people, have had and may continue to have negative impacts on regional, state and local economies. The national public health emergency, the national emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain in effect.

On March 27, 2020, the Federal Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was signed into law by then President Trump, authorizing \$2 trillion in federal funds to provide emergency assistance and health care response for individuals, families and businesses affected by the pandemic. The County received funding in 2020 under the CARES Act in the amount of \$107,974,955.70 and said funds shall be used by the County to help

mitigate the impact of the pandemic on the County and its constituent local government units and small businesses. As of December 31, 2024, the County has fully expended the funds as follows: \$41,890,562.22 to itself, \$17,157,313.62 to local government units, \$3,114,796.97 to Special Education Schools, the Monmouth County Vocational Schools and Performing Arts Organization, and \$45,812,282.89 in grants to small businesses (defined as businesses with less than five million dollars of gross revenues and fifty full time equivalent employees) to help mitigate the impact of the pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by President Biden on March 12, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

Based on available information as of the date hereof, the County has received \$120,193,675 from the Plan. Such funds were received in two equal payments, one within 60 days of enactment of the Plan and the balance no earlier than 12 months from the initial payment. The deadline to obligate the funds is December 31, 2024 and to spend the funds is December 31, 2026.

Generally, according to the Plan, the allowable use of the funds to be provided to the County include the following categories:

- To respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; and
- To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the County that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; and
- For the provision of government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year of the County prior to the emergency; and
- To make necessary investments in water, sewer or broadband infrastructure.

The County received its first installment of funds under the Plan in the amount of \$60,096,837.50 on May 19, 2021, and its second installment of funds of \$60,096,837.50 on June 9, 2022. As of December 31, 2024, the County has spent \$24,717,519.49 on a non-profit Covid relief program, \$761,697.60 on testing supplies and services, \$1,390,545.00 for the Monmouth County Vocational Schools, \$2,228,447.98 for cyber security upgrades, \$95,000.00 to support travel and tourism, \$50,000.00 to support the Performing Arts, \$4,959,602.16 for Public Safety Communications, \$123,615.00 on HVAC Improvements, \$66,376.25 on administrative costs and \$80,200,000.00 for the provision of government services to the extent of a reduction in revenue. The County has obligated the remaining funds of \$5,600,871.52 for the provision of government services to the extent of reduction in revenue.

To date, the overall finances and operations of the County have not been materially adversely affected due to the COVID-19 outbreak. Nonetheless, there can be no assurance regarding the extent to which the COVID-19 pandemic, or any other national health crisis or pandemic, may impact the national, State or local economies in the future, nor how any such event may materially adversely impact governmental entities, including the County. The County cannot quantify any such potential impacts at this time.

APPENDICES

Appendix A to this Official Statement consists of general 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 certain financial information concerning the County. 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 the form of approving legal opinion of Gibbons P.C., Bond Counsel to the Authority. Copies of such opinion will be available at the time of delivery of the Series 2025 Notes.

Appendix D 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 2025 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 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 2025 Notes.

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

**THE MONMOUTH COUNTY
IMPROVEMENT AUTHORITY**

By: /s/ _____
WILLIAM C. BARHAM
Chairman

Dated: February __, 2025

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APPENDIX A

Certain Information Concerning the County

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COUNTY OF MONMOUTH, NEW JERSEY, GENERAL INFORMATION

Description of the County

The County of Monmouth (the “County”), with a land area of 472 square miles, is located in central New Jersey and is bordered on the west by Mercer and Middlesex Counties, on the south by Burlington and Ocean Counties, on the east by 27 miles of Atlantic Ocean Beachfront and on the north by 26 miles of Raritan and Sandy Hook Bay Shorelines. The County consists of fifty-three (53) municipalities, whose populations range from 224 to 67,106 (2020 Census).

County Government

The County is governed by a Board of County Commissioners composed of five members, all of whom are elected at large. The County Administrator is responsible for the day-to-day operations of County government under the guidelines and policy supervision of the Board.

Board of County Commissioners

		<u>Expiration of Term</u>
Thomas A. Arnone	Director	January 2026
Susan M. Kiley	Deputy Director	January 2028
Nick DiRocco	Commissioner	January 2026
Ross F. Licitra	Commissioner	January 2027
Erik Anderson	Commissioner	January 2027

County Officials

Teri O’Connor	County Administrator
Joseph F. Kelly, CPA	Director of Finance/Chief Financial Officer
Michael D. Fitzgerald, Esq.	County Counsel
Tamara Brown	Clerk of the Board of County Commissioners

Reclamation Center Utility

On February 14, 1985, the Board of County Commissioners (formerly known as the Board of Chosen Freeholders) unanimously approved the creation of the Monmouth County Reclamation Center Utility to operate the County landfill and various recycling and reclamation programs. The Reclamation Center Utility is currently a self-liquidating utility under the Local Bond Law and its activity has been shown as a separate fund in each year beginning with calendar year 1985. See “Reclamation Center Utility Fund - Statement of Operations and Change in Fund Balance (2020-2024)” herein.

Solid Waste Disposal

The County presently operates a landfill facility at the Monmouth County Reclamation Center (MCRC) in Tinton Falls for disposal of non-hazardous solid waste generated in the County that is not recycled. Although some County waste is disposed at out-of-state landfills due to the federal court decision to dismantle the New Jersey “waste flow control” regulations, the MCRC still receives most of the municipal and commercial solid waste collected from local businesses and municipalities. The MCRC accepted 431,488.42 tons during 2024 and, at current monthly tip rates, is expected to accept a similar amount during 2025. In an effort to increase efficiency and to preserve landfill capacity, the MCRC has employed various alternative methods of landfiling. These included waste shredding from 1985 through 1996 and solid waste baling from 1997 through 2019. During the shredding operations, all wastes were tipped into the shredders and the processed waste hauled by County forces to the landfill. In December 1996 a Materials Processing and Recovery Facility (MPRF) began operation. This facility accepted all municipal and bulky waste collected in the County. The municipal and commercial waste trucks dumped regular and bulky waste in separate areas of an enclosed building, where the waste was inspected and recyclables removed. Bulky waste was crushed and loaded onto trucks for off-site disposal, while the municipal and commercial wastes were landfilled on-site. In August of 1997 the Phase III landfill area opened for disposal. This landfill was designed specifically as a balefill and all municipal and commercial solid waste was baled and transported to the landfill by County haul trucks. Beginning in June of 2019, the MCRC shifted its operations to a conventional landfill. During the initial conventional landfiling, the inbound waste was tipped in the MPRF building and then hauled to the landfill by County forces. Under the current conventional operations, the inbound waste hauling trucks tip their waste loads directly on the landfill where the waste is spread and compacted by bulldozers and landfill compactors. These operations allow the County to take full advantage of the remaining permitted capacity. The current permitted capacity is expected to last until 2028. In order to keep serving the solid waste needs of the County, the MCRC has filed an application to the New Jersey Department of Environmental Protection (NJDEP) for a Phase IV expansion of the landfill facility which will provide an additional 20 years of landfill capacity. This landfill facility has been included in the Monmouth County Solid Waste Management Plan and certified by the Commissioner of the NJDEP. The Phase III Landfill and MPRF have received all necessary permits from the NJDEP. The County has also opened a permanent “Household Hazardous Waste Facility” adjacent to the landfill, to complement existing efforts to keep potentially toxic household paints and chemicals from reaching the landfill.

Transportation

The County’s transportation network provides convenient access to destinations within New Jersey and the major cities beyond: New York, Boston, Philadelphia and Washington, D.C. There are in excess of 2,700 highway miles in Monmouth County. The Garden State Parkway runs the length of the County with seven interchanges located in the County. State Highways 9, 18, 33, 34, 35, 36 and 79 and Interstate 195 traverse the County. Other transportation facilities include the New Jersey coast railroad line with fourteen stations, a network of local and regional bus services, ferry service to New York City, and the Monmouth County Executive Airport. The Monmouth County Executive Airport has all weather flight capabilities and serves as a base for business travel.

FINANCIAL INFORMATION

County Taxes

County taxes are collected by the constituent municipalities and are paid to the County Treasurer. The municipal levy includes all county, school and municipal taxes.

Each municipality is required to pay to the County Treasurer its share of the County Purpose Tax on the fifteenth day of February, May, August and November of each year. The County receives its share of the taxes collected by each municipality from the first taxes collected. The County has received 100% of its tax levy for each of the last five years.

CAP Limitations

N.J.S.A. 40A:4-45.4 et seq., commonly referred to as the “CAP Law”, places a limit on county tax levies. The increase in the County tax levy is either 2.5% or the cost-of-living adjustment, whichever is less, of the previous year’s tax levy, subject to certain exceptions. The cost-of-living adjustment is defined as the annual percentage increase, rounded to the nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the year preceding the current year. However, N.J.S.A. 40A:4-45.14 limits increases in county tax levies to a maximum of 3.5% only when the governing body acts to increase capped tax levies to that limit. The cost-of-living adjustment for 2025 is 2.50%. In addition, new legislation was enacted during 2007 known as the tax levy CAP under N.J.S.A. 40A:4-45.44 et seq. (“the Property Tax Act”) requiring the calculation of another limitation (a 4% limitation) on county and municipal tax levies, 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 (the “Amendment”). The Amendment reduces the tax levy cap from 4% to 2%, 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 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.

**ASSESSED VALUATION OF REAL PROPERTY AND
EQUALIZED VALUATIONS TAXABLE AND TAX RATES**

<u>Year</u>	<u>Net Valuation Taxable (Assessed)</u>	<u>Net Valuation Divided by Apportionment Valuation (Equalized)</u>	<u>Apportionment Valuation (Equalized)</u>	<u>Apportionment Rate Per \$100</u>
2020	\$127,507,888,809	96.40	\$132,275,544,106	0.235716114
2021	131,788,589,629	96.76	136,199,135,400	0.228924979
2022	147,073,491,126	100.18	146,809,769,861	0.212329238
2023	165,876,772,133	99.52	166,677,001,785	0.194087964
2024	179,482,826,083	97.24	184,581,767,979	0.186875444

Source: Abstract of Ratables County of Monmouth 2020-2024

DISTRIBUTION OF ASSESSED VALUATION

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Vacant Land	\$ 1,824,482,600	\$ 1,818,976,950	\$ 2,107,244,350	\$ 2,435,518,200	\$ 2,683,532,200
Residential	106,658,071,249	110,758,325,860	124,814,617,500	141,671,444,025	153,573,430,930
Farm Regular	913,977,900	908,827,000	928,705,000	990,891,800	1,040,370,600
Farm Qualified	26,841,400	26,539,900	25,216,100	25,712,600	26,422,500
Commercial	14,105,100,171	14,055,498,208	14,626,285,208	15,573,342,508	16,144,706,392
Industrial	1,172,164,400	1,260,650,300	1,369,845,400	1,538,479,000	1,887,552,600
Apartments	<u>2,733,879,400</u>	<u>2,882,609,100</u>	<u>3,122,198,900</u>	<u>3,560,855,600</u>	<u>4,045,568,700</u>
	<u>\$127,434,517,120</u>	<u>\$131,711,427,318</u>	<u>\$146,994,112,458</u>	<u>\$165,796,243,733</u>	<u>\$179,401,583,922</u>

Source: Abstract of Ratables, County of Monmouth (2020-2024)

Note: Difference between Assessed Valuation and Net Valuation Taxable is the “Taxable Value Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies” (c.138, L.1966).

**LIST OF MONMOUTH COUNTY TWELVE LARGEST TAXPAYERS
DECEMBER 31, 2024**

	<u>Owner of Record</u>	<u>Property Location</u>	<u>2024 Total Assessed Value</u>	<u>2024 Tax Rate Per \$100</u>	<u>Total 2024 Taxes</u>
1	Freehold Mall	Freehold Township	\$386,967,300	1.781	\$6,891,888
2	CRP/CHI Showplace Farms (Warehouse)	Millstone	196,747,400	2.263	4,452,385
3	Jersey Shore Premium Outlets	Tinton Falls	218,597,500	1.396	3,051,621
4	Pier Village Urban Renewal Co	Long Branch	189,050,300	1.537	2,905,703
5	Assisted Living Facility	Tinton Falls	205,349,700	1.396	2,866,682
6	AT&T Corporate Park	Middletown	154,822,800	1.645	2,546,835
7	Woodshire Apartments	Ocean Twp	126,964,900	1.390	1,764,812
8	New Jersey Sports & Exposition Authority	Oceanport	101,411,100	1.579	1,601,281
9	Avalon Bay Apartments	Freehold Township	79,896,700	1.781	1,422,960
10	Monmouth Mall	Eatontown	70,063,400	1.872	1,311,587
11	Hidden Village, HVA Development	Aberdeen	66,195,600	1.886	1,248,449
12	Shopping Center- The Grove	Shrewsbury Boro	63,400,500	1.832	1,161,497

Source: Monmouth County Board of Taxation (January 27, 2025).

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, New Jersey Department of Community Affairs (the “Division”). Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division (“Director”) prior to final adoption of the budget. The 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.

Tax anticipation notes are limited in amount by law and must be paid off in full by a county within six months of the close of the fiscal year. The County has no tax anticipation notes outstanding and presently does not anticipate issuing such notes.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The budgets of local units must be in balance; i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22).

If in any year a county's expenditures exceed its realized revenues for that year, then such (deficit) must be raised in the succeeding year's budget.

Miscellaneous Revenues

N.J.S.A. 40A:4-26 provides that: "[n]o miscellaneous revenues 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 approval thereof, with the exception of the inclusion of categorical grants-in-aid contracts for their face amount with an offsetting appropriation.

Deferral of Current Expenses

Emergency appropriations made under N.J.S.A. 40A:4-46, after the adoption of the budget and the determination of the tax rate, may be authorized by the Board of County Commissioners. However, with minor exceptions set forth below, such appropriations must be included in full in the following year's budget.

The exceptions are certain enumerated quasi-capital projects such as ice, snow, and flood damage, repair to streets, roads, and bridges, which may be amortized over three years, and tax map preparation, revision of ordinances, and master plan preparations, which may be amortized over five years.

Under the amended "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 the "CAP" if approved by at least two-thirds of the members of the Board of County Commissioners and the Director of the Division of Local Government Services. Emergency resolutions that aggregate more than 3% of the previous year's final current operating appropriations must be raised within the "CAP". Emergency resolutions for debt service, capital

improvements, the County's share of Federal or State grants and other statutorily permitted items are outside the "CAP".

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited until the last two 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.

Capital Budget

In accordance with the local budget law, each local unit must adopt and annually revise a six-year 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 the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the Board of County Commissioners setting forth the items and the method of financing or from the annual operating budget if the items were detailed. See "Anticipated Capital Needs" herein.

The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1, et seq.)

This law regulates the nonbudgetary financial activities of local governments. The chief financial officer of every local unit must file annually with the Director a verified statement of the financial condition of the local unit. The County's statement is on file with the Clerk of the Board of County Commissioners.

An independent examination of the County's financial statements must be performed annually by a registered municipal accountant. The audit, conforming to the Division of Local Government Services "Requirements of Audit," includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director within six months after the close of its fiscal year. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion.

The report of Holman Frenia Allison, P.C., the County's 2023 independent auditor, for the calendar year ended December 31, 2023 appears in Appendix B to this Official Statement.

**COUNTY OF MONMOUTH
CURRENT FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u> <u>(Unaudited)</u>
Revenues and Other Additions:					
Fund Balance Utilized	\$ 36,500,000	\$ 36,375,000	\$ 34,000,000	\$ 34,000,000	\$ 34,000,000
Miscellaneous Revenue Anticipated	263,382,811	318,717,205	224,586,052	194,228,828	211,364,659
Miscellaneous Revenue Not Anticipated	12,790,056	12,242,980	13,027,334	18,831,594	14,122,796
Receipts from Current Taxes	311,500,000	311,500,000	311,500,000	323,500,000	344,938,000
Other Credits to Income	213,009	69,895	51,782	518,232	720,690
Unexpended Balance of Appropriation Reserves Lapsed	<u>9,810,358</u>	<u>19,083,874</u>	<u>13,077,247</u>	<u>8,943,132</u>	<u>11,389,852</u>
 Total Revenues and Other Additions	 \$634,196,234	 \$697,988,954	 \$596,242,415	 580,021,786	 616,535,997
Expenditures:					
Budget Appropriations*	\$602,637,348	\$654,353,256	\$563,592,792	543,334,202	579,024,383
Other Charges	-	-	-	-	<u>207,208</u>
 Total Expenditures	 602,637,348	 654,353,256	 563,592,792	 543,334,202	 579,231,591
 Excess in Revenue	 31,558,886	 43,635,698	 32,649,623	 36,687,583	 37,304,407
 Fund Balance, January 1	 <u>68,058,765</u>	 <u>63,117,651</u>	 <u>70,378,349</u>	 <u>69,027,972</u>	 <u>71,715,555</u>
	99,617,651	106,753,349	103,027,972	105,715,555	109,019,962
Decreased by:					
Utilized as Anticipated Revenue	<u>36,500,000</u>	<u>36,375,000</u>	<u>34,000,000</u>	<u>34,000,000</u>	<u>34,000,000</u>
 Fund Balance, December 31	 <u>\$63,117,651</u>	 <u>\$70,378,349</u>	 <u>\$69,027,972</u>	 <u>71,715,555</u>	 <u>75,019,962</u>
 Fund Balance as a percentage of Expenditures**	 10.47%	 10.76%	 12.25%	 13.20%	 12.95%
 * Paid or Charged	 \$584,241,348	 \$642,297,245	 \$553,344,914	 \$532,156,339	 \$532,156,339
Appropriation Reserves	<u>18,396,000</u>	<u>12,056,011</u>	<u>10,247,878</u>	<u>11,177,863</u>	<u>11,177,863</u>
	<u>\$602,637,348</u>	<u>\$654,353,256</u>	<u>\$563,592,792</u>	<u>\$543,334,202</u>	<u>\$543,334,202</u>

* Current Fund operating results reflect a policy of conservatively estimating revenues and closely controlling expenditures. As a result, fund balances have generally been utilized less than the budgeted amounts.

** Fund balance, as a percentage of expenditures, has ranged in the last 5 years from a low of 10.47% in 2020 to a high of 13.20% in 2023, while the tax rate has remained stable.

FIVE YEAR SUMMARY OF CURRENT FUND BUDGET AND ACTUAL RESULTS

	<u>2020</u>		<u>2021</u>		<u>2022</u>		<u>2023</u>		<u>2024 (Unaudited)</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Revenues:										
County Clerk	\$14,452,130	\$16,887,210	\$16,863,464	\$23,423,034	\$19,000,000	\$16,216,107	\$14,000,000	\$13,184,229	\$13,150,000	\$14,035,037
Interest on Investments	3,000,000	1,845,064	1,000,000	687,440	675,000	4,776,597	4,587,929	11,362,032	10,523,393	12,317,785
Parks & Recreation	7,480,774	10,469,336	9,312,203	11,170,824	10,013,540	11,678,821	11,500,000	12,999,328	12,800,000	13,890,219
Division of Social Services	21,657,537	21,654,647	20,597,624	21,052,004	20,463,222	20,324,076	19,333,877	22,999,021	20,934,718	21,100,221
State of NJ- Inmate Reimbursement	25,000	741,376	25,000	1,118,379	212,489	600,484	300,000	2,489,370	500,000	1,016,900
State of NJ- Remaining Aid	2,169,292	2,162,516	2,195,400	2,197,805	2,575,650	2,575,650	2,490,406	2,134,600	2,454,700	2,810,506
State & Federal Grants	157,615,809	157,615,809	210,224,352	210,224,352	98,017,830	98,017,830	60,345,029	60,345,029	65,445,083	65,445,083
Miscellaneous Revenue	48,236,806	64,796,910	46,260,213	61,086,347	67,135,061	83,423,821	73,276,962	87,556,018	75,978,489	94,871,704
Fund Balance Utilized	36,500,000	36,500,000	36,375,000	36,375,000	34,000,000	34,000,000	34,000,000	34,000,000	34,000,000	34,000,000
General County Tax Levy	<u>311,500,000</u>	<u>311,500,000</u>	<u>311,500,000</u>	<u>311,500,000</u>	<u>311,500,000</u>	<u>311,500,000</u>	<u>323,500,000</u>	<u>323,500,000</u>	<u>344,938,000</u>	<u>344,938,000</u>
Total Revenues and Other Additions	<u>\$602,637,348</u>	<u>\$624,172,868</u>	<u>\$654,353,256</u>	<u>\$678,835,185</u>	<u>\$563,592,792</u>	<u>\$583,113,386</u>	<u>\$543,334,202</u>	<u>\$570,569,626</u>	<u>\$580,724,383</u>	<u>\$604,425,455</u>
Appropriations:										
General Government	\$28,664,776	\$25,790,259	\$30,197,485	\$28,474,948	\$33,198,221	\$31,949,347	\$34,318,025	\$33,149,447	\$36,468,218	\$34,406,510
Land Use Administration	1,268,999	1,155,198	1,240,962	1,182,432	862,824	823,366	839,504	832,352	968,671	916,006
Code Enforcement	312,687	298,737	326,319	325,943	334,319	333,655	313,578	312,169	324,192	323,199
Insurance	63,915,000	61,958,792	53,490,000	52,363,077	60,090,000	58,521,410	65,145,000	64,370,470	71,237,800	67,237,026
Public Safety	100,395,224	95,813,673	102,326,337	99,011,701	105,382,284	103,391,876	109,214,185	105,733,818	116,732,808	114,997,131
Public Works & Engineering	33,257,794	32,530,170	37,787,414	36,822,517	37,262,331	36,158,137	37,392,194	36,608,237	40,314,175	39,456,622
Health & Human Services	43,672,437	37,468,884	41,609,267	38,923,681	41,165,408	38,505,558	40,432,848	38,766,399	43,439,739	41,285,743
Parks & Recreation	19,956,952	19,836,992	21,605,060	21,424,515	22,076,722	21,863,037	23,502,104	23,378,306	24,432,858	24,174,514
Education	37,458,888	37,227,273	38,770,737	38,628,553	39,016,310	38,768,447	39,886,775	38,891,342	40,415,603	40,237,274
Other Common Operating/Contingent	708,170	634,042	939,875	756,261	1,171,162	1,160,860	1,193,954	470,389	1,409,878	375,201
Utility Expenses	9,300,000	8,986,981	9,600,000	9,235,823	10,800,000	10,561,318	10,775,627	10,330,709	11,860,900	11,690,160
Statutory Expenditures	40,206,000	39,632,291	43,278,845	42,879,923	44,780,016	44,416,287	47,988,575	47,737,542	52,287,348	51,686,119
State & Federal Grants	158,665,809	158,247,240	211,274,352	210,525,368	99,067,830	98,699,816	61,395,029	60,687,891	66,648,553	66,648,510
Capital Improvements	3,550,000	3,356,205	550,000	385,900	3,550,000	3,356,433	6,006,682	5,957,144	7,775,000	7,698,086
Debt Service	<u>61,304,612</u>	<u>61,304,612</u>	<u>61,356,603</u>	<u>61,356,603</u>	<u>64,835,365</u>	<u>64,835,365</u>	<u>64,930,123</u>	<u>64,930,123</u>	<u>66,408,640</u>	<u>64,708,640</u>
Total Expenditures	<u>\$602,637,348</u>	<u>\$584,241,349</u>	<u>\$654,353,256</u>	<u>\$642,297,245</u>	<u>\$563,592,792</u>	<u>\$553,344,914</u>	<u>\$543,334,202</u>	<u>\$532,156,339</u>	<u>\$580,724,383</u>	<u>\$565,840,741</u>
Excess in Revenue		\$39,931,519		\$36,537,940		\$29,768,472		\$38,413,287		\$38,584,714
Less: Appropriation Reserve		<u>18,396,000</u>		<u>12,056,011</u>		<u>10,247,878</u>		<u>11,177,863</u>		<u>13,183,641</u>
Excess Revenue, Net		\$21,535,519		\$24,481,929		\$19,520,594		\$27,235,424		\$25,401,073
Other Credits to Income:										
Unexpended Balance of Appropriation										
Reserve- Prior Year		\$9,810,358		\$19,083,874		\$13,077,247		\$8,943,132		\$11,389,852
Other		<u>213,009</u>		<u>69,895</u>		<u>51,782</u>		<u>509,028</u>		<u>513,482</u>
Total Results of Operations		\$31,558,886		\$43,635,698		\$32,649,623		\$36,687,583		\$37,304,397
Fund Balance, Beginning of Year		<u>\$31,558,765</u>		<u>\$26,742,651</u>		<u>\$36,378,349</u>		<u>\$35,027,972</u>		<u>\$37,715,555</u>
Fund Balance, End of Year		<u>\$63,117,651</u>		<u>\$70,378,349</u>		<u>\$69,027,972</u>		<u>\$71,715,555</u>		<u>\$75,019,962</u>

**COUNTY OF MONMOUTH
COMPARATIVE COUNTY BUDGETS
AS APPROVED AND ADOPTED**

	<u>2023⁽¹⁾</u>	<u>2024⁽²⁾</u>
Anticipated Revenues:		
Fund Balance Utilized	\$ 34,000,000	\$ 34,000,000
State Aid	19,517,156	20,589,418
State and Federal Grants	11,607,637	11,423,577
Miscellaneous Revenue	105,972,018	115,751,882
County Tax Levy	<u>323,500,000</u>	<u>344,938,000</u>
Total Anticipated Revenues	<u>\$494,596,811</u>	<u>\$526,702,877</u>
Appropriations:		
Operations	\$375,914,131	\$400,969,389
Capital Improvements	6,006,682	7,775,000
Debt Service	64,930,123	66,408,640
Deferred Charges- Unfunded	-	3,150,000
Pension Contributions and Social Security Taxes	<u>47,745,875</u>	<u>48,399,848</u>
Total Appropriations	<u>\$494,596,811</u>	<u>\$526,702,877</u>

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- (1) The 2023 County Budget was adopted by the Board of County Commissioners on May 11, 2023.
- (2) The 2024 County Budget was adopted by the Board of County Commissioners on April 25, 2024.

**COUNTY OF MONMOUTH
RECLAMATION CENTER UTILITY OPERATING FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u> (Unaudited)
Revenues and Other Additions:					
Fund Balance Utilized	\$3,800,000	\$1,521,000	-	\$ 100,000	\$ 500,000
Solid Waste Grant Funds	523,118	583,200	\$ 615,600	607,500	664,200
Utility Fees	29,959,878	31,357,243	31,671,474	32,274,723	34,441,894
Reclamation Capital Fund Balance	-	-	-	-	-
Gas to Energy Utility Receipts	-	-	-	-	-
Interest on Investments	444,521	77,540	317,378	1,127,235	1,953,600
Miscellaneous Revenue Not Anticipated	434,834	1,597,990	3,061,628	2,759,569	3,561,339
Other Credits to Income	347	74,829	624,441	-	60,399
Unexpended Balance of Appropriation Reserves Lapsed	<u>1,583,782</u>	<u>2,928,366</u>	<u>1,162,685</u>	<u>146,191</u>	<u>2,862,734</u>
Total Revenues and Other Additions	<u>\$36,746,480</u>	<u>\$38,140,168</u>	<u>\$37,453,205</u>	<u>\$37,015,218</u>	<u>\$44,044,166</u>
Expenditures:					
Operations with Reserves	\$32,730,510	\$29,998,945	\$29,118,587	\$28,079,245	\$29,412,818
Other Expenditures and Commitments	-	-	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Total Expenditures	<u>\$32,730,510</u>	<u>\$29,998,945</u>	<u>\$32,118,587</u>	<u>\$31,079,245</u>	<u>\$32,412,818</u>
Net Revenues	4,015,970	8,141,223	5,334,619	5,935,973	11,631,348
Debt Service	<u>2,492,608</u>	<u>2,234,255</u>	<u>2,922,013</u>	<u>4,528,255</u>	<u>4,931,848</u>
Change in Fund Balance	\$1,523,362	\$5,906,968	\$2,412,605	\$1,407,718	\$6,699,500
Fund Balance, January 1	<u>3,800,881</u>	<u>1,524,243</u>	<u>5,910,211</u>	<u>8,322,816</u>	<u>9,630,534</u>
	\$5,324,243	\$7,431,211	\$8,322,816	\$9,730,534	\$16,330,034
Decreased by:					
Utilized as Anticipated Revenue	<u>3,800,000</u>	<u>1,521,000</u>	-	<u>100,000</u>	<u>500,000</u>
Fund Balance, December 31	<u>\$1,524,243</u>	<u>\$5,910,211</u>	<u>\$8,322,816</u>	<u>\$9,630,534</u>	<u>\$15,830,034</u>

Anticipated Capital Needs

The Board of County Commissioners annually adopts a six-year capital improvement program setting forth its anticipated capital expenditures during that period. The program adopted on April 25, 2024 by the Board of County Commissioners, calls for expenditures of \$617,359,121 through the year 2029. Of this \$617,359,121 total, \$25,653,625 is anticipated to be paid from cash down payment and other funds; the remaining \$591,705,496 will be financed by the issuance of bond anticipation notes or bonds of the County. Many of the projects represented in the capital improvement program have not received a funding commitment from the Board of County Commissioners and their inclusion in the program represents a planning mechanism for future decisions of the Board.

Investment of Funds

The Director of Finance is responsible for the investment of funds for the County. Permitted investments for local governmental units in New Jersey pursuant to New Jersey Statute 40A:5-15.1 (the "Statute") are presented below:

1. Bonds or other obligations of the US or obligations guaranteed by the US.
2. Government money market mutual funds.
3. Fixed rate obligations issued by federal agency or federal instrumentality in accordance with an act of Congress, with maturity of not more than 397 days.
4. Bonds or other obligations of Monmouth County or of school districts within Monmouth County.
5. Bonds or other obligations with maturity of not more than 397 days, approved by the Division of Investment of the Department of the Treasury for investment by local units.
6. Local government investment pools, as defined by the Statute.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c.281 (C.52:18A-90.4).
8. Repurchase agreements fully collateralized by securities outlined in (1) and (3) above, with custody of collateral transferred to a third party, maturity not exceeding 30 days, underlying securities purchased through a public depository and an executed master repurchase agreement providing for the custody and security of collateral.

The composition of the County’s current portfolio, as of December 31, 2024, is presented in the table below:

<u>Type of Security</u>	<u>Amount</u>	<u>Percent</u>
Bank/Money Market Accounts	\$415,983,603	96.26%
Bond Anticipation Notes ⁽¹⁾	16,182,750	3.74

(1) Local Bond Anticipation Notes approved for purchase by the Director, Division of Investments, Department of Treasury, State of New Jersey.

None of the County’s investments have a maturity date of more than 397 days from the date of purchase.

Pension Funds

County employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions; Treasury Department of the State of New Jersey. The three plans are: The Public Employees’ Retirement System, the Police and Firemen’s Retirement System, and the Defined Contribution Retirement Program (DCRP) of New Jersey. During 2007, the State through the enactment of P.L. 2007, c. 92 created the DCRP for certain public employees and established its membership requirements. The Division annually charges counties and other participating governmental units for their respective contributions to the plans based upon actuarial methods, except for the new DCRP which is a percentage set by legislation. A portion of the cost is contributed by the employees. The County’s share of pension costs, which is based upon the annual billings received from the State, as well as retroactive billings received from the State, amounted to \$31,699,344 for 2022, \$34,391,807 for 2023 and \$37,785,661 for 2024.

Debt and Financial Management Policies

The Board of County Commissioners (formerly known as the Board of Chosen Freeholders) adopted debt and financial management policies pursuant to a resolution adopted on September 14, 1995, as amended May 11, 2006. The policies adopted were as follows:

1. The County will annually adopt a five-year capital improvement program showing the projected capital expenditures and the source of funding for those expenditures. The County will determine the effect of the projected debt issuance on its net tax-supported debt ratios such as debt to full value, debt per capita, debt to personal income and debt service to revenues.
2. The County will maintain a target of net tax-supported debt service to revenues ratio, excluding debt service on Recreational Facilities Revenue Bonds, of 10%. The target is to be achieved over a period of time, but the maximum level will be 12.0%.
3. The County will maintain a minimum rapidity repayment rate of 70% of its net tax-supported debt to be retired in 10 years.
4. The County’s ratio of net tax-supported debt to full value will not exceed 0.75%.

5. The ratio of net tax-supported debt to personal income will not exceed 2.0%.
6. The County will plan to have a minimum ratio of year-end Current Fund Balance to revenues of 7%. This Current Fund Balance policy can be violated in times of fiscal stress as long as the County has a plan to restore the Fund Balance to appropriate levels.

DEBT INFORMATION

Local Bond Law

The Local Bond Law generally governs the issuance of bonds and notes by local units to finance certain capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in either serial or sinking fund installments. A five percent cash down payment is generally required toward the financing of capital expenditures. All bonds and notes issued by the County are general (“full faith and credit”) obligations.

Debt Limits

The authorized bond indebtedness of the County is limited by statute, subject to the exceptions noted below, to an amount equal to two percent of its average equalized assessed valuation. The equalized valuation basis of the County is set by statute as the average for the last three years, of the equalized value of all taxable real property, together with improvements to such property, and the assessed valuation of Class II railroad property within its boundaries as annually determined by the Director of the Division of Taxation.

Exceptions To Debt Limits - Extensions of Credit

The debt limit of the County may be exceeded with the approval of the Local Finance Board, a state regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the County must apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines, among other things, that a proposed debt authorization would not materially impair the ability of the County to meet its obligations or to provide essential services, or makes other statutory determinations, approval is granted. In addition, debt in excess of the debt limit may be issued by the County under N.J.S.A. 40A:2-7(g) for purposes permitted under the Local Bond Law if the amount (exclusive of utility and assessment obligations) of such obligations and all others authorized pursuant to such provision during the then current fiscal year do not exceed an amount equal to two-thirds of the amount budgeted for the retirement of outstanding obligations. The County’s net debt as of December 31, 2024 is 0.3091% of its equalized valuation basis, compared to the statutory debt limit of 2.00%.

Short-Term Financing

The County has the authority to sell short-term “bond anticipation notes” to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance so provides. Under the Local Bond Law, bond anticipation notes, which are full faith and credit obligations of the issuer, may be issued for a period not exceeding one year and may be renewed from time to time, again for a period that does not exceed one year. All bond anticipation notes, including all renewals, must be paid not later than three years from their original date, unless the issuer begins to amortize such notes beginning in the third year. If the appropriate amortization

is commenced in the third year, such notes must finally mature, and be paid not later than first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. The County sold on May 21, 2024, \$84,225,000 aggregate principal amount of Bond Anticipation Notes, Series 2024 which mature on June 3, 2025.

COUNTY OF MONMOUTH
STATEMENT OF STATUTORY NET DEBT AS OF DECEMBER 31, 2024
(Unaudited)

GROSS DEBT:

General Bonds Issued and Outstanding		\$275,450,000.00
Open Space Bonds Issued and Outstanding		30,810,000.00
Self-Liquidating Utility		51,695,000.00
County College Bonds Issued and Outstanding		27,990,000.00
County Vocational Bonds Issued and Outstanding		18,450,000.00
Bond Anticipation Notes Issued and Outstanding		84,225,000.00
Installment Purchase Agreement (IPA) Notes Payable		<u>755,000.00</u>
		\$489,375,000.00

BONDS/NOTES AUTHORIZED:

General Improvements:		
Authorized but not Issued		\$189,496,400.00
County Guarantee- M.C.I.A.:		
Authorized but not Issued		939,235,000.00
Self-Liquidating Utility:		
Authorized but not Issued		<u>25,000,000.00</u>
		<u>1,153,731,400.00</u>

TOTAL GROSS DEBT \$1,643,106,400.00

LESS: STATUTORY DEDUCTIONS:

Guaranteed Equipment Lease Program - M.C.I.A.		\$25,910,000.00 ⁽¹⁾
Guaranteed Govt. Loan Refunding Rev. Bonds - M.C.I.A.		33,640,000.00 ⁽¹⁾
Guaranteed Pooled Loan Bond Program - M.C.I.A.		646,945,000.00 ⁽¹⁾
Guaranteed Pooled Loan Note Program - M.C.I.A.		193,185,000.00 ⁽¹⁾
Guaranteed Lease Revenue Bonds - BCC - M.C.I.A.		24,885,000.00 ⁽¹⁾
Guaranteed Lease Revenue Bonds - MOESC - M.C.I.A.		14,670,000.00 ⁽¹⁾
County College Bonds (Issued and ABNI)		12,835,000.00 ⁽²⁾
Self-Liquidating Utility (Issued and ABNI)		76,695,000.00 ⁽³⁾
Open Space Acquisition Bonds (Issued and ABNI)		48,955,000.00 ⁽⁴⁾
IPA Investments (as of 12/31/24)		605,745.60 ⁽⁵⁾
Reserve for Care Center Debt Service & Cash on Hand		<u>718,539.07⁽⁵⁾</u>
		<u>1,079,044,284.67</u>

STATUTORY NET DEBT \$564,062,115.33

Three-Year Average (2022-2024)
 Equalized Valuation of Real Property
 (Pursuant to N.J.S.A. 15:1-35.1) \$182,458,699,595.67

Net Debt Expressed as a Percentage of Average
 Equalized Valuation of Real Property 0.3091%

Debt Limitation Per N.J.S.A. 40A:2-6
 (Counties) 2% of Three-Year Average
 Equalized Valuation \$3,649,173,991.91

Total Net Debt 564,062,115.33

Remaining Net Debt Capacity \$3,085,111,876.58

(1) The County has unconditionally guaranteed \$25,910,000 M.C.I.A. Capital Equipment Lease Revenue Bonds, \$33,640,000 M.C.I.A. Governmental Loan Refunding Revenue Bonds, \$646,945,000 M.C.I.A. Governmental Loan Revenue Bonds, \$193,185,000 M.C.I.A. Governmental Loan Notes, \$24,885,000 M.C.I.A. Lease Revenue Bonds for Brookdale Community College and \$14,670,000 M.C.I.A. Lease Revenue Bonds for Monmouth Ocean Educational Services Commission, which are outstanding. The guaranties are an allowable deduction from gross debt pursuant to the Local Bond Law and the County Improvement Authorities Law (N.J.S.A. 40:37A-80).

(2) The County College Bonds are an allowable deduction pursuant to the County College Bond Act (N.J.S.A. 18A:64A-22.4).

(3) The MCRC indebtedness is an allowable deduction for self-liquidating purposes pursuant to the Local Bond Law (N.J.S.A. 40A:2-44 (c)).

(4) The Open Space Acquisition Bonds are an allowable deduction pursuant to Local Bond Law (N.J.S.A. 40A:2-44(h)).

(5) The cash on hand to retire debt is an allowable deduction pursuant to the Local Bond Law (N.J.S.A. 40A:2-44(f)).

**COUNTY OF MONMOUTH
SCHEDULE OF BONDED DEBT SERVICE**

DECEMBER 31, 2024

<u>Year</u>	<u>General Principal</u>	<u>General Interest</u>	<u>County College Principal</u>	<u>County College Interest</u>	<u>Vocational School Principal</u>	<u>Vocational School Interest</u>	<u>Total County Principal</u>	<u>Total County Interest</u>	<u>Total County Debt Service</u>
2025	\$ 39,310,000	\$ 12,289,773	\$ 3,545,000	\$ 1,447,002	\$ 2,655,000	\$ 860,875	\$ 45,510,000	\$ 14,597,650	\$ 60,107,650
2026	35,220,000	10,418,188	3,225,000	1,170,000	2,655,000	736,825	41,100,000	12,325,013	53,425,013
2027	35,280,000	8,844,488	3,380,000	1,004,750	2,225,000	626,600	40,885,000	10,475,838	51,360,838
2028	29,525,000	7,397,194	2,920,000	835,750	1,855,000	522,750	34,300,000	8,755,694	43,055,694
2029	27,540,000	6,101,588	2,915,000	689,750	1,860,000	429,875	32,315,000	7,221,213	39,536,213
2030	23,245,000	4,973,200	2,355,000	544,125	1,580,000	336,875	27,180,000	5,854,200	33,034,200
2031	20,590,000	3,926,025	2,395,000	428,775	980,000	263,875	23,965,000	4,618,675	28,583,675
2032	20,595,000	2,947,075	2,130,000	321,825	1,215,000	214,500	23,940,000	3,483,400	27,423,400
2033	15,555,000	1,967,875	1,610,000	225,000	1,280,000	153,750	18,445,000	2,346,625	20,791,625
2034	14,715,000	1,211,125	1,560,000	145,750	1,220,000	91,250	17,495,000	1,448,125	18,943,125
2035	6,935,000	520,375	685,000	80,625	440,000	35,250	8,060,000	636,250	8,696,250
2036	6,940,000	173,500	595,000	48,625	385,000	14,625	7,920,000	236,750	8,156,750
2037			355,000	24,875	100,000	2,500	455,000	27,375	482,375
2038			160,000	12,000			160,000	12,000	172,000
2039	-	-	160,000	4,000	-	-	160,000	4,000	164,000
	<u>\$ 275,450,000</u>	<u>\$ 60,770,404</u>	<u>\$ 27,990,000</u>	<u>\$ 6,982,852</u>	<u>\$ 18,450,000</u>	<u>\$ 4,289,550</u>	<u>\$ 321,890,000</u>	<u>\$ 72,042,806</u>	<u>\$ 393,932,806</u>

**COUNTY OF MONMOUTH
SCHEDULE OF BONDED DEBT SERVICE**

DECEMBER 31, 2024

<u>Year</u>	<u>Open Space Principal</u>	<u>Open Space Interest</u>	<u>Total Open Space</u>	<u>Reclamation Center Principal</u>	<u>Reclamation Center Interest</u>	<u>Total Reclamation Center</u>	<u>Total Debt Service- Incl Open Space & Reclamation</u>
2025	\$ 2,515,000	\$ 1,580,510	\$ 4,095,510	\$ 3,560,000	\$ 2,650,413	\$ 6,210,413	\$ 70,413,573
2026	2,520,000	1,274,463	3,794,463	3,560,000	2,256,175	5,816,175	63,035,650
2027	3,155,000	1,155,288	4,310,288	4,295,000	2,077,200	6,372,200	62,043,325
2028	3,175,000	1,019,238	4,194,238	5,180,000	1,857,425	7,037,425	54,287,356
2029	3,175,000	881,688	4,056,688	5,180,000	1,614,925	6,794,925	50,387,825
2030	2,375,000	756,638	3,131,638	4,700,000	1,379,925	6,079,925	42,245,763
2031	2,040,000	643,750	2,683,750	4,310,000	1,154,750	5,464,750	36,732,175
2032	2,040,000	541,750	2,581,750	4,310,000	942,250	5,252,250	35,257,400
2033	2,035,000	439,875	2,474,875	4,010,000	729,750	4,739,750	28,006,250
2034	1,810,000	343,750	2,153,750	3,200,000	549,500	3,749,500	24,846,375
2035	1,650,000	257,250	1,907,250	2,740,000	401,000	3,141,000	13,744,500
2036	1,650,000	174,750	1,824,750	2,740,000	264,000	3,004,000	12,985,500
2037	1,400,000	98,500	1,498,500	2,450,000	134,250	2,584,250	4,565,125
2038	635,000	47,625	682,625	730,000	54,750	784,750	1,639,375
2039	635,000	15,875	650,875	730,000	18,250	748,250	1,563,125
	<u>\$ 30,810,000</u>	<u>\$ 9,230,948</u>	<u>\$ 40,040,948</u>	<u>\$ 51,695,000</u>	<u>\$ 16,084,563</u>	<u>\$ 67,779,563</u>	<u>\$ 501,753,316</u>

V. DEBT ANALYSIS

	<u>December 31, 2019⁽¹⁾</u>	<u>December 31, 2020⁽¹⁾</u>	<u>December 31, 2021⁽¹⁾</u>	<u>December 31, 2022⁽¹⁾</u>	<u>December 31, 2023⁽¹⁾</u>
Full Valuation Per Capita	\$196,436.00	\$209,580.00	\$204,763.00	\$228,512.00	\$257,727.00
County Net Debt as a Percentage of Full Value	0.41%	0.36%	0.36%	0.33%	0.31%
County Net Debt Per Capita	\$812.46	\$763.41	\$730.25	\$754.72	\$797.08
Overlapping Net Debt as a Percentage of Full Value	1.73%	1.64%	1.61%	1.49%	1.40%
Overlapping Net Debt Per Capita	\$3,398.28	\$3,432.98	\$3,289.34	\$3,408.17	\$3,602.81

⁽¹⁾ Per capita figures for 2019 through 2020 utilizing 2010 Census Data and for 2021 through 2023 utilizing 2020 Census Data.

COUNTY OF MONMOUTH
GROSS DEBT AND NET DEBT OF CONSTITUENT MUNICIPALITIES
December 31, 2023

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Aberdeen Township	\$16,556,000.00	\$24,922,534.54	\$45,261,815.00	\$16,556,000.00	\$24,922,534.54	\$ -	\$45,261,815.00	\$2,854,066,445.67	1.586%
Allenhurst Borough	-	-	9,267,418.50	-	-	572,481.62	8,694,936.88	1,090,006,900.33	0.798
Allentown Borough	4,600,958.63	8,438,574.54	2,485,500.00	4,600,958.63	8,438,574.54	-	2,485,500.00	217,991,034.33	1.140
Asbury Park City	-	26,545,071.60	43,723,650.48	-	26,545,071.60	2,207,745.86	41,515,904.62	2,513,453,549.67	1.652
Atlantic Highlands Borough	1,807,632.83	5,661,485.68	4,780,000.00	1,807,632.83	5,661,485.68	35,650.47	4,744,349.53	1,089,398,900.33	0.436
Avon-By-The-Sea Borough	4,280,000.00	2,898,135.00	6,578,506.00	4,280,000.00	2,898,135.00	-	6,578,506.00	1,433,785,767.00	0.459
Belmar Borough	8,585,000.00	12,182,912.98	19,564,925.15	8,585,000.00	12,182,912.98	3,016,651.43	16,548,273.72	2,336,051,517.00	0.708
Bradley Beach Borough	-	14,228,143.93	6,245,667.29	-	14,228,143.93	-	6,245,667.29	1,872,444,284.67	0.334
Brielle Borough	-	8,269,117.64	4,657,724.45	-	8,269,117.64	-	4,657,724.45	2,078,303,665.33	0.224
Colts Neck Township	7,235,132.84	-	32,357,261.00	7,235,132.84	-	337,666.62	32,019,594.38	3,566,825,903.67	0.898
Deal Borough	-	-	-	-	-	-	-	3,829,337,265.67	0.000
Eatontown Borough	26,130,848.10	-	22,469,008.56	26,130,848.10	-	1,742,358.56	20,726,650.00	2,848,575,849.67	0.728
Englishtown Borough	29,690,000.00	1,625,000.00	2,546,414.67	29,690,000.00	1,625,000.00	23,282.09	2,523,132.58	313,936,030.00	0.804
Fair Haven Borough	20,481,012.21	-	25,728,602.84	20,481,012.21	-	192,377.81	25,536,225.03	2,344,028,769.00	1.089
Farmingdale Borough	3,952,970.47	1,000,000.00	609,571.32	3,952,970.47	1,000,000.00	-	609,571.32	210,792,015.67	0.289
Freehold Borough	25,930,000.00	11,615,450.00	21,649,000.00	25,930,000.00	11,615,450.00	850,699.13	20,798,300.87	1,355,376,603.67	1.535
Freehold Township	28,266,695.88	25,302,439.75	82,874,936.92	28,266,695.88	25,302,439.75	15,092,858.30	67,782,078.62	8,378,579,010.00	0.809
Hazlet Township	35,895,000.00	-	27,856,429.53	35,895,000.00	-	398,087.36	27,458,342.17	3,263,959,291.00	0.841
Highlands Borough	3,412,000.00	12,245,270.47	20,975,402.49	3,412,000.00	12,245,270.47	-	20,975,402.49	923,255,575.67	2.272
Holmdel Township	35,053,000.00	2,418,250.00	44,751,870.00	35,053,000.00	2,418,250.00	70,000.00	44,681,870.00	4,981,699,977.67	0.897
Howell Township	23,216,295.85	10,944,313.15	88,950,153.07	23,216,295.85	10,944,313.15	5,335,000.00	83,615,153.07	9,528,359,771.00	0.878
Interlaken Borough	-	-	2,435,030.00	-	-	1,195,515.00	1,239,515.00	421,795,470.33	0.294
Keansburg Borough	-	2,999,830.71	12,365,726.84	-	2,999,830.71	-	12,365,726.84	832,418,862.67	1.486
Keyport Borough	14,275,000.00	11,426,243.68	11,310,130.23	14,275,000.00	11,426,243.68	3,214,686.21	8,095,444.02	986,744,467.67	0.820
Lake Como Borough	-	4,515,413.58	1,290,699.00	4,515,413.58	-	-	1,290,699.00	592,535,808.00	0.218
Little Silver Borough	36,665,646.58	-	9,965,400.54	36,665,646.58	-	-	9,965,400.54	1,990,636,314.67	0.501
Loch Arbour Village	-	-	870,800.00	-	-	-	870,800.00	205,370,271.67	0.424
Long Branch City	10,775,000.00	-	87,001,899.48	10,775,000.00	-	214,382.08	86,787,517.40	7,231,687,766.33	1.200
Manalapan Township	18,538,711.63	1,515,000.00	18,639,600.00	18,538,711.63	1,515,000.00	1,300,000.00	17,339,600.00	8,727,825,488.67	0.199
Manasquan Borough	37,635,000.00	12,699,723.15	19,980,330.98	37,635,000.00	12,699,723.15	80,866.09	19,899,464.89	3,058,054,547.00	0.651
Marlboro Township	3,055,169.13	38,953,357.74	66,410,375.62	3,055,169.13	38,953,357.74	43,071.61	66,367,304.01	9,474,780,684.00	0.700
Matawan Borough	22,791,000.00	13,000,841.55	20,060,963.55	22,791,000.00	13,000,841.55	24,314.14	20,036,649.41	1,393,407,195.67	1.438
Middletown Township	26,770,000.00	-	57,251,875.26	26,770,000.00	-	7,387,147.47	49,864,727.79	13,794,342,819.33	0.361
Millstone Township	15,460,000.00	-	18,816,954.00	15,460,000.00	-	-	18,816,954.00	2,360,554,122.33	0.797
Monmouth Beach Borough	2,304,367.78	-	20,029,814.39	2,304,367.78	-	1,461,922.97	18,567,891.42	2,032,733,257.67	0.913
Neptune City Borough	1,880,000.00	-	1,669,734.71	1,880,000.00	-	-	1,669,734.71	818,409,857.67	0.204
Neptune Township	-	12,180,000.00	30,898,475.94	-	12,180,000.00	78,118.49	30,820,357.45	5,385,118,412.67	0.572

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Ocean Township	\$20,219,096.72	\$ 1,520,000.00	\$40,096,165.37	\$20,219,096.72	\$ 1,520,000.00	\$ 937,930.65	\$39,158,234.72	\$7,606,478,216.33	0.515%
Oceanport Borough	35,440,000.00	-	27,349,172.75	35,440,000.00	-	11,206,036.19	16,143,136.56	1,707,138,274.67	0.946
Red Bank Borough	13,486,929.22	18,630,495.14	14,856,304.55	13,486,929.22	18,630,495.14	142,762.76	14,713,541.79	2,850,139,137.67	0.516
Roosevelt Borough	120,000.00	5,165,506.71	1,675,550.00	120,000.00	5,165,506.71	-	1,675,550.00	101,446,292.67	1.652
Rumson Borough	33,857,000.00	-	7,374,700.90	33,857,000.00	-	-	7,374,700.90	4,712,354,490.00	0.156
Sea Bright Borough	589,033.23	2,875,980.00	8,754,987.00	589,033.23	2,875,980.00	86,991.78	8,667,995.22	1,159,719,071.00	0.747
Sea Girt Borough	-	5,968,734.99	5,484,725.00	-	5,968,734.99	139,670.42	5,345,054.58	3,203,859,140.33	0.167
Shrewsbury Borough	23,967,424.20	-	7,466,516.44	23,967,424.20	-	-	7,466,516.44	1,475,865,740.33	0.506
Shrewsbury Township	834,307.72	-	815,472.70	834,307.72	-	-	815,472.70	76,654,735.00	1.064
Spring Lake Borough	-	15,870,000.00	7,809,000.00	-	15,870,000.00	-	7,809,000.00	5,941,234,181.67	0.131
Spring Lake Heights Borough	8,870,000.00	5,673,000.00	5,592,988.92	8,870,000.00	5,673,000.00	67,604.85	5,525,384.07	1,652,406,606.33	0.334
Tinton Falls Borough	44,963,242.60	-	21,515,000.00	44,963,242.60	-	6,129,942.00	15,385,058.00	4,475,814,208.33	0.344
Union Beach Borough	-	2,392,547.91	15,586,916.17	-	2,392,547.91	45,510.85	15,541,405.32	840,990,891.00	1.848
Upper Freehold Township	34,649,041.36	-	17,526,879.13	-	34,649,041.36	2,330,819.29	15,196,059.84	1,641,653,612.67	0.926
Wall Township	66,599,000.00	12,307,365.97	29,346,000.00	66,599,000.00	12,307,365.97	466,163.00	28,879,837.00	8,145,844,096.33	0.355
West Long Branch Borough	7,716,142.49	-	12,502,005.18	7,716,142.49	-	402,867.36	12,099,137.82	2,060,300,128.67	0.587
TOTALS	\$756,553,659.47	\$335,990,740.41	\$1,116,084,051.92	\$726,420,031.69	\$366,124,368.19	\$66,831,182.46	\$1,049,252,869.46	\$163,988,542,296.37	0.640%

OTHER COUNTY OBLIGATIONS

Monmouth County Improvement Authority Capital Equipment Pooled Lease Revenue Bonds

The \$13,375,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2015, the \$9,570,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2017, the \$14,305,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2019, the \$17,140,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2021 and the \$14,755,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2023 (the “Pooled Lease Bonds”) are limited obligations of the Authority secured by a pledge of certain property, which includes the Authority’s right to receive payments of principal and interest on bonds issued by the Authority (“Local Unit Bond”) to finance the acquisition of equipment for lease to certain governmental units located within the County (the “Local Units”). The principal and interest on each Local Unit Bond is secured by a pledge of lease payments made by the applicable Local Unit pursuant to the terms and provisions of a lease agreement between the Authority and such Local Unit, with respect to the equipment leased by such Local Unit. Payment of principal and interest on each Local Unit Bond is unconditionally and irrevocably guaranteed by each of the Local Units. In addition, payment of principal and interest on each Local Unit Bond is unconditionally and irrevocably guaranteed by the County. As of December 31, 2024, \$25,910,000 of the bonds were outstanding.

Maturities of Pooled Lease Bonds Outstanding December 31, 2024

<u>Date</u>	<u>Amount</u>
10/1/25	\$6,425,000
10/1/26	6,435,000
10/1/27	4,215,000
10/1/28	4,025,000
10/1/29	1,655,000
10/1/30	1,130,000
10/1/31	1,165,000
10/1/32	420,000
10/1/33	440,000

**Monmouth County Improvement Authority
Governmental Loan Refunding
Revenue Bonds**

The \$62,315,000 Governmental Loan Refunding Revenue Bonds, Series 2012, the \$9,460,000 Governmental Loan Refunding Revenue Bonds, Series 2014, the \$15,530,000 Governmental Loan Refunding Revenue Bonds, Series 2015, the \$38,505,000 Governmental Loan Refunding Revenue Bonds, Series 2016, and the \$40,020,000 Governmental Loan Refunding Revenue Bonds, Series 2016B (the “Loan Refunding Bonds”) are limited obligations of the Authority issued to (a) refund a portion of the Authority’s Governmental Loan Revenue Bonds, Series 1995, Series 1998, Series 2000, Series 2001 and Series 2002, (b) refund a portion of the Authority’s Governmental Loan Revenue Bonds, Series 1995, Series 1998, Series 2001, Series 2002, Series 2002 (Howell Township Board of Education Improvement Project), Series 2003, Series 2004, and Series 2005, and the Borough of Allentown’s General Obligation Bonds, Series 1978, the Township of Colts Neck’s General Obligation Bonds, Series 2002A, the Borough of Keyport’s General Obligation Bonds, Series 2003, The Board of Education of the Borough of Avon-By-The-Sea’s School District Bonds, Series 2006, The Board of Education of the Borough of Little Silver’s Refunding Bonds, Series 2005, and the Borough of Red Bank’s General Improvement Bonds, Series 2007 and Water/Sewer Utility Bonds, Series 2007, (c) refund a portion of the Authority’s Governmental Loan Revenue Bonds, Series 2006, (d) refund a portion of The Board of Education of the Borough of Avon-By-The-Sea’s School District Bonds, Series 2006, The Board of Education of the Borough of Little Silver’s Refunding Bonds, Series 2005, and the Borough of Red Bank’s General Improvement Bonds, Series 2007 and Water/Sewer Utility Bonds, Series 2007, (e) refund a portion of the Authority’s Governmental Loan Revenue Bonds, Series 2007 and 2008, and (f) refund a portion of the Authority’s Governmental Loan Revenue Bonds, Series 2009, Series 2010 and Series 2011, and the City of Asbury Park’s General Improvement Bonds of 2009, The Board of Education of the Borough of Oceanport’s School Bonds of 2006, and the Shore Regional High School District’s School Bonds of 2009, respectively, and are secured by a pledge of certain property, which includes the Authority’s right to receive payments of principal and interest on bonds (the “Refunding Borrower Bonds”) issued by certain governmental units located within the County (the “Refunding Borrowers”) to refinance various capital improvements of the Refunding Borrowers. The principal and interest on each Refunding Borrower Bond is a direct and general obligation of each respective Refunding Borrower. Payment of principal and interest on the Loan Refunding Bonds is unconditionally and irrevocably guaranteed by the County. As of December 31, 2024, \$33,640,000 of the bonds were outstanding.

Maturities of Governmental Loan Refunding Bonds

<u>Date</u>	<u>Outstanding December 31, 2024</u>		<u>Amount</u>
	<u>Amount</u>	<u>Date</u>	
2/1/2025	\$275,000	2/1/2029	\$315,000
8/1/2025	3,665,000	8/1/2029	3,690,000
12/1/2025	3,950,000	2/1/2030	330,000
2/1/2026	285,000	8/1/2030	2,480,000
8/1/2026	3,660,000	2/1/2031	335,000
12/1/2026	1,355,000	8/1/2031	1,460,000
2/1/2027	300,000	2/1/2032	345,000
8/1/2027	3,810,000	2/1/2033	360,000
12/1/2027	790,000	2/1/2034	375,000
2/1/2028	305,000	2/1/2035	385,000*
8/1/2028	3,980,000	2/1/2036	405,000*
12/1/2028	785,000		

*Represents sinking fund payments

Monmouth County Improvement Authority Governmental Loan Revenue Bonds

The \$40,075,000 Governmental Loan Revenue Bonds, Series 2008, the \$14,180,000 Governmental Loan Revenue Bonds, Series 2009, the \$9,355,000 Governmental Loan Revenue Bonds, Series 2010 (Atlantic Highlands Project), the \$40,325,000 Governmental Loan Revenue Bonds, Series 2011, the \$14,850,000 Governmental Loan Revenue Bonds, Series 2011B, the \$9,720,000 Governmental Loan Revenue Bonds, Series 2012, the \$20,655,000 Governmental Loan Revenue Bonds, Series 2013A, the \$9,110,000 Governmental Loan Revenue Bonds, Series 2013A (Howell Township School District Refunding Project) (Federally Taxable), the \$34,715,000 Governmental Loan Revenue Bonds, Series 2013B, the \$39,495,000 Governmental Loan Revenue Bonds, Series 2014, the \$20,705,000 Governmental Loan Revenue Bonds, Series 2015, the \$40,555,000 Governmental Loan Revenue Bonds, Series 2017, the \$25,775,000 Governmental Loan Revenue Bonds, Series 2017B, the \$21,010,000 Governmental Loan Revenue Bonds, Series 2018A, the \$69,645,000 Governmental Loan Revenue Bonds, Series 2018B, the \$47,265,000 Governmental Loan Revenue Bonds, Series 2018C, the \$48,370,000 Governmental Loan Revenue Bonds, Series 2019A, the \$128,975,000 Governmental Loan Revenue Bonds, Series 2019B, the \$48,655,000 Governmental Loan Revenue Bonds, Series 2020, the \$32,985,000 Governmental Loan Revenue Bonds, Series 2021A, the \$35,015,000 Governmental Loan Revenue Bonds, Series 2021B, the \$31,005,000 Governmental Loan Revenue Bonds, Series 2022A, the \$50,410,000 Governmental Loan Revenue Bonds, Series 2022B, the \$51,745,000 Governmental Loan Revenue Bonds, Series 2022C, the \$53,225,000 Governmental Loan Revenue Bonds, Series 2023 and the \$78,060,000 Governmental Loan Revenue Bonds, Series 2024A (collectively, the “Loan Revenue Bonds”), are limited obligations of the Authority secured by a pledge of certain property, which includes the Authority’s right to receive payments of principal and interest on bonds (the “Borrower Bonds”) issued by certain governmental units located within the County (the “Borrowers”) to refinance various capital improvements of the Borrowers. The principal and interest on each Borrower Bond is a direct and general obligation of each respective Borrower. Payment of principal and interest on the Loan Revenue Bonds is unconditionally and irrevocably guaranteed by the County. As of December 31, 2024, \$646,945,000 of the bonds were outstanding.

Maturities of Governmental Loan Revenue Bonds					
<u>Outstanding December 31, 2024</u>					
<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
1/15/2025	\$1,430,000	3/1/2030	\$2,435,000	7/15/2035	\$5,970,000
2/15/2025	2,305,000	7/15/2030	5,450,000	8/1/2035	3,175,000
3/1/2025	1,990,000	8/1/2030	2,760,000	8/15/2035	2,885,000
7/15/2025	4,035,000	8/15/2030	2,355,000	10/1/2035	510,000
8/1/2025	2,730,000	10/1/2030	2,300,000	12/1/2035	20,300,000
8/15/2025	1,870,000	12/1/2030	30,145,000*	1/15/2036	925,000
10/1/2025	1,935,000	1/15/2031	790,000	2/15/2036	1,055,000
12/1/2025	33,465,000	2/15/2031	2,995,000	3/1/2036	2,185,000
1/15/2026	1,495,000	3/1/2031	2,495,000	7/15/2036	6,070,000
2/15/2026	2,420,000	7/15/2031	5,755,000	8/1/2036	3,265,000
3/1/2026	2,055,000	8/1/2031	2,835,000	8/15/2036	2,975,000
7/15/2026	4,260,000	8/15/2031	2,475,000	10/1/2036	535,000
8/1/2026	2,845,000	10/1/2031	2,385,000	12/1/2036	14,115,000
8/15/2026	1,940,000	12/1/2031	29,510,000*	1/15/2037	730,000
10/1/2026	1,985,000	1/15/2032	820,000	2/15/2037	1,110,000
12/1/2026	33,800,000*	2/15/2032	3,070,000	3/1/2037	915,000
1/15/2027	1,400,000	3/1/2032	2,565,000	7/15/2037	6,170,000
2/15/2027	2,545,000	7/15/2032	5,995,000	8/1/2037	2,190,000
3/1/2027	2,110,000	8/1/2032	2,910,000*	8/15/2037	3,065,000
7/15/2027	4,500,000	8/15/2032	2,595,000	10/1/2037	560,000
8/1/2027	2,970,000	10/1/2032	2,990,000	12/1/2037	12,365,000
8/15/2027	2,035,000	12/1/2032	28,155,000	1/15/2038	730,000
10/1/2027	2,060,000	1/15/2033	850,000	3/1/2038	365,000
12/1/2027	34,195,000*	2/15/2033	1,300,000	7/15/2038	5,390,000
1/15/2028	1,185,000	3/1/2033	2,125,000	8/1/2038	2,190,000
2/15/2028	2,580,000	7/15/2033	6,135,000	8/15/2038	3,165,000
3/1/2028	2,270,000	8/1/2033	2,995,000*	10/1/2038	585,000
7/15/2028	4,400,000	8/15/2033	2,725,000	12/1/2038	11,305,000
8/1/2028	3,085,000	10/1/2033	2,715,000	8/1/2039	2,190,000
8/15/2028	2,140,000	12/1/2033	23,260,000*	8/15/2039	3,265,000
10/1/2028	2,130,000	1/15/2034	885,000	12/1/2039	9,730,000
12/1/2028	33,205,000*	2/15/2034	1,365,000	8/15/2040	3,330,000
1/15/2029	1,220,000	3/1/2034	2,145,000	12/1/2040	5,140,000
2/15/2029	2,710,000	7/15/2034	6,575,000	8/15/2041	3,330,000
3/1/2029	2,355,000	8/1/2034	3,085,000	12/1/2041	4,145,000
7/15/2029	4,640,000	8/15/2034	2,800,000	8/15/2042	3,330,000
8/1/2029	2,690,000	10/1/2034	1,985,000	10/1/2042	2,405,000*
8/15/2029	2,245,000	12/1/2034	21,180,000*	12/1/2042	3,625,000
10/1/2029	2,215,000	1/15/2035	920,000	12/1/2043	1,875,000
12/1/2029	32,555,000*	2/15/2035	1,430,000	12/1/2044	550,000
1/15/2030	755,000	3/1/2035	2,165,000	12/1/2046	1,200,000*
2/15/2030	2,850,000				

*Includes sinking fund payments

**Monmouth County Improvement Authority
Lease Revenue Bonds
Brookdale Community College Project**

The \$7,660,000 Lease Revenue Refunding Bonds, Series 2012 (Monmouth County Guaranteed) (Brookdale Community College Project), the \$24,530,000 Lease Revenue Refunding Bonds, Series 2015 (Monmouth County Guaranteed) (Brookdale Community College Project) and the \$6,575,000 Lease Revenue Refunding Bonds, Series 2019 (Monmouth County Guaranteed) (Brookdale Community College Refunding Project) (the “Brookdale Bonds”) are limited obligations of the Authority secured primarily by those revenues of the Authority which are derived by the Authority from rentals to be paid by Brookdale Community College (the “College”) pursuant to a lease agreement, as well as a pledge of certain other property, to provide funds for various improvements to the facilities of the College. Payment of principal and interest on the Brookdale Bonds is unconditionally and irrevocably guaranteed by the County. As of December 31, 2024, \$24,885,000 of the bonds were outstanding.

Maturities of Brookdale Bonds
Outstanding December 31, 2024

<u>Date</u>	<u>Amount</u>
08/1/25	\$2,180,000
08/1/26	2,285,000
08/1/27	1,730,000
08/1/28	1,820,000
08/1/29	1,905,000
08/1/30	1,990,000
08/1/31	2,075,000
08/1/32	1,400,000
08/1/33	1,445,000
08/1/34	1,495,000
08/1/35	1,555,000
08/1/36	1,605,000*
08/1/37	1,670,000*
08/1/38	1,730,000*

*Represents sinking fund payments

**Monmouth County Improvement Authority
Governmental Loan Project Notes, Series 2024**

The \$193,185,000 Governmental Loan Project Notes, Series 2024 (the “2024 Notes”), are limited obligations of the Authority secured by a pledge of certain property, which includes the Authority’s right to receive payments of principal and interest on notes (the “Borrower Notes”) issued by certain governmental units located within the County (the “Borrowers”) to finance and/or refinance various capital improvements of the Borrowers. The principal and interest on each Borrower Note is a direct and general obligation of each respective Borrower. Payment of principal and interest on the 2024 Notes is unconditionally and irrevocably guaranteed by the County. As of December 31, 2024, \$193,185,000 of the notes was outstanding. Additionally, the County has also unconditionally guaranteed \$245,854,924 Governmental Loan Project Notes, Series 2025 which have not yet been sold. A portion of the Series 2025 Notes (as described in the forepart of this Official Statement) will be utilized to currently refund the 2024 Notes. The remainder of the outstanding principal amount of the 2024 Notes were paid from the Loan Revenue Bonds issued in December 2024 and will be paid down from payments made from certain of the borrowers.

Maturity of 2024 Notes
Outstanding December 31, 2024

<u>Date</u>	<u>Amount</u>
3/14/25	\$193,185,000

Monmouth County Improvement Authority
Lease Revenue Bonds, Series 2023
Monmouth Ocean Educational Services Commission Project

The \$14,795,000 Lease Revenue Bonds, Series 2023 (Monmouth County Guaranteed) (Monmouth Ocean Educational Services Commission Project) (the “MOESC Bonds”) are limited obligations of the Authority secured primarily by those revenues of the Authority which are derived by the Authority from rentals to be paid by Monmouth Ocean Educational Services Commission (the “Commission”) pursuant to a lease purchase agreement, as well as a pledge of certain other property, to provide funds for various improvements to the facilities of the Commission. Payment of principal and interest on the MOESC Bonds is unconditionally and irrevocably guaranteed by the County. As of December 31, 2024, \$14,670,000 of the bonds were outstanding.

Maturities of MOESC Bonds
Outstanding December 31, 2024

<u>Date</u>	<u>Amount</u>
07/15/25	\$485,000*
07/15/26	510,000*
07/15/27	535,000*
07/15/28	560,000*
07/15/29	585,000*
07/15/30	615,000*
07/15/31	645,000*
07/15/32	675,000*
07/15/33	710,000*
07/15/34	745,000*
07/15/35	780,000*
07/15/36	825,000*
07/15/37	860,000*
07/15/38	905,000*
07/15/39	950,000*
07/15/40	995,000*
07/15/41	1,045,000*
07/15/42	1,095,000*
07/15/43	1,150,000*

*Includes sinking fund payments

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

The strategic location of the County in the New York Metropolitan Area and the completion of the Garden State Parkway and State Routes 9, 35 and 36, and to the railroad lines serving the County, resulted in high population growth since 1950 until recent years. The County's population increased 48.4% from 1950 (225,327) to 1960 (334,401), 38.7% from 1960 to 1970 (463,929), 8.6% from 1970 to 1980 (504,007), 10.0% from 1980 to 1990 (554,210), 11.3% from 1990 to 2000 (616,849), 2.3% from 2000 to 2010 (631,077), and 1.9% from 2010 to 2020 (642,836). The Census Bureau reported the County's 2023 single year population at 642,799.

Employment

Historic data of private (nongovernmental) employment in the County follow:

MONMOUTH COUNTY PRIVATE EMPLOYMENT

<u>Year</u>	<u>Number of Jobs</u>	<u>Percentage Change</u>
2019	232,697	1.6%
2020	210,899	-9.4
2021	222,923	5.7
2022	233,880	4.9
2023	239,227	2.3

Source: Bureau of Labor Statistics.

The economy of Monmouth County, as reflected in the number of jobs/industrial sector, is well diversified. In 2023, the service industry sector employs the greatest portion of people in the County at 62.17%, with retail trade next at 15.09% and construction at 6.58%. A breakdown of the data follows:

EMPLOYMENT BY INDUSTRIAL SECTOR

<u>Sector</u>	<u>Number Employed 2022</u>	<u>Percentage of Total</u>	<u>Number Employed 2023</u>	<u>Percentage of Total</u>
Services*	143,062	61.17%	148,723	62.17%
Retail Trade	35,652	15.25	36,097	15.09
Manufacturing	9,447	4.04	9,567	4.00
Finance, Insurance and Real Estate	13,143	5.62	12,679	5.30
Construction	15,443	6.60	15,729	6.58
Wholesale Trade	7,841	3.35	7,797	3.26
Utilities	1,797	0.77	1,863	0.78
Transportation and Warehousing	5,780	2.47	5,547	2.32
Agriculture	735	0.31	744	0.31
Unclassified Entities	<u>959</u>	<u>0.41</u>	<u>466</u>	<u>0.19</u>
Total	233,859	100.00%	239,212	100.00%

Source: Yearly Annual Averages, Bureau of Labor Statistics.

*Services includes Professional and Technical services, Management, Administrative and Waste Management, Education and Health services, Arts, Entertainment and Recreation, Food and Accommodation, Information, and All Other Services.

MAJOR EMPLOYERS - MONMOUTH COUNTY

The leading industries in the County by number of employees in 2022 are as follows:

<u>Employer</u>	<u>Municipality</u>	<u>Number Of Employees</u>
Hackensack Meridian Health (1)	Wall	12,794
Saker Shoprites Inc. (2)	Freehold Township	3,319
Centra State Healthcare Inc.	Freehold Township	2,646
Commvault	Tinton Falls	2,501
Visiting Nurse Assn Health Group (3)	Red Bank	2,500
RWJ Barnabas – Monmouth Medical Center	Long Branch	1,920
NJ Resources	Wall	1,251
Monmouth University	Long Branch	1,106
Erickson Living-Seabrook Village	Tinton Falls	850
Food Circus Supermarkets Inc.	Middletown	495

Source: Monmouth County Department of Economic Development.

NOTES:

- 1) Jersey Shore Medical Center, Riverview Medical Center, K. Hovnanian Children’s Hospital, Bayshore Community Hospital, and other facilities in Monmouth County
- 2) Shop Rite Supermarkets
- 3) VNA of Central NJ merged with Parker Healthcare Group

**COUNTY OF MONMOUTH
LABOR FORCE DATA**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Labor Force	341,968	336,742	339,979	347,680	352,981
Employment	331,394	307,993	319,991	335,679	339,416
Unemployment	10,574	28,749	19,988	12,001	13,565
Unemployment Rate	3.1%	8.5%	5.9%	3.5%	3.8%
New Jersey Unemployment Rate	3.5%	9.4%	6.7%	3.9%	4.4%
United States Unemployment Rate	3.7%	8.1%	5.4%	3.7%	3.6%

Source: Bureau of Labor Statistic.

Median Family Income

According to the U.S. Census Bureau, the median family income in the County was \$102,074 in 2010 and \$150,040 in 2022, as opposed to \$84,904 in 2010 and \$119,240 in 2022 for New Jersey and \$62,982 in 2010 and \$92,646 in 2022 for the nation.

Average Per Capita Income

<u>Year</u>	<u>Monmouth County</u>	<u>Percentage of United States</u>	<u>New Jersey</u>	<u>Percentage of United States</u>	<u>U.S.A.</u>
2019	\$51,700	151.6%	\$42,745	125.3%	\$34,103
2020	53,886	152.3	44,153	124.8	35,384
2021	57,836	153.7	46,691	124.1	37,638
2022	62,998	152.7	50,995	123.6	41,261
2023	65,545	151.4	53,118	122.7	43,289

Source: U.S. Census American Community Survey 5-year estimates Data Profiles.

Housing and Construction Values

The U.S. Census Bureau estimates 2020 census housing units in the County at 268,912 compared to the 2010 census housing units of 258,410, an increase of 4.1%. The following tables compare the County with the State relative to building permits and construction values for new, privately owned housing units.

RESIDENTIAL BUILDING PERMITS

<u>Year</u>	<u>County of Monmouth</u>	<u>State of New Jersey</u>	<u>Monmouth's Percentage of State Permits</u>
2019	1,262	30,770	4.1%
2020	1,642	26,680	6.2
2021	1,622	30,044	5.4
2022	1,384	31,792	4.4
2023	1,663	21,682	7.7

RESIDENTIAL CONSTRUCTION VALUES

(Thousands)

<u>Year</u>	<u>County of Monmouth</u>	<u>State of New Jersey</u>	<u>Monmouth's Percentage of State Construction Value</u>
2019	\$352,052	\$5,115,371	6.9%
2020	394,903	4,846,231	8.1
2021	387,442	5,276,237	7.3
2022	452,318	5,739,992	7.9
2023	595,653	5,599,783	10.6

Sources: New Jersey Department of Community Affairs.

The following table sets forth the distribution of non-residential construction values in the County:

NON-RESIDENTIAL CONSTRUCTION VALUES

(Thousands)

<u>Year</u>	<u>New Construction</u>	<u>Additions & Alterations</u>	<u>Total</u>
2019	\$139,333	\$322,084	\$461,416
2020	183,265	310,461	493,726
2021	208,288	320,190	528,478
2022	393,391	367,346	760,737
2023	119,254	359,761	479,015

Source: New Jersey Department of Community Affairs.

APPENDIX B

Financial Statements of the County

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COUNTY OF MONMOUTH

**AUDIT REPORT FOR THE YEAR
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**COUNTY OF MONMOUTH
COUNTY OF MONMOUTH, NEW JERSEY**

PART I

**INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2023**

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Certified Public Accountants + Advisors

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INDEPENDENT AUDITOR'S REPORT

Honorable Director and Members
of the Board of County Commissioners
County of Monmouth
Freehold, New Jersey

Opinions

We have audited the accompanying financial statements of the various funds and account group of the County of Monmouth, which comprise the statements of assets, liabilities, reserves and fund balance – regulatory basis as of December 31, 2023 and 2022, and the related statements of operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis and statement of expenditures – regulatory basis for the year ended December 31, 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance – regulatory basis of the County of Monmouth, as of December 31, 2023 and 2022, and the results of its operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis, statements of expenditures – regulatory basis for the year ended December 31, 2023, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the County of Monmouth, as of December 31, 2023 and 2022, or the results of its operations and changes in fund balance for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards 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 of Monmouth 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 audit opinions.

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 opinion. 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 generally accepted auditing standards, *Government Auditing Standards*, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey 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 generally accepted auditing standards, *Government Auditing Standards*, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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(s) 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 of Monmouth'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 of Monmouth's ability to continue as a going concern for a reasonable period of time.

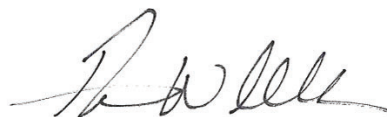
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2024, on our consideration of the County of Monmouth'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 of Monmouth's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Monmouth's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'R. W. Allison', written in a cursive style.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Lakewood, New Jersey
September 13, 2024

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Certified Public Accountants + Advisors

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

Honorable Director and Members
of the Board of County Commissioners
County of Monmouth
Freehold, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the County of Monmouth, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 13, 2024. Our report indicated that the County's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

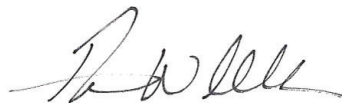
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'R. W. Allison', written in a cursive style.

Robert W. Allison
Certified Public Accountant
Register Municipal Accountant
RMA No. 483

Lakewood, New Jersey
September 13, 2024

BASIC FINANCIAL STATEMENTS

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**COUNTY OF MONMOUTH
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Regular Fund:		
Cash and Cash Equivalents	\$ 111,492,928.16	\$ 113,076,541.89
Investments	12,057,842.00	5,536,512.00
Change Funds	4,705.00	3,405.00
	<u>123,555,475.16</u>	<u>118,616,458.89</u>
Receivables and Other Assets With Full Reserves:		
Added and Omitted Taxes Receivable	2,211,806.10	2,084,569.02
Revenue Accounts Receivable	2,528,733.00	5,292,992.84
	<u>4,740,539.10</u>	<u>7,377,561.86</u>
Total Regular Fund	<u>128,296,014.26</u>	<u>125,994,020.75</u>
Federal and State Grant Fund:		
Cash and Cash Equivalents	16,752,161.39	53,266,304.88
Grants Receivable	172,017,368.98	206,041,563.74
Total Federal and State Grant Fund	<u>188,769,530.37</u>	<u>259,307,868.62</u>
Total Assets	<u>\$ 317,065,544.63</u>	<u>\$ 385,301,889.37</u>

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

**COUNTY OF MONMOUTH
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<u>Liabilities, Reserves and Fund Balance</u>		
Regular Fund:		
Appropriation Reserves	11,177,863.16	10,247,877.97
Reserve for Encumbrances	31,429,759.56	29,298,217.60
Accounts Payable	2,453,960.23	3,389,664.89
Due To State of New Jersey - Realty Transfer Fees	6,502,592.04	6,305,168.76
Due to Trust Other Fund	<u>275,745.01</u>	<u>347,557.90</u>
	<u>51,839,920.00</u>	<u>49,588,487.12</u>
Reserve for Receivables	4,740,539.10	7,377,561.86
Fund Balance	<u>71,715,555.16</u>	<u>69,027,971.77</u>
Total Regular Fund	<u>128,296,014.26</u>	<u>125,994,020.75</u>
Federal and State Grant Fund:		
Reserve for Grants - Appropriated	68,443,177.23	85,695,668.87
Reserve for Encumbrances	98,239,415.16	122,842,671.07
Reserve for Grants - Unappropriated	22,086,937.98	50,288,242.28
Due To Trust Fund	<u>-</u>	<u>481,286.40</u>
Total Federal and State Grant Fund	<u>188,769,530.37</u>	<u>259,307,868.62</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 317,065,544.63</u>	<u>\$ 385,301,889.37</u>

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

COUNTY OF MONMOUTH
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 34,000,000.00	\$ 34,000,000.00
Miscellaneous Revenue Anticipated	194,228,828.26	224,586,051.53
Receipts From Current Taxes	323,500,000.00	311,500,000.00
Non-Budget Revenue	18,831,593.89	13,027,333.63
Other Credits To Income:		
Cancelled Grant Reserves, Net	9,203.72	42,502.04
Unexpended Balance of Appropriation Reserves	8,943,131.66	13,077,247.41
Cancelled Accounts Payable	509,028.21	9,279.59
	<u>580,021,785.74</u>	<u>596,242,414.20</u>
<u>Expenditures</u>		
Budget Appropriations:		
Operations:		
Salaries and Wages	184,440,006.00	180,148,826.01
Other Expenses	239,968,816.99	270,278,584.33
Capital Improvements	6,006,681.59	3,550,000.00
Debt Service	64,930,122.77	64,835,365.37
Deferred Charges and Statutory Expenditures	47,988,575.00	44,780,016.00
	<u>543,334,202.35</u>	<u>563,592,791.71</u>
Excess in Revenue	36,687,583.39	32,649,622.49
Fund Balance, January 1	<u>69,027,971.77</u>	<u>70,378,349.28</u>
	105,715,555.16	103,027,971.77
Decreased By:		
Utilized as Anticipated Revenue	<u>34,000,000.00</u>	<u>34,000,000.00</u>
Fund Balance, December 31	<u>\$ 71,715,555.16</u>	<u>\$ 69,027,971.77</u>

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

**COUNTY OF MONMOUTH
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Anticipated		Realized	Excess or (Deficit)
	Budget	Special N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 34,000,000.00	\$ -	\$ 34,000,000.00	\$ -
Miscellaneous Revenues - Local Revenues:				
County Clerk	14,000,000.00	-	13,184,228.72	(815,771.28)
Surrogate	517,000.00	-	547,543.53	30,543.53
Sheriff	2,250,000.00	-	1,618,581.56	(631,418.44)
Interest on Investments and Deposits	4,587,929.00	-	11,362,031.60	6,774,102.60
Parks and Recreation	11,500,000.00	-	12,999,328.45	1,499,328.45
Receipts, Rental of County Owned Properties	400,000.00	-	1,074,749.98	674,749.98
Indirect Cost Recovery	11,067,379.39	-	9,382,837.59	(1,684,541.80)
Recovery of Fringe Benefits	6,000,000.00	-	6,200,086.40	200,086.40
Intoxicated Driver Resource Center	200,000.00	-	172,061.98	(27,938.02)
Reimbursement - Federal Inmates at Correctional Institution	920,000.00	-	1,302,620.88	382,620.88
Communications (Police Radio) Municipal Receipts - 911 Service	4,943,000.00	-	5,147,658.00	204,658.00
MCDOT - Agency Receipts	345,000.00	-	322,065.67	(22,934.33)
Division of Social Services	3,200,000.00	-	3,568,477.31	368,477.31
Total Miscellaneous Revenues - Local Revenues	59,930,308.39	-	66,882,271.67	6,951,963.28
Miscellaneous Revenues - State Aid:				
State Aid - County College Bonds (N.J.S.A. 18A:64A-22.6)	2,490,405.52	-	2,134,600.00	(355,805.52)
Reimbursement - Mental Health Administrator's Salary	12,000.00	-	9,000.00	(3,000.00)
Reimbursement - State Inmates at Correctional Institution	300,000.00	-	2,489,369.54	2,189,369.54
Division of Economic Assistance - Earned Income Credit	15,821,876.95	-	16,932,173.75	1,110,296.80
Total Miscellaneous Revenues - State Aid	18,624,282.47	-	21,565,143.29	2,940,860.82
Miscellaneous Revenues - State Assumption of Costs of				
County Social and Welfare Services and Psychiatric Facilities:				
Social and Welfare Services (C. 66, P.L. 1990):				
Supplemental Social Security Income	837,874.00	-	1,258,587.00	420,713.00
Division of Development Disabilities Assessment Program	55,000.00	-	30,559.62	(24,440.38)
Total Miscellaneous Revenues - State Assumption of Costs of	892,874.00	-	1,289,146.62	396,272.62
Miscellaneous Revenues - Special Items of General Revenue				
Anticipated with Prior Written Consent of the Director of				
Local Government Services - Public and Private Revenues				
Offset With Appropriations:				
State of New Jersey - Governor's Council on Alcohol and Drug Abuse:				
Alliance Prevention - FY2023	-	282,216.00	282,216.00	-
Youth Leadership Grant FY23	-	70,562.00	70,562.00	-
State of New Jersey - Department of Community Affairs:				
Low Income Home Energy Assistance Program (LIHEAP) - CWA FY 2023	13,452.00	-	13,452.00	-
Data Driven Making: Organizational Enhancement Program	-	20,000.00	20,000.00	-
Universal Service Fund (USF) - CWA, FY 2023	8,968.00	-	8,968.00	-
State of New Jersey - New Jersey Transit Corporation:				
FTA:				
Section 5311-FY 2023	225,790.50	-	225,790.50	-
Senior Citizen and Disabled Resident Transportation Grant (CASINO) CY 2023	1,919,882.00	-	1,919,882.00	-
North Jersey Transportation Planning Authority:				
NJIT:				
Sub-Regional Transportation Planning Program - UPWP - FY2024	-	168,190.00	168,190.00	-
State of New Jersey - Department of Maritime Resources:				
Bulkhead Improvements along Compton's Cree Shoal Harbor	-	11,053,122.83	11,053,122.83	-
State of New Jersey - Department of Transportation:				
Replacement of County Bridge S-32	-	2,150,732.50	2,150,732.50	-
Union Transportation Trail County Route 537 Crossing	-	64,786.14	64,786.14	-
TTF - Annual Transportation Program - FY 2023	-	10,101,367.00	10,101,367.00	-
State of New Jersey - Department of Children and Families:				
Human Services Advisory Council - CY 2024, 24AVNC	-	68,867.00	68,867.00	-
Child Advocacy Center Development Grant FY23	265,550.00	-	265,550.00	-
Child Advocacy Center Development Grant FY24	-	222,815.00	222,815.00	-
CSOC:				
CIACC - CY 2023, 23CCNR	-	47,674.00	47,674.00	-
State of New Jersey - Department of Human Services:				
DOAS:				
Monmouth County Office on Aging Comprehensive Area Plan Grant - CY 2022	13,172.00	-	13,172.00	-
Monmouth County Office on Aging Comprehensive Area Plan Grant - CY 2023	4,022,176.00	1,955,737.25	5,977,913.25	-
MCDOT:				
Donations - OOA Title III Transportation - CY 2023	100.10	-	100.10	-
DMHAS:				
Disaster Response Crisis Counseling	-	30,000.00	30,000.00	-
County Innovation Project	-	226,366.00	226,366.00	-

**COUNTY OF MONMOUTH
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Anticipated		Realized	Excess or (Deficit)
	Budget	Special N.J.S. 40A:4-87		
Medication Assisted Treatment Initiatives FY24	-	375,000.00	375,000.00	-
Alcoholism Services Plan - CY 2023, 23-535-ADA-O	1,180,265.00	-	1,180,265.00	-
Social Security Assistance for Mental Illness (SSAMI) - CY 2022	202,513.00	3,803.00	206,316.00	-
DFD:				
Transportation, WFNJ - CY 2023	90,383.00	-	90,383.00	-
Social Services for the Homeless - CY 2023	989,200.00	-	989,200.00	-
State of New Jersey - Office of the Attorney General:				
DLPS:				
Overdose Data to Action - Operation Helping Hand (OHH) - FFY 2023	-	105,263.15	105,263.15	-
HMGP - Local Multi-Jurisdictional Hazard Mitigation Program	200,000.00	-	200,000.00	-
American Rescue Plan Act - Automated License Plate Reader FY21	-	325,920.00	325,920.00	-
OEM - EMPG/EMAA FY22	55,000.00	-	55,000.00	-
OEM - EMPG/EMAA FY23	-	55,000.00	55,000.00	-
DLPS - DCJ:				
Justice Assistance Grant Gang, Gun and Narcotics Task Force	147,520.00	-	147,520.00	-
Justice Assistance Grant Gang, Gun and Narcotics Task Force FY21	-	128,113.00	128,113.00	-
Edward Byrne Memorial - Justice Assistance Grant, Gang, Gun and Narcotics Task Force FY22	-	101,560.00	101,560.00	-
Edward Byrne Memorial - Justice Assistance Grant, Gang, Gun and Narcotics Task Force FY20	-	97,846.00	97,846.00	-
Sexual Assault Nurse Examiner/Response Team (SANE/SART) FFY19	178,339.00	-	178,339.00	-
Sexual Assault Nurse Examiner/Response Team (SANE/SART) FFY21	-	196,762.00	196,762.00	-
STOP Violence Against Women Act - FFY 2022	-	43,984.00	43,984.00	-
Victims of Crime Act County Office of Victim Witness Advocacy FFY21	-	515,345.00	515,345.00	-
Body Armor Replacement Fund (BARF) - FY2022	26,800.82	-	26,800.82	-
PTC - LEOTEF - SFY 2022	-	1,000.00	1,000.00	-
PTC - LEOTEF - SFY 2023	-	26,035.00	26,035.00	-
DLPS - DHTS:				
Serious Collision Analysis Response Team FFY 2024	-	40,047.00	40,047.00	-
DWI Task Force - FFY 2022	-	83,230.00	83,230.00	-
Distracted Driving Crackdown 2023	-	7,000.00	7,000.00	-
YE Drive Sober Crackdown 2023	-	7,000.00	7,000.00	-
Sustained Enforcement for Speed, FY 2024	-	19,950.00	19,950.00	-
Sustained Enforcement for Speed, FY 2023	21,000.00	-	21,000.00	-
Sustained Enforcement for Distracted Driving- FY23	19,950.00	-	19,950.00	-
Drug Recognition Expert Callout - FFY 2024	-	51,030.00	51,030.00	-
DLPS - JJC:				
State/Community Partnership - CY 2023	668,640.00	-	668,640.00	-
YSC Juvenile Detention Alternatives Initiative Innovations - CY 2023	120,000.00	-	120,000.00	-
Family Court - CY 2023	386,754.00	-	386,754.00	-
State of New Jersey - Office of Homeland Security and Preparedness:				
State Homeland Security Grant Program (HSGP) - FFY 2023	-	257,711.15	257,711.15	-
State of New Jersey - Office of Information Technology:				
Public Safety Answering Point FFY23	-	2,500,000.00	2,500,000.00	-
Shared Services Agreements - Various Municipalities:				
MCOEM - Shrewsbury Flood Warning, FY 2023	12,000.00	-	12,000.00	-
State of New Jersey - Department of Agriculture:				
Spotted Lantern Fly - 2023 Chemical Control Treatment	-	50,000.00	50,000.00	-
State of New Jersey - Department of Environmental Protection:				
Clean Communities Program - CY 2023	-	149,714.55	149,714.55	-
State of New Jersey - Department of Corrections:				
County Re-Entry Coordinators Program FY23	-	21,494.71	21,494.71	-
County Re-Entry Coordinators Program FY24	-	100,000.00	100,000.00	-
State of New Jersey - Department of Labor and Workforce Development:				
Adult & D/L Worker - PY 2023	-	2,291,297.00	2,291,297.00	-
Youth Program - PY 2023	-	891,486.00	891,486.00	-
Summer Youth Program - FY 2023	-	954,514.00	954,514.00	-
Work First New Jersey (WFNJ) - SFY2024	-	1,153,204.00	1,153,204.00	-
SmartSTEPS Program SFY24	-	3,210.00	3,210.00	-
Workforce Learning Link (WLL) - SFY 2023	-	168,000.00	168,000.00	-
WIOA- Data Reporting and Analysis Allocation PY 2023	-	12,971.00	12,971.00	-
State of New Jersey - Department of State:				
Destination Marketing Grant - FY 2024	-	246,000.00	246,000.00	-
County History Partner Program, FY2022	53,500.00	-	53,500.00	-
United States Department of Housing and Urban Development:				
New York City (NYC) - HOPWA - FY 2023	-	393,672.00	393,672.00	-
United States Department of Justice:				
OJP - State Criminal Alien Assistance Program FFY2022	-	888,723.00	888,723.00	-
OJP - State Criminal Alien Assistance Program FFY2023	-	647,959.00	647,959.00	-
United States Department of the Treasury:				

**COUNTY OF MONMOUTH
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Anticipated		Realized	Excess or (Deficit)
	Budget	Special N.J.S. 40A:4-87		
USDT - Local Assistance and Tribal Consistency Fund, FY23	-	50,000.00	50,000.00	-
USDT - Emergency Rental Assistance (ERA 2)	-	8,911,916.69	8,911,916.69	-
County Clerks - Interlocal Service Agreements (ISA's):				
Document Summary Management System (DSMS), E-Recording - FY 2023	222,374.00	1,379.00	223,753.00	-
Monmouth County Municipalities - Interlocal Service Agreements:				
Open Public Records Search, Records Information Mgmt. (RIM) Maintenance	-	73,625.00	73,625.00	-
County Excess Liability Joint Insurance Fund:				
Munich Safety Grant, FY 2021	5,157.15	-	5,157.15	-
NJCEJIF - Lobby Guard	-	4,165.00	4,165.00	-
Opioid Class Action Settlement	559,150.75	306,005.27	865,156.02	-
Donations:				
Monmouth County Sheriff's Office K-9 Unit	-	3,245.33	3,245.33	-
WIB/WIA Scholarship Fund	-	10,775.00	10,775.00	-
Total Miscellaneous Revenues - Special Items of General Revenue Anticipated with Prior Written Consent of the Director of Local Government Services - Public and Private Revenues Offset With Appropriations	11,607,637.32	48,737,391.57	60,345,028.89	-
Special Items of General Revenue Anticipated With Prior Written Consent of the Director of Local Government Services - Other Special Items:				
Constitutional Officers - Increased Fees (P.L. 2001, C.370):				
County Clerk	2,300,000.00	-	1,473,948.46	(826,051.54)
Surrogate	365,000.00	-	352,887.59	(12,112.41)
Sheriff	59,000.00	-	54,950.00	(4,050.00)
Brookdale Community College- Intergovernmental Security Services- Sheriff	575,022.78	-	638,927.70	63,904.92
Utility Operating Surplus of Prior Year	3,000,000.00	-	3,000,000.00	-
Library Indirect Cost Recovery	3,500,000.00	-	2,636,105.00	(863,895.00)
IRS - Build America Bonds 45% Subsidy on Debt Service	245,370.82	-	123,938.67	(121,432.15)
Weights and Measures Trust Fund	75,000.00	-	75,000.00	-
Open Space Trust Fund	13,500,000.00	-	13,750,852.65	250,852.65
Debt Service Reserve from Care Center Sale in 2015	351,000.00	-	351,000.00	-
Superintendent of Elections- State Mandated Reimbursements	316,315.00	-	385,168.43	68,853.43
Board of Elections- State Mandated Reimbursements	855,000.00	-	404,459.29	(450,540.71)
American Rescue Plan- Revenue Loss Allocation	20,900,000.00	-	20,900,000.00	-
Total Special Items of General Revenue Anticipated With Prior Written Consent of the Director of Local Government Services - Other Special Items	46,041,708.60	-	44,147,237.79	(1,894,470.81)
Total Miscellaneous Revenues	137,096,810.78	48,737,391.57	194,228,828.26	8,394,625.91
Amount To Be Raised By Taxation - County Purpose Tax	323,500,000.00	-	323,500,000.00	-
Budget Totals	494,596,810.78	48,737,391.57	551,728,828.26	8,394,625.91
Non-Budget Revenues	-	-	18,831,593.89	18,831,593.89
Total General Revenues	\$ 494,596,810.78	\$ 48,737,391.57	\$ 570,560,422.15	\$ 27,226,219.80
			Fund Balance	34,000,000.00
			Federal & State Grants	60,345,028.89
			Cash Receipts	476,215,393.26
				<u>\$ 570,560,422.15</u>

**COUNTY OF MONMOUTH
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:	
Garnishment Service Charge	\$ 2,739.66
MCIA Guarantee Fees	279,258.99
Voter Registration - Labels and Tapes	655.45
Construction Board of Appeals	3,200.00
Added and Omitted Taxes	2,203,424.81
Vending Machine Commissions	2,775.16
Interest on Late Payment of Taxes	7,780.71
Miscellaneous Revenue Not Anticipated - MRNA	43,282.03
Judgements	1,618.20
Salary and Fringe Reimbursements	338,563.38
Interest - Parks Department	82,355.42
Interest - Sheriff's Account	128,878.82
Damages to County Property	800.00
Auction Sales	297,041.96
Inmate Transportation	37,325.46
Payment in Lieu of Taxes	781,748.75
Sale of County Merchandise and Property	59,778.15
Permit Fees	119,150.00
Appropriation Refunds	5,769,798.84
Insurance Reimbursements	636,488.84
Copier Receipts	172.95
Uniform Fire Code Permit Fees	3,134.00
Fire Academy Course Reimbursements	21,670.00
Planning Board Site Plan Review Fees	53,400.00
Planning Board Site Plan Inspection Fees	32,804.55
Planning Board Subdivision Application Fees	257,961.54
Reimbursement for Single Audit Costs	32,035.24
Shared Services - Fleet Reimbursements	684,130.38
Juror Compensation Fund	95.00
Reimbursement for Fleet Services	347.08
Print Shop Reimbursement	4,000.00
Probation Fines	6,445.04
Interest on the County Clerk's Account	205,901.32
Bail Bond Forfeiture	750.00
Shared Services - Public Works Reimbursement	480,036.34
Shared Services - MCIA Accounting Fee	43,285.43
Shared Services - Municipal RIM Maintenance	20,320.00
Shared Services - MCSO Policing	86,092.16
Police Academy - Tuition	217,677.00
Police Academy - Trainee Ammunition	4,546.90
Employee Reimbursements	4,321.61
County Clerk Elections - Reimbursements	428,181.17

**COUNTY OF MONMOUTH
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Analysis of Non-Budget Revenue (continued)

Board of Elections - Municipal Reimbursements	43,626.63
Board of Elections - State Reimbursement	623,157.22
Superintendent of Elections- Municipal Reimbursements	33,448.68
Voting Machine Rentals	2,221.31
Primary Election - Postage Reimbursement	46,139.06
MCPO - USDOJ - DEA Reimbursements	53,212.22
MCCI/Sheriff - USDOJ - DEA Reimbursements	27,152.22
MCPO - Restitution Collections	10.49
MCCI - Inmate Charges	94,301.78
MCCI - SSA Reimbursement Contract #NJ0092	22,000.00
MCCI - Inmate Charges - Medical Co-Pays	21,813.97
MCCI - Western Union/Jpay Commissions	19,590.00
MC Sheriff - Attorney ID Cards	500.00
License Agreement - Fiber Optic Cable	45,854.71
FEMA/State of NJ - Disaster Reimbursement	219,172.19
Bayshore Ferry - Rent	642,477.25
Division of Social Services	511,606.82
Vehicle Wash	3,405.00
New Jersey Hospital Fee Program- Dept of Health	3,037,932.00
	<hr/>
Total Miscellaneous Revenue Not Anticipated	<u>\$ 18,831,593.89</u>

Analysis of Miscellaneous Revenues Not Anticipated

Cash Receipts	\$ 16,628,169.08
County Added and Omitted Taxes	2,203,424.81
	<hr/>
	<u>\$ 18,831,593.89</u>

**COUNTY OF MONMOUTH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Budget After Modification	Paid or Charged	Expended		Reserved
				Encumbered	Reserved	
GENERAL GOVERNMENT FUNCTIONS:						
Office of County Administrator:						
Salaries and Wages	\$ 788,688.00	\$ 837,688.00	\$ 831,900.57	\$ -	\$ 5,787.43	
Other Expenses	133,083.00	133,083.00	125,969.03	2,272.85	4,841.12	
County Administrator- Building Security:						
Salaries and Wages	1,233,350.00	1,323,350.00	1,304,372.64	-	18,977.36	
Other Expenses	8,350.00	8,350.00	3,441.65	3,531.13	1,377.22	
Administration of Shared Service						
Salaries and Wages	83,606.00	33,606.00	26,367.00	-	7,239.00	
Other Expenses	5,000.00	5,000.00	187.60	-	4,812.40	
County Administrator - Solid Waste Management						
Salaries and Wages	204,489.00	225,489.00	222,367.38	-	3,121.62	
Research, Technical and Consulting Services:						
Other Expenses	1,200,000.00	1,200,000.00	676,903.78	501,646.95	21,449.27	
Purchasing Department:						
Salaries and Wages	501,668.00	518,668.00	518,061.15	-	606.85	
Other Expenses	23,330.00	23,330.00	9,919.42	2,724.44	10,686.14	
Public Information:						
Salaries and Wages	793,691.00	793,691.00	753,657.28	-	40,033.72	
Other Expenses	94,378.00	94,478.00	88,678.13	723.32	5,076.55	
Human Resources Department:						
Salaries and Wages	1,555,523.00	1,555,523.00	1,551,879.31	-	3,643.69	
Other Expenses	249,436.00	224,436.00	92,584.55	79,024.94	52,826.51	
Board of County Commissioners:						
Salaries and Wages	151,000.00	151,000.00	150,000.00	-	1,000.00	
Other Expenses	2,344.00	2,344.00	1,010.00	-	1,334.00	
Clerk of the Board:						
Salaries and Wages	374,153.00	380,653.00	380,122.47	-	530.53	
Other Expenses	53,250.00	53,150.00	28,899.41	11,643.82	12,606.77	
County Clerk - Elections:						
Salaries and Wages	326,679.00	326,679.00	272,781.35	-	53,897.65	
Other Expenses	148,485.00	148,485.00	101,601.08	37,136.23	9,747.69	
Office of the County Clerk:						
Salaries and Wages	2,832,614.00	2,732,614.00	2,628,525.48	-	104,088.52	
Other Expenses	250,130.00	250,130.00	201,347.87	36,907.52	11,874.61	
Superintendent of Elections:						
Salaries and Wages	1,304,456.00	1,304,456.00	1,201,737.43	-	102,718.57	
Other Expenses	1,079,465.00	1,079,465.00	793,163.91	230,415.75	55,885.34	
Board of Elections:						
Salaries and Wages	2,655,588.00	2,655,588.00	2,440,922.24	-	214,665.76	
Other Expenses	336,090.00	336,090.00	218,646.18	100,083.45	17,360.37	
Finance Department:						
Salaries and Wages	1,751,009.00	1,813,009.00	1,798,292.52	-	14,716.48	
Other Expenses	494,235.00	539,235.00	414,934.53	94,996.01	29,304.46	

**COUNTY OF MONMOUTH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Budget After Modification	Paid or Charged	Expended		Reserved
				Encumbered	Reserved	
Office of Records Management:						
Salaries and Wages	\$ 186,137.00	\$ 188,137.00	\$ 188,054.54	\$ -	\$ 82.46	
Other Expenses	50,317.00	50,317.00	1,086.99	49,097.07	132.94	
Audit Services:						
Other Expenses	203,300.00	217,700.00	-	217,700.00	-	
Department of Information Technology:						
Salaries and Wages	3,647,293.00	3,660,293.00	3,641,956.29	-	18,336.71	
Other Expenses	1,393,185.00	1,393,185.00	903,243.36	380,239.30	109,702.34	
Board of Taxation:						
Salaries and Wages	465,844.00	466,344.00	466,031.11	-	312.89	
Other Expenses	5,049.00	5,049.00	332.63	4,511.02	205.35	
Office of the County Counsel:						
Salaries and Wages	428,807.00	441,807.00	441,101.64	-	705.36	
Other Expenses	1,024,423.00	1,324,423.00	1,164,417.71	119,106.81	40,898.48	
Office of County Adjuster:						
Salaries and Wages	147,075.00	147,575.00	147,122.15	-	452.85	
Other Expenses	301,725.00	301,725.00	179,079.18	620.99	122,024.83	
County Surrogate:						
Salaries and Wages	964,001.00	957,001.00	939,920.77	-	17,080.23	
Other Expenses	15,360.00	15,360.00	14,466.35	-	893.65	
County Engineer:						
Salaries and Wages	5,429,089.00	5,526,089.00	5,525,887.08	-	201.92	
Other Expenses	283,743.00	283,743.00	152,111.72	107,045.63	24,585.65	
Economic Development :						
Salaries and Wages	224,955.00	230,055.00	229,031.42	-	1,023.58	
Other Expenses	51,519.00	51,519.00	41,112.63	5,897.20	4,509.17	
Historical Commission:						
Salaries and Wages	30,975.00	35,975.00	21,091.32	-	14,883.68	
Other Expenses	272,138.00	272,138.00	209,587.09	60,215.00	2,335.91	
LAND USE ADMINISTRATION:						
Planning Board (N.J.S.40A:27-3):						
Salaries and Wages	859,162.00	819,162.00	813,792.46	-	5,369.54	
Other Expenses	20,342.00	20,342.00	13,453.65	5,106.32	1,782.03	
CODE ENFORCEMENT AND ADMINISTRATION:						
Weights and Measures:						
Salaries and Wages	304,828.00	312,328.00	311,169.40	-	1,158.60	
Other Expenses	1,250.00	1,250.00	1,000.00	-	250.00	

**COUNTY OF MONMOUTH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Budget After Modification	Paid or Charged	Expended		Reserved
				Encumbered	Reserved	
INSURANCE:						
Other Insurance Premiums:						
Other Expenses	\$ 3,225,000.00	\$ 3,025,000.00	\$ 2,904,081.10	\$ -	\$ -	\$ 120,918.90
Worker's Compensation:						
Other Expenses	3,550,000.00	4,205,000.00	4,097,978.50	-	-	107,021.50
Group Insurance Plan:						
Other Expenses	46,365,000.00	46,365,000.00	46,062,298.27	206,112.15	-	96,589.58
Other Expenses- ARP Revenue Loss	11,100,000.00	11,100,000.00	11,100,000.00	-	-	-
Unemployment Compensation						
Insurance (N.J.S.A.43:21-3 et seq):						
Other Expenses	450,000.00	450,000.00	-	-	-	450,000.00
PUBLIC SAFETY FUNCTIONS:						
Sheriff's Office - Special Operations:						
Salaries and Wages	3,067,527.00	2,817,527.00	2,777,964.90	-	-	39,562.10
Other Expenses	153,600.00	153,600.00	80,205.61	69,525.18	-	3,869.21
Sheriff's Office - Communications Division:						
Salaries and Wages	10,552,486.00	11,502,486.00	11,340,708.74	-	-	161,777.26
Other Expenses	1,998,707.00	1,998,707.00	1,244,376.59	602,420.58	-	151,909.83
Office of Emergency Management:						
Salaries and Wages	363,511.00	363,511.00	346,856.27	-	-	16,654.73
Other Expenses	61,200.00	61,200.00	41,045.12	16,545.35	-	3,609.53
Department of Consumer Affairs:						
Salaries and Wages	355,934.00	367,934.00	367,521.90	-	-	412.10
Other Expenses	4,910.00	4,910.00	3,735.79	-	-	1,174.21
Medical Examiner:						
Other Expenses	1,625,000.00	1,450,000.00	1,425,113.46	16,780.00	-	8,106.54
Sheriff's Office:						
Salaries and Wages	15,739,216.00	15,239,216.00	14,933,364.11	-	-	305,851.89
Other Expenses	694,900.00	694,900.00	536,592.22	141,780.80	-	16,526.98
Office of the County Prosecutor:						
Salaries and Wages	26,367,946.00	25,276,146.00	24,788,885.37	-	-	487,260.63
Other Expenses	1,404,000.00	1,404,000.00	952,159.29	409,142.93	-	42,697.78
Correctional Institution:						
Salaries and Wages	36,482,782.00	37,032,782.00	35,941,276.80	-	-	1,091,505.20
Other Expenses	9,226,538.00	9,226,538.00	5,216,316.87	2,998,703.60	-	1,011,517.53
Fire Marshall (N.J.S. 40A:14-1):						
Salaries and Wages	784,573.00	684,573.00	673,769.57	-	-	10,803.43
Other Expenses	129,415.00	129,415.00	49,541.57	44,400.49	-	35,472.94
Police Academy and Firing Range:						
Salaries and Wages	598,650.00	598,650.00	565,503.90	-	-	33,146.10
Other Expenses	208,090.00	208,090.00	97,773.57	51,807.77	-	58,508.66

**COUNTY OF MONMOUTH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Budget After Modification	Paid or Charged	Expended		Reserved
				Encumbered	Reserved	
PUBLIC WORKS FUNCTIONS:						
County Road Maintenance:						
Salaries and Wages	\$ 7,390,448.00	\$ 7,640,448.00	\$ 7,614,179.47	\$ -	\$ -	\$ 26,268.53
Other Expenses	1,525,348.00	1,525,348.00	1,247,271.48	257,630.96	-	20,445.56
County Bridge Maintenance:						
Salaries and Wages	1,378,475.00	1,128,475.00	1,106,049.11	-	-	22,425.89
Other Expenses	2,084,621.00	2,084,621.00	1,275,473.64	798,960.76	-	10,186.60
Director of Public Works and Engineering:						
Salaries and Wages	439,057.00	439,057.00	394,282.41	-	-	44,774.59
Other Expenses	188,841.00	188,841.00	174,832.60	-	-	14,008.40
Shade Tree Commission:						
Salaries and Wages	1,247,154.00	1,197,154.00	1,140,697.23	-	-	56,456.77
Other Expenses	100,499.00	100,499.00	37,795.98	33,504.18	-	29,198.84
Buildings and Grounds:						
Salaries and Wages	6,049,016.00	6,549,016.00	6,548,337.96	-	-	678.04
Salaries and Wages	2,500,000.00	2,500,000.00	2,500,000.00	-	-	-
Salaries and Wages- ARP Revenue Loss	1,756,790.00	1,756,790.00	397,767.85	1,102,540.75	-	256,481.40
Other Expenses	4,800,000.00	4,800,000.00	4,800,000.00	-	-	-
Other Expenses- ARP Revenue Loss						
Division of Fleet Services:						
Salaries and Wages	2,818,188.00	2,938,188.00	2,937,587.16	-	-	600.84
Other Expenses	2,177,932.00	2,177,932.00	1,171,304.49	798,235.81	-	208,391.70
Other Expenses- ARP Revenue Loss	1,000,000.00	1,000,000.00	1,000,000.00	-	-	-
Mosquito Extermination Commission (N.J.S. 26:9-13 et seq):						
Salaries and Wages	985,030.00	1,051,030.00	1,022,901.88	-	-	28,128.12
Other Expenses	314,795.00	314,795.00	112,106.56	136,776.49	-	65,911.95
HUMAN SERVICES AND HEALTH FUNCTIONS:						
Division of Social Services Administration:						
Salaries and Wages	14,826,512.00	14,826,512.00	14,383,933.51	-	-	442,578.49
Other Expenses	15,367,712.00	15,367,712.00	14,409,831.75	212,679.91	-	745,200.34
Temporary Assistance for Needy Families - County Share:						
Other Expenses	56,789.00	56,789.00	56,789.00	-	-	-
Assistance for Social Security Recipients:						
Other Expenses	837,874.00	837,874.00	837,874.00	-	-	-

**COUNTY OF MONMOUTH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Budget After Modification	Paid or Charged	Expended		Reserved
				Encumbered	Reserved	
Department of Human Services:						
Salaries and Wages	\$ 357,925.00	\$ 357,925.00	\$ 298,326.83	\$ -	\$ 59,598.17	
Other Expenses	4,075.00	4,075.00	1,714.18	70.54	2,290.28	
Division of Planning and Contracting:						
Salaries and Wages	309,847.00	296,647.00	210,947.49	-	85,699.51	
Other Expenses	2,251,150.00	2,251,150.00	1,312,955.62	907,360.97	30,833.41	
Juvenile Detention Alternative Initiative:						
Salaries and Wages	144,615.00	144,615.00	100,382.12	-	44,232.88	
Other Expenses	10,533.00	10,533.00	4,532.09	5,077.61	923.30	
Public Health Service (N.J.S. 40A:13-1):						
Other Expenses	724,014.00	724,014.00	554,175.00	169,839.00	-	
Office of Disabilities:						
Salaries and Wages	61,958.00	63,958.00	63,905.09	-	52.91	
Other Expenses	2,975.00	2,975.00	734.21	352.83	1,887.96	
Division of Behavioral Health (N.J.S. 40:9B-4)						
Salaries and Wages	219,343.00	219,343.00	180,564.21	-	38,778.79	
Other Expenses	1,450,370.00	1,450,370.00	339,918.57	1,103,823.52	6,627.91	
Intoxicated Driver Resource Center:						
Salaries and Wages	137,267.00	137,267.00	117,819.45	-	19,447.55	
Other Expenses	54,990.00	54,990.00	33,921.53	19,962.95	1,105.52	
Maintenance of Patients in State Institutions for Mental Diseases (N.J.S. 30:4 -79) County Share:						
Other Expenses	2,368,059.00	2,368,059.00	2,278,561.00	-	89,498.00	
Veterans Services Office:						
Salaries and Wages	185,891.00	185,891.00	168,329.13	-	17,561.87	
Other Expenses	32,760.00	32,760.00	32,234.17	431.75	94.08	
Office on Aging:						
Salaries and Wages	247,275.00	247,275.00	232,901.93	-	14,373.07	
Other Expenses	15,164.00	15,164.00	13,883.51	527.74	752.75	
Division of Transportation:						
Salaries and Wages	160,000.00	50,000.00	-	-	50,000.00	
Other Expenses	101,350.00	86,950.00	-	72,037.46	14,912.54	
Environmental Health Act - Contractual (N.J.S. 26:3A2-21)						
Monmouth County Department of Health:						
Other Expenses	640,000.00	640,000.00	640,000.00	-	-	

**COUNTY OF MONMOUTH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Budget After Modification	Paid or Charged	Expended		Reserved
				Encumbered	Reserved	
PARK AND RECREATION FUNCTIONS:						
Department of Parks and Recreation:						
Salaries and Wages	\$ 19,517,025.00	\$ 21,617,025.00	\$ 21,531,218.14	\$ -	\$ 85,806.86	
Other Expenses	1,885,079.00	1,885,079.00	1,448,773.86	398,313.88	37,991.26	
EDUCATION FUNCTIONS:						
Mon. Cty. Community College Brookdale (N.J.S. 18A-64A):						
Other Expenses	20,277,019.00	20,277,019.00	11,828,261.10	8,448,757.90	-	
Reimbursement for Residents Attending Out of County Two Year Colleges (N.J.S. 18A-64A):						
Other Expenses	161,500.00	161,500.00	53,911.76	1,099.04	106,489.20	
Cooperative Extension Service:						
Salaries and Wages	332,292.00	332,292.00	320,155.57	-	12,136.43	
Other Expenses	151,449.00	151,449.00	74,936.84	248.84	76,263.32	
Vocational Schools:						
Other Expenses	18,762,178.00	18,762,178.00	10,477,937.19	7,484,240.98	799,999.83	
Superintendent of Schools:						
Salaries and Wages	191,887.00	198,087.00	197,917.10	-	169.90	
Other Expenses	4,250.00	4,250.00	2,777.68	1,098.26	374.06	
OTHER COMMON OPERATING FUNCTIONS (UNCLASSIFIED):						
Prior Years Bills:						
Eagle Point Gun Shop- 2020	2,509.60	2,509.60	2,509.60	-	-	
Mr. John- 2019	1,241.00	1,241.00	1,241.00	-	-	
T-Mobile USA- 2020	5,860.00	5,860.00	5,860.00	-	-	
Allentown Historic Preservation Comm- 2020&2021	10,912.50	10,912.50	5,987.50	-	4,925.00	
Asbury Park Historical Society- 2020	2,615.00	2,615.00	2,615.00	-	-	
Atlantic Highlands Historical Society- 2020	6,175.00	6,175.00	6,175.00	-	-	
Borough of Fair Haven Historical Commission- 2020	3,750.00	3,750.00	-	-	3,750.00	
FBI- LEEDA- 2021	695.00	695.00	695.00	-	-	
Accumulated Leave Compensation:						
Salaries and Wages	1,000,000.00	1,000,000.00	300,000.00	-	700,000.00	
Provision for Salary Adjustments and New Employees:						
Salaries and Wages	3,226,196.00	196.00	-	-	196.00	
UTILITY EXPENSES AND BULK PURCHASES:						
Utilities:						
Other Expenses	9,275,627.00	9,275,627.00	6,168,302.16	2,662,406.80	444,918.04	
Other Expenses- ARP Revenue Loss	1,500,000.00	1,500,000.00	1,500,000.00	-	-	

**COUNTY OF MONMOUTH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Budget After Modification	Paid or Charged	Expended	
				Encumbered	Reserved
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:					
State of New Jersey - Governor's Council on Alcohol and Drug Abuse:					
Alliance Prevention - FY 2023	\$ -	\$ 282,216.00	\$ 282,216.00	\$ -	\$ -
Youth Leadership Grant FY23	-	70,562.00	70,562.00	-	-
State of New Jersey - Department of Community Affairs:					
Low Income Home Energy Assistance Program (LIHEAP) - CWA FY 2023	13,452.00	13,452.00	13,452.00	-	-
Data Driven Making: Organizational Enhancement Program	-	20,000.00	20,000.00	-	-
Universal Service Fund (USF) - CWA, FY 2023	8,968.00	8,968.00	8,968.00	-	-
State of New Jersey - New Jersey Transit Corporation:					
FTA:					
Section 5311-FY 2023	301,054.00	301,054.00	301,054.00	-	-
Senior Citizen and Disabled Resident Transportation Grant (CASINO) CY 2023	1,919,882.00	1,919,882.00	1,919,882.00	-	-
North Jersey Transportation Planning Authority:					
NJIT:					
Sub-Regional Transportation Planning Program - UPWP - FY2024	-	168,190.00	168,190.00	-	-
State of New Jersey - Department of Maritime Resources:					
Bulkhead Improvements along Compton's Cree Shoal Harbor	-	11,053,122.83	11,053,122.83	-	-
State of New Jersey - Department of Transportation:					
Replacement of County Bridge S-32	-	2,150,732.50	2,150,732.50	-	-
Union Transportation Trail County Route 537 Crossing	-	64,786.14	64,786.14	-	-
TTF - Annual Transportation Program - FY 2023	-	10,101,367.00	10,101,367.00	-	-
State of New Jersey - Department of Children and Families:					
Human Services Advisory Council - CY 2024, 24AVNC	-	68,867.00	68,867.00	-	-
Child Advocacy Center Development Grant FY23	265,550.00	265,550.00	265,550.00	-	-
Child Advocacy Center Development Grant FY24	-	222,815.00	222,815.00	-	-
CSOC:					
CIACC - CY 2023, 23CCNR	-	47,674.00	47,674.00	-	-
State of New Jersey - Department of Human Services:					
DOAS:					
Monmouth County Office on Aging Comprehensive Area Plan Grant - CY 2022	13,172.00	13,172.00	13,172.00	-	-
Monmouth County Office on Aging Comprehensive Area Plan Grant - CY 2023	4,068,048.00	6,023,785.25	6,023,785.25	-	-
MCDOT:					
Donations - OOA Title III Transportation - CY 2023	100.10	100.10	100.10	-	-
DMHAS:					
Disaster Response Crisis Counseling	-	30,000.00	30,000.00	-	-
County Innovation Project	-	226,366.00	226,366.00	-	-
Medication Assisted Treatment Initiatives FY24	-	375,000.00	375,000.00	-	-
Alcoholism Services Plan - CY 2023, 23-535-ADA-O	1,180,265.00	1,180,265.00	1,180,265.00	-	-
Social Security Assistance for Mental Illness (SSAMI) - CY 2022	202,513.00	206,316.00	206,316.00	-	-
DFD:					
Transportation, WFNJ - CY 2023	90,383.00	90,383.00	90,383.00	-	-
Social Services for the Homeless - CY 2023	989,200.00	989,200.00	989,200.00	-	-

**COUNTY OF MONMOUTH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Budget After Modification	Paid or Charged	Expended		Reserved
				Encumbered	Reserved	
State of New Jersey - Office of the Attorney General:						
DLPS:						
Overdose Data to Action - Operation Helping Hand (OHH) - FFY 2023	\$ -	\$ 105,263.15	\$ 105,263.15	\$ -	\$ -	\$ -
HMGP - Local Multi-Jurisdictional Hazard Mitigation Program	200,000.00	200,000.00	200,000.00	-	-	-
American Rescue Plan Act - Automated License Plate Reader FY21	-	325,920.00	325,920.00	-	-	-
OEM - EMPG/EMAA FY22	55,000.00	55,000.00	55,000.00	-	-	-
OEM - EMPG/EMAA FY23	-	55,000.00	55,000.00	-	-	-
DLPS - DCJ:						
Justice Assistance Grant Gang, Gun and Narcotics Task Force	147,520.00	147,520.00	147,520.00	-	-	-
Justice Assistance Grant Gang, Gun and Narcotics Task Force FY21	-	128,113.00	128,113.00	-	-	-
Edward Byrne Memorial - Justice Assistance Grant, Gun and Narcotics Task Force FY22	-	101,560.00	101,560.00	-	-	-
Edward Byrne Memorial - Justice Assistance Grant, Gun and Narcotics Task Force FY20	-	97,846.00	97,846.00	-	-	-
Sexual Assault Nurse Examiner/Response Team (SANE/SART) FFY19	178,339.00	178,339.00	178,339.00	-	-	-
Sexual Assault Nurse Examiner/Response Team (SANE/SART) FFY21	-	196,762.00	196,762.00	-	-	-
STOP Violence Against Women Act - FFY 2022	-	43,984.00	43,984.00	-	-	-
Victims of Crime Act County Office of Victim Witness Advocacy FFY21	-	515,345.00	515,345.00	-	-	-
Body Armor Replacement Fund (BARF) - FY2022	26,800.82	26,800.82	26,800.82	-	-	-
PTC - LEOTEF - SFY 2022	-	1,000.00	1,000.00	-	-	-
PTC - LEOTEF - SFY 2023	-	26,035.00	26,035.00	-	-	-
DLPS - DHTS:						
Serious Collision Analysis Response Team FFY 2024	-	40,047.00	40,047.00	-	-	-
DWI Task Force - FFY 2022	-	83,230.00	83,230.00	-	-	-
Distracted Driving Crackdown 2023	-	7,000.00	7,000.00	-	-	-
YE Drive Sober Crackdown 2023	-	7,000.00	7,000.00	-	-	-
Sustained Enforcement for Speed, FY 2024	-	19,950.00	19,950.00	-	-	-
Sustained Enforcement for Speed, FY 2023	21,000.00	21,000.00	21,000.00	-	-	-
Sustained Enforcement for Distracted Driving- FY23	19,950.00	19,950.00	19,950.00	-	-	-
Drug Recognition Expert Callout - FFY 2024	-	51,030.00	51,030.00	-	-	-
DLPS - JJC:						
State/Community Partnership - CY 2023	772,082.00	772,082.00	772,082.00	-	-	-
YSC Juvenile Detention Alternatives Initiative Innovations - CY 2023	120,000.00	120,000.00	120,000.00	-	-	-
Family Court - CY 2023	386,754.00	386,754.00	386,754.00	-	-	-
State of New Jersey - Office of Homeland Security and Preparedness:						
State Homeland Security Grant Program (HSGP) - FFY 2023	-	257,711.15	257,711.15	-	-	-
State of New Jersey - Office of Information Technology:						
Public Safety Answering Point FY23	-	2,500,000.00	2,500,000.00	-	-	-
Shared Services Agreements - Various Municipalities:						
MCOEM - Shrewsbury Flood Warning, FY 2023	13,500.00	13,500.00	13,500.00	-	-	-
State of New Jersey - Department of Agriculture:						
Spotted Lantern Fly - 2023 Chemical Control Treatment	-	50,000.00	50,000.00	-	-	-
State of New Jersey - Department of Environmental Protection:						
Clean Communities Program - CY 2023	-	149,714.55	149,714.55	-	-	-

**COUNTY OF MONMOUTH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
State of New Jersey - Department of Corrections:					
County Re-Entry Coordinators Program FY23	-	21,494.71	21,494.71	\$	-
County Re-Entry Coordinators Program FY24	-	100,000.00	100,000.00	-	-
State of New Jersey - Department of Labor and Workforce Development:					
Adult & D/L Worker - PY 2023	-	2,291,297.00	2,291,297.00	-	-
Youth Program - PY 2023	-	891,486.00	891,486.00	-	-
Summer Youth Program - FY 2023	-	954,514.00	954,514.00	-	-
Work First New Jersey (WFNJ) - SFY2024	-	1,153,204.00	1,153,204.00	-	-
SmartSTEPS Program SFY24	-	3,210.00	3,210.00	-	-
Workforce Learning Link (WLL) - SFY 2023	-	168,000.00	168,000.00	-	-
WIOA- Data Reporting and Analysis Allocation PY 2023	-	12,971.00	12,971.00	-	-
State of New Jersey - Department of State:					
Destination Marketing, American Rescue Plan FY 23-25	-	246,000.00	246,000.00	-	-
County History Partner Program, FY2022	53,500.00	53,500.00	53,500.00	-	-
United States Department of Housing and Urban Development:					
New York City (NYC) - HOPWA - FY 2023	-	393,672.00	393,672.00	-	-
United States Department of Justice:					
OJP - State Criminal Alien Assistance Program FFY2022	-	888,723.00	888,723.00	-	-
OJP - State Criminal Alien Assistance Program FFY2023	-	647,959.00	647,959.00	-	-
United States Department of the Treasury:					
USDT - American Rescue Plan Act (ARPA)	-	7,500,000.00	7,500,000.00	-	-
USDT - Local Assistance and Tribal Consistency Fund, FY23	-	50,000.00	50,000.00	-	-
USDT - Emergency Rental Assistance (ERA 2)	-	1,411,916.69	1,411,916.69	-	-
County Clerks - Interlocal Service Agreements (ISAs):					
Document Summary Management System (DSMS), E-Recording - FY 2023	222,374.00	223,753.00	223,753.00	-	-
Monmouth County Municipalities - Interlocal Service Agreements:					
Open Public Records Search, Records Information Mgmt. (RIM) Maintenance	-	73,625.00	73,625.00	-	-
County Excess Liability Joint Insurance Fund:					
Munich Safety Grant, FY 2021	5,157.15	5,157.15	5,157.15	-	-
NJCEJF - Lobby Guard	-	4,165.00	4,165.00	-	-
Opioid Class Action Settlement	559,150.75	865,156.02	865,156.02	-	-
Donations:					
Monmouth County Sheriff's Office K-9 Unit	-	3,245.33	3,245.33	-	-
WIB/WIA Scholarship Fund	-	10,775.00	10,775.00	-	-
Monmouth County:					
Matching Funds for Grants	823,922.50	823,922.50	116,784.50	-	707,138.00
Total Public and Private Programs Offset By Revenues	12,657,637.32	61,395,028.89	60,687,890.89	-	707,138.00

**COUNTY OF MONMOUTH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Budget After Modification	Paid or Charged	Expended		Reserved
				Enumbered	Reserved	
Total Operations	\$ 375,754,131.42	\$ 424,248,822.99	\$ 382,162,380.57	\$ 31,223,843.53	\$ 10,862,598.89	
Contingent	160,000.00	160,000.00	125,806.10	19,500.00	14,693.90	
Total Operations Including Contingent	375,914,131.42	424,408,822.99	382,288,186.67	31,243,343.53	10,877,292.79	
Detail:						
Salaries and Wages	185,282,706.00	184,440,006.00	179,912,432.35	-	4,527,573.65	
Other Expenses	190,631,425.42	239,968,816.99	202,375,754.32	31,243,343.53	6,349,719.14	
CAPITAL IMPROVEMENTS:						
Capital Improvement Fund	3,000,000.00	3,000,000.00	3,000,000.00	-	-	
Capital Improvements:						
Beach Replenishment- County Share	2,129,681.59	2,129,681.59	2,129,681.59	-	-	
Acq. Of Equipment- Board of Elections	327,000.00	327,000.00	327,000.00	-	-	
Buildings and Grounds	550,000.00	550,000.00	314,046.44	186,416.03	49,537.53	
Total Capital Improvements	6,006,681.59	6,006,681.59	5,770,728.03	186,416.03	49,537.53	
COUNTY DEBT SERVICE:						
Payment of Bond Principal:						
State Aid - County College Bonds (N.J.S. 18A:64A-22.6)	3,285,000.00	3,285,000.00	3,285,000.00	-	-	
Vocational School Bonds	2,330,000.00	2,330,000.00	2,330,000.00	-	-	
Other Bonds	41,345,000.00	41,345,000.00	41,345,000.00	-	-	
Interest on Bonds:						
State Aid - County College Bonds (N.J.S. 18A:64A-22.6)	1,184,870.20	1,184,870.20	1,184,870.20	-	-	
Vocational School Bonds	1,059,833.38	1,059,833.38	1,059,833.38	-	-	
Other Bonds	15,725,419.19	15,725,419.19	15,725,419.19	-	-	
Total County Debt Service	64,930,122.77	64,930,122.77	64,930,122.77	-	-	

**COUNTY OF MONMOUTH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
\$ 16,832,527.00	\$ 16,832,527.00	\$ 16,726,225.00	\$ -	\$ -	\$ 106,302.00
13,100,000.00	13,325,000.00	13,258,123.98	-	-	66,876.02
17,745,348.00	17,745,348.00	17,668,618.80	-	-	76,729.20
68,000.00	85,700.00	84,574.38	-	-	1,125.62
Total Deferred Charges and Statutory Expenditures - County	47,745,875.00	47,988,575.00	47,737,542.16	-	251,032.84
TOTAL GENERAL APPROPRIATIONS	\$ 494,596,810.78	\$ 543,334,202.35	\$ 500,726,579.63	\$ 31,429,759.56	\$ 11,177,863.16

DEFERRED CHARGES AND STATUTORY EXPENDITURES - COUNTY:

Statutory Expenditures - Contribution To:
 Public Employees' Retirement System
 Social Security System (O.A.S.I.)
 Police and Firemen's Retirement System
 Defined Contribution Retirement Plan ("DCRP")

Total Deferred Charges and Statutory Expenditures - County

TOTAL GENERAL APPROPRIATIONS

Analysis of Budget After Modification

Original Budget \$ 494,596,810.78
 Appropriation by N.J.S.A. 40A:4-87 48,737,391.57

\$ 543,334,202.35

Analysis of Paid or Charged

Cash Disbursements \$ 439,792,004.74
 Accounts Payable 589,546.00
 Federal and State Grants 60,345,028.89

\$ 500,726,579.63

**COUNTY OF MONMOUTH
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES AND RESERVES - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 169,724,616.82	\$ 160,261,073.93
U.S. HUD Receivables:		
Relocation Assistance Program	3,532,051.94	2,748,179.43
Community Development Block Grants	5,671,255.89	9,109,195.74
Home Investment Grant	9,399,431.22	4,161,114.62
Shelter Plus Care Grant	1,419,474.00	1,117,727.00
Emergency Shelter Grants	216,771.28	745,971.92
Receivables - Other:		
Health Grants	5,956,293.64	1,169,257.00
Environmental Health Grants	11,313.75	288,122.75
Library Grants	1,462,500.00	1,950,000.00
Taxes Receivable for Library, Health and Open Space Funds	453,221.98	399,083.98
Due From Current Fund	275,745.01	347,557.90
Due From Grant Fund	-	481,286.40
	<u>\$ 198,122,675.53</u>	<u>\$ 182,778,570.67</u>
 <u>Liabilities and Reserves</u>		
Reserve for Taxes Receivable for Library, Health and Open Space	\$ 453,221.98	\$ 399,083.98
Accounts Payable	4,339.00	4,339.00
Reserve for U.S. HUD Grants:		
Relocation Assistance Program	4,986,203.69	4,237,117.73
Community Development Block Grants	4,686,656.41	8,947,166.85
Home Investment Grants	9,389,920.95	4,171,496.00
Shelter Plus Care	1,253,910.00	1,119,703.00
Emergency Shelter	216,602.43	745,803.07
Reserve for:		
Retirees Health Benefits	47,089.77	30,222.74
Other Trust Funds	177,084,731.30	163,123,638.30
Total Liabilities and Reserves	<u>\$ 198,122,675.53</u>	<u>\$ 182,778,570.67</u>

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

**COUNTY OF MONMOUTH
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 23,217,998.30	\$ 75,279,901.85
Investments	2,357,672.97	2,147,454.08
Accounts Receivable:		
Open Space Trust Fund	163,063.00	320,047.00
State of New Jersey - County College:		
Capital Projects, Chapter 12, P.L. 1971	10,610,000.00	12,545,000.00
Deferred Charges To Future Taxation:		
Funded	370,505,000.00	417,395,000.00
Unfunded	182,187,711.00	89,565,000.00
	<u>\$ 589,041,445.27</u>	<u>\$ 597,252,402.93</u>
<u>Liabilities, Reserves and Fund Balance</u>		
General Serial Bonds	\$ 317,790,000.00	\$ 359,135,000.00
County College Serial Bonds - Chapter 12, P.L. 1971:		
State Share	10,610,000.00	12,545,000.00
County Share	12,615,000.00	13,965,000.00
Open Space Trust Fund Serial Bonds	16,450,000.00	18,315,000.00
New Jersey Economic Development Authority:		
Vocational School Bonds	20,995,000.00	23,325,000.00
IPA Note Payable	2,655,000.00	2,655,000.00
Reserve for Script Redemption	1,508.63	1,508.63
Improvement Authorizations:		
Funded	32,078,113.42	73,763,677.43
Unfunded	172,636,022.36	89,565,000.00
Interest Due State of New Jersey	17,571.24	195,622.14
Capital Improvement Fund	125,661.72	421,261.72
Reserve for:		
Installment Purchase Agreement	2,357,672.97	2,147,454.08
Open Space Receivable	163,063.00	320,047.00
Debt Service - Care Centers	400,000.00	751,000.00
	<u>588,894,613.34</u>	<u>597,105,571.00</u>
Fund Balance	<u>146,831.93</u>	<u>146,831.93</u>
	<u>\$ 589,041,445.27</u>	<u>\$ 597,252,402.93</u>

There were bonds and notes authorized but not issued on December 31, 2023 of \$182,187,711.00 and on December 31, 2022, of \$89,565,000.00.

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

**COUNTY OF MONMOUTH
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 & 2022

\$ 146,831.93

**COUNTY OF MONMOUTH
RECLAMATION CENTER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Operating Fund:		
Cash and Cash Equivalents	\$ 28,485,365.84	\$ 27,107,056.53
Cash - Change Fund	1,750.00	1,750.00
Investments	<u>15,570,233.86</u>	<u>14,538,805.33</u>
	<u>44,057,349.70</u>	<u>41,647,611.86</u>
Receivables with Full Reserves:		
Consumer Accounts Receivable	<u>1,000,451.21</u>	<u>888,432.87</u>
Total Operating Fund	<u>45,057,800.91</u>	<u>42,536,044.73</u>
Capital Fund:		
Cash and Cash Equivalents	6,691,907.13	11,220,374.37
Fixed Capital	90,608,802.40	90,608,802.40
Fixed Capital Authorized and Uncompleted	<u>52,242,759.75</u>	<u>26,242,759.75</u>
Total Capital Fund	<u>149,543,469.28</u>	<u>128,071,936.52</u>
Utility Grant Fund:		
Cash and Cash Equivalents	313,613.59	288,674.12
Grants Receivable	<u>607,500.00</u>	<u>615,600.00</u>
Total Utility Grant Fund	<u>921,113.59</u>	<u>904,274.12</u>
Total Assets	<u>\$ 195,522,383.78</u>	<u>\$ 171,512,255.37</u>

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

COUNTY OF MONMOUTH
RECLAMATION CENTER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

<u>Liabilities, Reserves and Fund Balances</u>	<u>2023</u>	<u>2022</u>
Operating Fund:		
Appropriation Reserves	\$ 1,181,950.43	\$ 2,250,054.82
Reserve for Encumbrances	6,942,555.75	5,805,187.35
Reserve for Landfill Closure Escrow	15,570,233.86	14,538,805.33
Host Community Benefit Tax Payable	513,159.06	513,860.29
Accrued Interest on Bonds and Notes	766,046.26	389,969.15
Reserve For Environmental Impairment Liability	7,000,000.00	7,000,000.00
Prepaid Utility Fees - Haulers	2,025,424.03	2,404,474.51
Accounts Payable	60,399.00	60,399.00
Landfill Contingency Taxes Payable	17,289.87	16,032.64
State of New Jersey Recycling Tax Payable	315,576.03	313,947.00
Landfill Closure Escrow Taxes Payable	34,180.81	32,065.28
	<hr/>	<hr/>
	34,426,815.10	33,324,795.37
Reserve for Receivables	1,000,451.21	888,432.87
Fund Balance	9,630,534.60	8,322,816.49
	<hr/>	<hr/>
Total Operating Fund	45,057,800.91	42,536,044.73
	<hr/>	<hr/>
Capital Fund:		
Serial Bonds	35,815,000.00	38,625,000.00
Improvement Authorizations:		
Funded	6,447,306.64	10,975,773.88
Unfunded	26,000,000.00	-
Deferred Reserve for Amortization	5,837,108.50	5,837,108.50
Reserve for Amortization	75,199,453.65	72,389,453.65
Fund Balance	244,600.49	244,600.49
	<hr/>	<hr/>
Total Capital Fund	149,543,469.28	128,071,936.52
	<hr/>	<hr/>
Utility Grant Fund:		
Appropriated Reserves	869,005.53	794,867.86
Reserve for Encumbrances	52,108.06	109,406.26
	<hr/>	<hr/>
Total Utility Grant Fund	921,113.59	904,274.12
	<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balances	<u>\$ 195,522,383.78</u>	<u>\$ 171,512,255.37</u>

There was \$26,000,000.00 in bonds and notes authorized but not issued on December 31, 2023 and \$0.00 on December 31, 2022.

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

COUNTY OF MONMOUTH
RECLAMATION CENTER UTILITY FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 100,000.00	\$ -
Reclamation Center Utility Fees	32,274,722.58	31,671,473.87
Interest on Investments	1,127,235.32	317,377.73
NJDEP - Recycling Enhancement Act (N.J.S 40A:4-87)	607,500.00	615,600.00
Miscellaneous Revenue Not Anticipated	2,759,569.25	3,061,627.88
Unexpended Balance of Appropriation Reserves	146,190.96	1,162,684.83
Accounts Payable Cancelled	-	624,441.46
	<u>37,015,218.11</u>	<u>37,453,205.77</u>
Expenditures:		
Operating	28,079,245.10	29,118,586.66
Debt Service	4,528,254.90	2,922,013.34
	<u>32,607,500.00</u>	<u>32,040,600.00</u>
Excess in Revenue	4,407,718.11	5,412,605.77
Fund Balance, January 1	<u>8,322,816.49</u>	<u>5,910,210.72</u>
	12,730,534.60	11,322,816.49
Decreased By:		
Utilized as Anticipated Revenue- Current Fund	3,000,000.00	3,000,000.00
Utilized as Anticipated Revenue	100,000.00	-
	<u>3,100,000.00</u>	<u>3,000,000.00</u>
Fund Balance, December 31	<u><u>\$ 9,630,534.60</u></u>	<u><u>\$ 8,322,816.49</u></u>

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

**COUNTY OF MONMOUTH
RECLAMATION CENTER UTILITY FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 & 2022

\$ 244,600.49

**COUNTY OF MONMOUTH
RECLAMATION CENTER UTILITY FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Anticipated		Realized	Excess/ (Deficit)
	Budget	Special N.J.S. 40A:4-87		
Operating Fund Balance Anticipated	\$ 100,000.00	\$ -	\$ 100,000.00	\$ -
Reclamation Center Utility Fees	31,600,000.00	-	32,274,722.58	674,722.58
Interest on Investments	300,000.00	-	1,127,235.32	827,235.32
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
NJDEP - Recycling Enhancement Act (N.J.S. 40A:4-87)	-	607,500.00	607,500.00	-
Miscellaneous Revenue Not Anticipated	-	-	2,759,569.25	2,759,569.25
	<u>\$ 32,000,000.00</u>	<u>\$ 607,500.00</u>	<u>\$ 36,869,027.15</u>	<u>\$ 4,261,527.15</u>

Analysis of Realized Utility Fee Revenue:

Utility Fees:

Levied

\$ 37,464,613.81

Increased/(decreased) By:

Change in Receivables

(112,018.34)

37,352,595.47

Decreased By:

Prepaid Utility Fees Applied - Haulers

\$ 387,566.75

Landfill Contingency Tax

215,284.38

Host Community Benefits Tax

2,762,722.03

Landfill Closure Escrow Tax

428,074.70

Recycling Tax

1,284,225.035,077,872.89\$ 32,274,722.58

Cash Receipts

\$ 495,408.35

Utility Fees Levied

31,779,314.23\$ 32,274,722.58Miscellaneous Revenue Not Anticipated:

Grass Clippings

\$ 29,003.60

Recycling Composter Sales

4,635.00

Cover Material

2,410,840.10

Vehicle Wash

18,205.00

Sale of Wood Chips

296,885.55\$ 2,759,569.25

**COUNTY OF MONMOUTH
RECLAMATION CENTER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Expended	
	Budget	Budget After Modification	Paid or Charged	Encumbered Reserved
Operating:				
Other Expenses	\$ 27,467,005.44	\$ 27,467,005.44	\$ 19,343,179.26	\$ 6,942,555.75
Prior Year Bills	4,739.66	4,739.66	4,059.66	680.00
NJDEP - Recycling Enhancement Act	-	607,500.00	607,500.00	-
Total Operating	27,471,745.10	28,079,245.10	19,954,738.92	6,942,555.75
Debt Service:				
Payment of Bond Principal	2,810,000.00	2,810,000.00	2,810,000.00	-
Interest on Bonds	1,718,254.90	1,718,254.90	1,718,254.90	-
Total Debt Service	4,528,254.90	4,528,254.90	4,528,254.90	-
Total Operating	\$ 32,000,000.00	\$ 32,607,500.00	\$ 24,482,993.82	\$ 6,942,555.75
Analysis of Budget After Modification				
Original Budget	\$ 32,000,000.00			
Appropriation by N.J.S.A. 40A:4-87	607,500.00			
	\$ 32,607,500.00			
Analysis of Paid or Charged:				
Accrued Interest on Bonds and Notes		\$ 1,718,254.90		
Grants Appropriated		607,500.00		
Disbursed		22,157,238.92		
		\$ 24,482,993.82		

COUNTY OF MONMOUTH
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF ASSETS & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Land	\$ 1,104,900,680.56	\$ 1,080,621,429.56
Land Improvements	69,948,630.82	69,948,630.82
Buildings	372,271,027.15	369,392,218.22
Construction in Progress	16,093,865.21	16,080,920.14
Furniture, Fixtures and Equipment	105,703,211.59	95,066,950.63
Vehicles	109,274,140.17	105,346,461.70
	<hr/>	<hr/>
Total Assets	<u>\$ 1,778,191,555.50</u>	<u>\$ 1,736,456,611.07</u>
<u>Liabilities</u>		
Investment in General Fixed Assets	<u>\$ 1,778,191,555.50</u>	<u>\$ 1,736,456,611.07</u>
	<hr/>	<hr/>
Total Liabilities	<u>\$ 1,778,191,555.50</u>	<u>\$ 1,736,456,611.07</u>

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

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COUNTY OF MONMOUTH

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2023

Note 1. Summary of Significant Accounting Policies

Description of Reporting Entity – Monmouth County is located in Central New Jersey. It is the northernmost county along the Jersey Shore. As of the 2020 Census, the population was 643,615, up from 630,380 at the 2010 Census, remaining the fifth-most populous county in the state. Its county seat is in Freehold Borough. The most populous place was Middletown Township, with 67,106 residents at the time of the 2020 Census, while Howell Township covered 61.21 square miles (158.5 km), the largest total area of any municipality.

The County government operates under a five-member Board of County Commissioners, elected at-large by the voters of the County. Each member is elected to a term of three years. A director and deputy director are selected from their membership at the first meeting each year. The Commissioners have both administrative and policy-making powers.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61, 80, 90 & 97, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the County are not presented in accordance with GAAP, and therefore the financial statements are not presented in accordance with GASB Statement No. 14, as amended by GASB Statement 39, 61, 80, 90 & 97. Had the financials been in accordance with GAAP, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the County, the primary government:

County College
County Vocational School
County Improvement Authority
County Bayshore Outfall Authority

Annual financial statements are available at the offices of these entities.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the County of Monmouth contain all funds and account groups in accordance with the “Requirements of Audit” as promulgated by the State of New Jersey, Department of Community Affairs, and Division of Local Government Services. The principles and practices established by the Requirements of Audit are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these “Requirements”. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United State of America applicable to local government units. The more significant differences are explained in this Note.

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

Current Fund - is used to account for all revenues and expenditures applicable to the general operations of the County.

Grant Fund - is used to account for resources and expenditures of Federal, State and other grants.

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 1. Summary of Significant Accounting Policies (continued)

Trust Funds – is used to account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - is used to account for financial resources to be used for the acquisition of general capital facilities, other than those accounted for in the current fund. The major revenue resources are derived from the sale of serial bonds and bond anticipation notes.

Reclamation Utility Operating Fund - is used to account for revenues and expenditures related to the operation of a waste disposal and reclamation utility center.

Reclamation Utility Capital Fund - is used to account for financial resources for the acquisition of major capital reclamation facilities, other than those accounted for in the reclamation utility fund. The major revenue resources are derived from the sale of serial bonds and bond anticipation notes.

Reclamation Utility Grant Fund - is used to account for resources and expenditures of Federal and State Grant Funds related to the Reclamation Center.

General Fixed Asset Account Group – is used to account for property, land, buildings, and equipment that have been acquired by other funds.

Budgets and Budgetary Accounting - The County of Monmouth must adopt an annual budget for its Current Fund, Reclamation Center Utility Fund and Open Space Trust Fund in accordance with N.J.S.A.40A:4 et seq. N.J.S.A.40A:4-5 requires the governing body to introduce and approve the annual county budget no later than January 26th of each year. At introduction, the governing body must fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the County. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A.40A:4-9. Amendments to adopted budgets, if any are detailed in the statements of revenues and expenditures.

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

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

Cash, Cash Equivalents and Investments - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at fair value in the basic financial statements.

New Jersey county and municipal units are required by N.J.S.A.40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund.

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 1. Summary of Significant Accounting Policies (continued)

N.J.S.A.40A:5-15.1 provides a list of investments, which may be purchased by New Jersey county and municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

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

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

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Leases Receivable – The County’s leases receivable are measured at the value of lease payments expected to be received during the lease term. Lease payments received are recorded as revenue in the period in which they are received. The leases receivable are not recorded on the various statements of assets, liabilities, reserves and net position in accordance with the regulatory basis of accounting.

Right to Use Leased Assets/Subscription – The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The assets leased by the County consist of equipment, office space, and storage space. The right to used leased assets are not recorded on the various statements of assets, liabilities, reserves and net position in accordance with the regulatory basis of accounting.

Right-of-use- assets for subscriptions represent the County’s right to use an underlying asset for the subscription term. The right to use leased assets are not recorded on the various statements of assets, liabilities, reserves and net position in accordance with the regulatory basis of accounting.

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 of assets, liabilities, reserves and fund balance.

General Fixed Assets – Property and equipment purchased by the Current and General Capital Fund are recorded as expenditures at the time of purchase and are not capitalized. All interest costs are recorded as expenditures when paid.

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 1. Summary of Significant Accounting Policies (continued)

Accounting for governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. The following is a brief description of the provisions of the Directive:

Fixed assets used in governmental operations (General Fixed Assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. No depreciation of general fixed assets is recorded. Donated general fixed assets are valued at their estimated fair market value on the acquisition date.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital has not been accounted for separately.

Utility Fixed Assets – Property and equipment purchased by the utility fund are recorded in the utility capital fund at cost. The Reserve for Amortization and Deferred Reserve for Amortization account in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment and improvements and contributed capital.

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

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the County establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the County may levy taxes on all taxable property within the local unit to repay the debt. Annually, the County raises the debt requirements for that particular year in the Current Fund budget. As funds are raised, the deferred charges are reduced.

Fund Balance – Fund Balance included in the Current Fund and Utility Reclamation Fund represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

Revenues – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the County's budget. Other amounts that are due the County, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

County Taxes – Every municipality within the County is responsible for levying, collecting and remitting county taxes for the County of Monmouth. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations for every municipality are charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition,

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 1. Summary of Significant Accounting Policies (continued)

operations for every municipality are charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Expenditures – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

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

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

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

Compensated Absences and Post-employment Benefits – Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a pay-as-you-go basis. The County has established a Trust fund for future accumulated absences related to sick leave.

Comparative Data - Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the County’s financial position and operations. However, comparative data have not been presented in each of the statements because their inclusion would make the statements unduly complex and difficult to read.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

Accounting Pronouncements Adopted in Current Year

The following GASB Statements became effective for the fiscal year ended December 31, 2023:

- Statement No. 96, *Subscription-Based Information Technology Arrangements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 1. Summary of Significant Accounting Policies (continued)

- Statement No. 99, *Omnibus*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Management has determined that the implementation of these Statements did not have a significant impact on the County's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods (continued)

The following accounting pronouncements will become effective in future reporting periods:

- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.
- Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.
- Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

Management has not yet determined the potential impact these Statements will have on the County's financial statements.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be recovered. Although the County does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the County in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the County relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized. As of December 31, 2023, the County's bank balances of \$360,666,401.62 were exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	<u>\$ 360,666,401.62</u>
	<u><u>\$ 360,666,401.62</u></u>

Investments

New Jersey municipal units are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey municipal units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America; government money market mutual funds; any obligation that a federal agency or a federal instrumentality has issued in accordance

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 2. Deposits and Investments (continued)

with an act of Congress; 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; bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units; local government investment pools; deposits with the State of New Jersey Cash Management Fund; and agreements for the purchase of fully collateralized securities with certain provisions. The County has no investment policy that would further limit its investment choices.

As of December 31, 2023, the County had the following investments and maturities:

<u>Investment type</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
			<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>
Bond Anticipation Notes	\$ 12,057,842.00	\$ 12,057,842.00	\$ 12,057,842.00	\$ -	\$ -
Cash/Money Markets	146,382.95	146,382.95	146,382.95	-	-
Taxable Bonds:					
Corporate Issues	107,868.32	105,054.87	105,054.87	-	-
U.S. Government Issues	18,440,630.33	17,676,469.01	1,757,219.25	15,319,092.71	600,157.05
	<u>\$ 30,752,723.60</u>	<u>\$ 29,985,748.83</u>	<u>\$ 14,066,499.07</u>	<u>\$ 15,319,092.71</u>	<u>\$ 600,157.05</u>
Current Fund	\$ 12,057,842.00	\$ 12,057,842.00	\$ 12,057,842.00	\$ -	\$ -
Capital Fund:					
Hofling	600,157.67	600,157.69	0.64	-	600,157.05
Scheuing	1,775,056.47	1,757,515.28	1,757,515.28	-	-
Utility Operating	16,319,667.46	15,570,233.86	251,141.15	15,319,092.71	-
	<u>\$ 30,752,723.60</u>	<u>\$ 29,985,748.83</u>	<u>\$ 14,066,499.07</u>	<u>\$ 15,319,092.71</u>	<u>\$ 600,157.05</u>

Fair Value Measurement – The County categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. Investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available.

All of the County’s investments described above are classified in Level 1 and are valued using prices quoted in active markets for those securities. The County does not hold any investments that are measured using Level 2 and Level 3 inputs

Custodial Credit Risk - Custodial credit risk is a risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the County and are held by either the counterparty or the counterparty’s trust department or agent but not in the County’s name. Of the County’s \$29,985,748.83 investments listed above, \$29,985,748.83 is registered in the County’s name.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The County has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 2. Deposits and Investments (continued)

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A 40A:5-15.1 limits the investments that the County may purchase such as Treasury securities in order to limit the exposure of governmental units to credit risk. The County has no investment policy that would further limit its investment choices. The investments in U.S. Treasury securities were rated AA+ by Standard & Poor’s and AAA by Moody’s.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the County does not place a limit on the amount that may be invested in any one issuer. More than 5 percent of the County’s investments are in US Government Issues. These investments are 94.84% of the County’s total investments.

The investments in US Governmental Issues are reported at fair value in the general capital and utility operating funds in the amount of \$2,357,672.97 and \$15,570,233.86, respectively.

Note 3. Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison Schedule of Tax Rates:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
County Tax Rate	\$ 0.194	\$ 0.212	\$ 0.229
County Library Tax Rate	0.014	0.016	0.017
County Health Tax Rate	0.004	0.004	0.005
County Open Space Tax Rate	0.028	0.028	0.028
	<u>\$ 0.240</u>	<u>\$ 0.260</u>	<u>\$ 0.279</u>

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2023	\$ 165,796,243,733
2022	146,994,112,458
2021	131,788,589,629

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 3. Property Taxes (continued)

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2023	\$ 323,500,000.00	\$ 323,500,000.00	100.00%
2022	311,500,000.00	311,500,000.00	100.00%
2021	311,500,000.00	311,500,000.00	100.00%

Note 4. Reclamation Utility Service Disposal Charges

The following is a five-year comparison of reclamation utility service disposal charges and collections for the current and previous four years.

Comparison of Reclamation Utility Service Disposal Charges and Collections

<u>Year</u>	<u>Beginning Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2023	\$ 888,432.87	\$ 31,779,314.23	\$ 32,667,747.10	\$ 32,274,722.58	98.80%
2022	606,709.15	31,220,962.40	31,827,671.55	31,671,473.87	99.51%
2021	666,319.72	31,297,631.93	31,963,951.65	31,357,242.50	98.10%
2020	617,996.96	30,008,118.72	30,626,115.68	29,959,877.72	97.82%
2019	672,690.86	30,402,919.64	31,075,610.50	30,457,613.54	98.01%

Note 5. Interfund Receivables and Payables

The following interfund balances were recorded in the various statements of assets, liabilities, reserves and fund balances at December 31, 2023:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ -	\$ 275,745.01
Trust Other Fund	275,745.01	-
	<u>\$ 275,745.01</u>	<u>\$ 275,745.01</u>

The summary of interfund transfers for 2023 are as follows:

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 5. Interfund Receivables and Payables (continued)

Fund	Transfers In	Transfers Out
Current Fund	\$ 20,900,000.00	\$ 3,347,557.90
State and Federal Grant Fund	-	21,381,286.40
Trust Other Fund	828,844.30	-
Capital Fund	3,000,000.00	-
	<u>\$ 24,728,844.30</u>	<u>\$ 24,728,844.30</u>

Transfers could be used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

Note 6. Fund Balance Appropriated

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2023	\$ 71,715,555.16	\$ 34,000,000.00	47.41%
2022	69,027,971.77	34,000,000.00	49.26%
2021	70,378,349.28	34,000,000.00	48.31%
2020	63,117,651.25	36,375,000.00	57.63%
2019	68,058,764.88	36,500,000.00	53.63%
Reclamation Utility Operating Fund:			
2023	\$ 9,630,534.60	\$ 500,000.00	5.19%
2022	8,322,816.49	100,000.00	1.20%
2021	5,910,210.72	-	0.00%
2020	1,524,242.71	1,521,000.00	99.79%
2019	3,800,881.19	3,800,000.00	99.98%

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 7. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2023:

	Balance December 31, 2022	Additions	Retirements	Reclassification	Balance December 31, 2023
Land	\$ 1,080,621,429.56	\$ 24,279,251.00	\$ -	\$ -	\$ 1,104,900,680.56
Land Improvements	69,948,630.82	-	-	-	69,948,630.82
Buildings	369,392,218.22	3,005,138.00	(113,384.00)	(12,945.07)	372,271,027.15
Construction in Progress	16,080,920.14	-	-	12,945.07	16,093,865.21
Furniture, Fixtures & Equipment	95,066,950.63	11,882,215.36	(1,245,954.40)	-	105,703,211.59
Vehicles	105,346,461.70	5,810,014.47	(1,882,336.00)	-	109,274,140.17
	<u>\$ 1,736,456,611.07</u>	<u>\$ 44,976,618.83</u>	<u>\$ (3,241,674.40)</u>	<u>\$ -</u>	<u>\$ 1,778,191,555.50</u>

During 2023, the County contracted an outside third party to perform an appraisal on all fixed assets owned by the County. The appraisal reported the historical cost of all physical assets at December 31, 2023 as required by the New Jersey regulatory basis of accounting. Therefore, additions and retirements above may not reflect actual current year activity.

Note 8. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 8. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2023, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2023, the County's contractually required contribution to PERS plan was \$16,501,501.

Components of Net Pension Liability - At December 31, 2023, the County's proportionate share of the PERS net pension liability was \$178,832,052. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The County's proportion of the net pension liability was based on the County's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The County's proportion measured as of June 30, 2023, was 1.2346550277% which was a decrease of 0.0917199166% from its proportion measured as of June 30, 2022.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 8. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Balances at December 31, 2023 and December 31, 2022

	<u>12/31/2023</u>	<u>12/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Deferred Outflows of Resources	\$ 5,486,828	\$ 15,060,696
Deferred Inflows of Resources	25,485,457	33,732,218
Net Pension Liability	178,832,052	200,168,238
County's portion of the Plan's total Net Pension Liability	1.23466%	1.32637%

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources - At December 31, 2023, the County's proportionate share of the PERS expense/(credit), calculated by the plan as of the June 30, 2023 measurement date is (\$3,507,576). This expense/(credit) is not recognized by the County because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the County contributed \$16,501,501 to the plan in 2023. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 1,709,864	\$ 731,008
Changes of Assumptions	392,858	10,837,989
Net Difference between Projected and Actual Earnings on Pension Plan Investments	823,545	-
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions	2,560,561	13,916,460
	<u>\$ 5,486,828</u>	<u>\$ 25,485,457</u>

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 8. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ (11,712,843)
2025	(7,541,154)
2026	5,093,256
2027	(3,589,124)
2028	<u>(2,248,764)</u>
	<u>\$ (19,998,629)</u>

Special Funding Situation – Under N.J.S.A. 43:15A-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, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

At December 31, 2023, the State's proportionate share of the PERS expense, associated with the County, calculated by the plan as of the June 30, 2023 measurement date was \$730,695.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 8. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Inflation:	
Price	2.75%
Wage	3.25%
 Salary Increases:	
	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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 8. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 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.

Sensitivity of the County's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension liability 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 were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's Proportionate Share of the Net Pension Liability	<u>\$ 234,763,986</u>	<u>\$ 178,832,052</u>	<u>\$ 134,017,533</u>

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 8. Pension Obligations (continued)

B. Police and Firemen's Retirement System (PFRS)

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

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

The following represents the membership tiers for PFRS:

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

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

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS, its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS, the participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2020, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 8. Pension Obligations (continued)

B. Police and Firemen’s Retirement System (PFRS) (continued)

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2023, the County’s contractually required contributions to PFRS plan was \$17,700,335.

Net Pension Liability and Pension Expense - At December 31, 2023 the County’s proportionate share of the PFRS net pension liability was \$146,910,306. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. The County’s proportion of the net pension liability was based on the County’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2023. The County’s proportion measured as of June 30, 2023, was 1.32965148%, which was a decrease of 0.0286615% from its proportion measured as of June 30, 2022.

Balances at December 31, 2023 and December 31, 2022

	<u>12/31/2023</u>	<u>12/31/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Deferred Outflows of Resources	\$ 14,385,095	\$ 22,151,966
Deferred Inflows of Resources	22,839,800	33,696,359
Net Pension Liability	146,910,306	155,477,318
 County’s portion of the Plan’s total net pension Liability	 1.32965%	 1.35831%

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources – At December 31, 2023, the County’s proportionate share of the PFRS expense/(credit), calculated by the plan as of the June 30, 2023 measurement date was \$6,122,164. This expense/credit is not recognized by the County because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the County contributed \$17,700,335 to the plan in 2023.

At December 31, 2023, the County had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 8. Pension Obligations (continued)

B. Police and Firemen’s Retirement System (PFRS) (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 6,290,405	\$ 7,006,318
Changes of Assumptions	317,085	9,919,966
Net Difference between Projected and Actual Earnings on Pension Plan Investments	7,481,865	-
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions	295,740	5,913,516
	\$ 14,385,095	\$ 22,839,800

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PFRS that will be recognized in future periods:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ (6,840,791)
2025	(6,610,255)
2026	7,703,987
2027	(1,882,794)
2028	(852,564)
Thereafter	27,712
	\$ (8,454,705)

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

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 8. Pension Obligations (continued)

B. Police and Firemen’s Retirement System (PFRS) (continued)

disclose the portion of the non-employer contributing entities’ total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the non-employer contributing entities’ total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the County is \$27,069,933 as of December 31, 2023. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. The State’s proportion of the net pension liability associated with the County was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2023 was 1.32965128%, which was a decrease of 0.0286615% from its proportion measured as of June 30, 2022, which is the same proportion as the County’s. At December 31, 2023, the County’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

County’s Proportionate Share of Net Pension Liability	\$146,910,306
State of New Jersey’s Proportionate Share of Net Pension Liability Associated with the County	<u>27,069,933</u>
	<u>\$173,980,239</u>

At December 31, 2023, the State’s proportionate share of the PFRS expense, associated with the County, calculated by the plan as of the June 30, 2023 measurement date was \$3,079,149.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

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

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 8. Pension Obligations (continued)

B. Police and Firemen’s Retirement System (PFRS) (continued)

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS’s target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 8. Pension Obligations (continued)

B. Police and Firemen’s Retirement System (PFRS) (continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 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.

Sensitivity of the County’s proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County’s proportionate share of the net pension liability 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 were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County’s Proportionate Share of the Net Pension Liability	\$ 204,693,787	\$ 146,910,306	\$ 98,790,472
State of New Jersey’s Proportionate Share of Net Pension Liability associated with the County	<u>37,717,212</u>	<u>27,069,933</u>	<u>18,203,294</u>
	<u>\$ 242,410,999</u>	<u>\$ 173,980,239</u>	<u>\$ 116,993,766</u>

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

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 9. Post-Employment Benefits Other Than Pension Benefits

A. Local Plan

Development of GASB 75 Net OPEB Expense

Calculation Details - The following table illustrates the Net OPEB Liability under GASB 75:

	Fiscal Year Ending 12/31/2022	Fiscal Year Ending 12/31/2023
(1) OPEB Liability		
(a) Retired Participants and Beneficiaries Receiving Payment	\$ 287,420,452	\$ 326,587,518
(b) Active Participants	<u>45,212,784</u>	<u>40,032,369</u>
(c) Total	\$ 332,633,236	\$ 366,619,887
(2) Plan Fiduciary Net Position	<u>0</u>	<u>0</u>
(3) Net OPEB Liability	\$ 332,633,236	\$ 366,619,887
(4) Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%
(5) Deferred Outflow of Resources for Contributions Made After Measurement Date	\$ 0	0

Expense - The following table illustrates the OPEB expense under GASB 75:

	Fiscal Year Ending 12/31/2022	Fiscal Year Ending 12/31/2023
(1) Service Cost	\$ 1,828,600	\$ 1,111,126
(2) Interest Cost	8,543,338	12,074,380
(3) Expected Investment Return	0	0
(4) Employee Contributions	0	0
(5) Administrative Expense	0	0
(6) Plan Changes	0	0
(7) Amortization of Unrecognized		
(a) Liability (Gain)/Loss	(7,532,867)	10,878,503
(b) Asset (Gain)/Loss	0	0
(c) Assumption Change (Gain)/Loss	<u>(62,737,521)</u>	<u>35,560,686</u>
(8) Total Expense	\$ (59,898,450)	\$ 59,624,695

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 9. Post-Employment Benefits Other Than Pension Benefits (continued)

Shown below are details regarding the calculation of Service Cost, Interest Cost and Expected Investment Return components of the Expense:

	Fiscal Year Ending 12/31/2022	Fiscal Year Ending 12/31/2023
(1) Development of Service Cost:		
(a) Normal Cost at Beginning of Measurement Period	\$ 1,828,600	\$ 1,111,126
(2) Development of Interest Cost:		
(a) Total OPEB Liability at Beginning of Measurement Period	\$ 421,395,689	\$ 332,633,236
(b) Normal Cost at Beginning of Measurement Period	1,828,600	1,111,126
(c) Net Benefit Payments ¹	(17,085,346)	(18,497,417)
(d) Discount Rate	2.06%	3.72%
(e) Interest Cost	\$ 8,543,338	\$ 12,074,380
(3) Development of Expected Investment Return:		
(a) Plan Fiduciary Net Position at Beginning of Measurement Period	\$ 0	\$ 0
(b) Contributions—Employer	17,085,346	18,497,417
(c) Contributions—Employee	35,264	24,742
(d) Benefit Payments ¹	(17,120,610)	(18,522,159)
(e) Administrative Expenses	0	0
(f) Other	0	0
(g) Expected Return on Assets	N/A	N/A
(h) Expected Return	\$ 0	\$ 0

Reconciliation of Net OPEB Liability - Shown below are details regarding the Total OPEB Liability, Plan Fiduciary Net Position, and Net OPEB Liability for the Measurement Period from December 31, 2022 to December 31, 2023:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) – (b)
Balance Recognized at 12/31/2022 (Based on 12/31/2022 Measurement Date)	\$ 332,633,236	\$ 0	\$ 332,633,236
Changes Recognized for the Fiscal Year:			
Service Cost	\$ 1,111,126	N/A	\$ 1,111,126
Interest on the Total OPEB Liability	12,074,380	N/A	12,074,380
Changes of Benefit Terms	0	N/A	0
Differences Between Expected and Actual Experience	16,904,696	N/A	16,904,696
Changes of Assumptions	22,393,866	N/A	22,393,866
Net Benefit Payments	(18,497,417)	(18,497,417)	0
Contributions From the Employer	N/A	18,497,417	(18,497,417)
Contributions From the Employee	N/A	N/A	0
Net Investment Income	N/A	0	0
Administrative Expense	N/A	0	0
Net Changes	\$ 33,986,651	\$ 0	\$ 33,986,651
Balance Recognized at 12/31/2023 (Based on 12/31/2023 Measurement Date)	\$ 366,619,887	\$ 0	\$ 366,619,887

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 9. Post-Employment Benefits Other Than Pension Benefits (continued)

Liability (Gain) / Loss - The following table illustrates the liability gain / loss under GASB 75:

	Fiscal Year Ending 12/31/2022	Fiscal Year Ending 12/31/2023
(1) OPEB Liability at Beginning of Measurement Period	\$ 421,395,689	\$ 332,633,236
(2) Service Cost	1,828,600	1,111,126
(3) Interest on the Total OPEB Liability	8,543,338	12,074,380
(4) Changes of Benefit Terms	0	0
(5) Changes of Assumptions	(82,049,045)	22,393,866
(6) Net Benefit Payments ¹	<u>(17,085,346)</u>	<u>(18,497,417)</u>
(7) Expected OPEB Liability at End of Measurement Period	\$ 332,633,236	\$ 349,715,191
(8) Actual OPEB Liability at End of Measurement Period	<u>332,633,236</u>	<u>366,619,887</u>
(9) OPEB Liability (Gain)/Loss	\$ 0	\$ 16,904,696
(10) Average Future Working Life Expectancy	<u>1.00</u>	<u>1.00</u>
(11) OPEB Liability (Gain)/Loss Amortization	\$ 0	\$ 16,904,696

Asset (Gain) / Loss - The following table illustrates the asset gain / loss under GASB 75:

	Fiscal Year Ending 12/31/2022	Fiscal Year Ending 12/31/2023
(1) OPEB Asset at Beginning of Measurement Period	\$ 0	\$ 0
(2) Contributions—Employer	17,085,346	18,497,417
(3) Contributions—Employee	35,264	24,742
(4) Expected Investment Income	0	0
(5) Benefit Payments ¹	(17,120,610)	(18,522,159)
(6) Administrative Expense	0	0
(7) Other	<u>0</u>	<u>0</u>
(8) Expected OPEB Asset at End of Measurement Period	\$ 0	\$ 0
(9) Actual OPEB Asset at End of Measurement Period	<u>0</u>	<u>0</u>
(10) OPEB Asset (Gain)/Loss	\$ 0	\$ 0
(11) Amortization Factor	<u>5.00</u>	<u>5.00</u>
(12) OPEB Asset (Gain)/Loss Amortization	\$ 0	\$ 0

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 9. Post-Employment Benefits Other Than Pension Benefits (continued)

Deferred Outflows / Inflows - The following table illustrates the Deferred Inflows and Outflows as of December 31, 2023 under GASB 75.

	Deferred Outflows	Deferred Inflows
(1) Difference Between Actual and Expected Experience	\$ 0	\$ 0
(2) Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	0	0
(3) Assumption Changes	<u>5,564,038</u>	<u>920,554</u>
(4) Sub Total	\$ 5,564,038	\$ 920,554
(5) Contributions Made in Fiscal Year Ending 12/31/2023 After Measurement Date	<u>0</u>	<u>N/A</u>
(6) Total	\$ 5,564,038	\$ 920,554

Amortization of Deferred Inflows/Outflows - The table below lists the amortization bases included in the deferred inflows/outflows as of December 31, 2023:

Date Established	Type of Base	Period		Balance		Annual Payment
		Original	Remaining	Original	Remaining	
12/31/2018	Liability (Gain)/Loss	4.80	0.00	(\$36,157,661)	\$0	(\$6,026,193)
12/31/2022	Liability (Gain)/Loss	1.00	0.00	16,904,696	0	16,904,696
12/31/2016	Assumptions	6.14	0.00	21,938,758	0	500,236
12/31/2017	Assumptions	6.14	0.14	(40,372,840)	(920,554)	(6,575,381)
12/31/2018	Assumptions	4.80	0.00	73,722,012	0	12,286,920
12/31/2019	Assumptions	4.80	0.80	33,384,218	5,564,038	6,955,045
12/31/2022	Assumptions	1.00	0.00	22,393,866	0	22,393,866
	Total Charges				\$4,643,484	\$46,439,189

Amounts Recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year End December 31:

2024	\$ 4,643,484
2025	\$ 0
2026	\$ 0
2027	\$ 0
2028	\$ 0
Total Thereafter	\$ 0

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 9. Post-Employment Benefits Other Than Pension Benefits (continued)

Interest Rate Sensitivity – The following table illustrates the impact of interest rate sensitivity on the Net OPEB Liability for fiscal year ending December 31, 2022:

	1% Decrease (2.72%)	Current Rate (3.72%)	1% Increase (4.72%)
(1) Total OPEB Liability	\$ 378,490,537	\$ 332,633,236	\$ 295,312,536
(2) Plan Fiduciary Net Position	<u>0</u>	<u>0</u>	<u>0</u>
(3) Net OPEB Liability (Asset)	\$ 378,490,537	\$ 332,633,236	\$ 295,312,536

The following table illustrates the impact of interest rate sensitivity on the Net OPEB Liability for fiscal year ending December 31, 2023:

	1% Decrease (2.26%)	Current Rate (3.26%)	1% Increase (4.26%)
(1) Total OPEB Liability	\$ 416,700,499	\$ 366,619,887	\$ 325,738,800
(2) Plan Fiduciary Net Position	<u>0</u>	<u>0</u>	<u>0</u>
(3) Net OPEB Liability (Asset)	\$ 416,700,499	\$ 366,619,887	\$ 325,738,800

Healthcare Cost Trend Sensitivity – The following table illustrates the impact of healthcare cost trend sensitivity on the Net OPEB Liability for fiscal year ending December 31, 2022:

	1% Decrease	Trend Rate	1% Increase
(1) Total OPEB Liability	\$ 290,558,240	\$ 332,633,236	\$ 383,845,294
(2) Plan Fiduciary Net Position	<u>0</u>	<u>0</u>	<u>0</u>
(3) Net OPEB Liability (Asset)	\$ 290,558,240	\$ 332,633,236	\$ 383,845,294

The following table illustrates the impact of healthcare cost trend sensitivity on the Net OPEB Liability for fiscal year ending December 31, 2023:

	1% Decrease	Trend Rate	1% Increase
(1) Total OPEB Liability	\$ 323,783,027	\$ 366,619,887	\$ 418,322,012
(2) Plan Fiduciary Net Position	<u>0</u>	<u>0</u>	<u>0</u>
(3) Net OPEB Liability (Asset)	\$ 323,783,027	\$ 366,619,887	\$ 418,322,012

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 9. Post-Employment Benefits Other Than Pension Benefits (continued)

Changes in the Net OPEB Liability and Related Ratios

	Fiscal Year Ending	
	2022	2023
Total OPEB Liability		
Service Cost	\$ 1,828,600	\$ 1,111,126
Interest Cost	8,543,338	12,074,380
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experiences	-	16,904,696.00
Changes of Assumptions	(82,049,045)	22,393,866
Net Benefit Payments	(17,085,346)	(18,497,417)
Net Change in Total OPEB Liability	(88,762,453)	33,986,651
Total OPEB Liability (Beginning)	421,395,689	332,633,236
Total OPEB Liability (Ending)	\$ 332,633,236	\$ 366,619,887
Plan Fiduciary Net Position		
Contributions - Employer	\$ 17,085,346	\$ 18,497,417
Contributions - Member	35,264	24,742
Net Investment Income	-	-
Benefit Payments	(17,120,610)	(18,522,159)
Administrative Expense	-	-
Other	-	-
Net Change in Plan Fiduciary Net Position	\$ -	\$ -
Plan Fiduciary Net Position (Beginning)	-	-
Plan Fiduciary Net Position (Ending)	\$ -	\$ -
Net OPEB Liability (Ending)	\$ 332,633,236	\$ 366,619,887
Net Position as a Percentage of Liability	0%	0%
Covered-Employee Payroll	\$ 17,643,000	\$ 16,729,388
Net OPEB Liability as a Percentage of Payroll	1885.36%	2191.47%

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 9. Post-Employment Benefits Other Than Pension Benefits (continued)

Contribution Schedule

	<u>Fiscal Year Ending</u>	
	<u>2022</u>	<u>2023</u>
Actuarially Determined Contribution	N/A	N/A
Contributions Made in Relation to the Actuarially Determined Contribution	N/A	N/A
Contributions Deficiency (Excess)	N/A	N/A
Covered-Employee Payroll	\$ 17,643,000	\$ 16,729,388
Contributions as a Percentage of Payroll	N/A	N/A

Notes to Schedule:

Actuarial Valuation Date

The actuarial valuation date is the date in which the Total OPEB liability is determined. The Total OPEB liability was adjusted by using roll-forward procedures to determine the liability at the measurement date. The actuarial valuation date is required to be a date at most 30 months and 1 day prior to the fiscal year ending date. The actuarial valuation date for the Fiscal Year Ending December 31, 2023 GASB 75 valuation is January 1, 2023.

Measurement Date

The measurement date under GASB 75 is the date which the discount rate, the balance sheet liabilities and income statement entries are reported. GASB 75 allows for the measurement date to be equal to any day in the fiscal year. The measurement date for the Fiscal Year Ending December 31, 2023 GASB 75 valuation is December 31, 2023.

The Total OPEB Liabilities and Service Costs for each fiscal year are based on valuation results as of the actuarial valuation date (January 1, 2023) and are adjusted to the measurement date using expected benefit payments. They reflect changes in the blended discount rate as of the end of each fiscal year.

Amortization of Deferred Inflows / Outflows

Differences in the Total OPEB Liability due to actual and projection experience along or due to assumption changes are amortized over the future working lifetime of active and inactive employees. Changes in the Total OPEB Liability due to benefit changes are not amortized and recognized immediately. Differences in the actual and projected return on the assets are amortized over five years. This methodology is consistent with the GASB 75 statement.

The future working lifetime of active and inactive employees is equal to 1 year for Fiscal Year 2023.

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 9. Post-Employment Benefits Other Than Pension Benefits (continued)

Plan Provisions

The results provided in this report reflect the plan provisions in effect as of January 1, 2023. Further detail is provided in the “Plan Provisions” section of this report.

Demographic Assumptions

Census data was provided by the County of Monmouth as of January 1, 2023. Further detail regarding demographic assumptions used in this valuation is provided in the “Actuarial Assumptions and Methods” section of this report.

Economic Assumptions

Discount Rate

The discount rate was determined using the interest rate reported under the 20-Year Municipal Bond Index. GASB 75 requires the use of the interest rate in 20-Year Municipal bond Index be used for payments expected to be made outside of any VEBA trust assets. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was used for the determination of this rate. The interest rate is based on this index rate that is reported on the last Friday prior to the measurement date.

Salary Scale

The salary scale assumptions in the calculation of the Entry Age Normal (Level Percent of Payroll) liability and normal cost can be found in the “Actuarial Assumptions and Methods” section.

Health Care Trend

The health care trend assumption is used to project the growth of the expected claims over the lifetime of the health care recipients. The GASB statement does not require a particular source for information to determine health care trends, but it does recommend selecting a source that is “publicly available, objective, and unbiased”.

Aon has reviewed the trend assumptions used for the prior valuation and have the following change: For medical benefits, this amount initially is at 7.00% for Pre 65 and 5.70% for Post 65 and decrease to 4.50% long-term trend rate after eleven years. For prescription drug benefits, the initial trend rate is 9.20% decreasing to a 4.50% long-term trend rate after eleven years.

The health care trend assumption was based on our internal trend guidance that was developed using national average information from a variety of sources, including S&P Healthcare Economic Index, NHCE data plan renewal data and vendor Rx report with adjustments based on the specific cost sharing provisions of the benefits offered by the County of Monmouth.

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 9. Post-Employment Benefits Other Than Pension Benefits (continued)

Funding Policy

The Plan is not funded. Benefit payments to the plan are funded on a pay-as-you-go basis.

Health Care Reform Excise Tax Adjustment

The "Further Consolidated Appropriations Act, 2020" signed into law on December 20, 2019, included a permanent repeal of the excise tax on high-cost plans (a.k.a. "the Cadillac tax") originally imposed by the Affordable Care Act in 2010. As a result, there is no impact from the excise tax in the valuation.

B. State Plan

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for other post-employment obligations for the year ended June 30, 2023. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2022.

General Information about the OPEB Plan

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. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating 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

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 9. Post-Employment Benefits Other Than Pension Benefits (continued):

State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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

Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2022 were \$3,361,552,823 and \$12,729,372,321, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers 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, 2021 through June 30, 2022. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge.

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 9. Post-Employment Benefits Other Than Pension Benefits (continued):

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each employer are provided as each employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State of New Jersey under the special funding situation and include their proportionate share of the collective net OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

Additionally, the State's proportionate share of the OPEB liability attributable to the County is \$100,352,347 as of December 31, 2022. The OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the OPEB liability was determined using update procedures to roll forward the total OPEB liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The State's proportion of the OPEB liability associated with the County was based on a projection of the County's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2022 was 2.9744520078%, which was a decrease of 0.0657359868% from its proportion measured as of June 30, 2021, which is the same proportion as the County's. At December 31, 2022, the County's and the State of New Jersey's proportionate share of the OPEB liability were as follows:

State of New Jersey's	
Proportionate Share of OPEB Liability	
Associated with the County	\$ 100,352,347

At December 31, 2022, the State's proportionate share of the OPEB expense, associated with the County, calculated by the plan as of the June 30, 2022 measurement date was (\$16,459,893).

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 10. Capital Debt

The following schedule represents the County's summary of debt, as filed in the County's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Issued:			
Debt Guaranteed by the County	\$ 866,795,000.00	\$ 740,270,000.00	\$ 665,970,000.00
General:			
Bonds, Notes and Loans	381,115,000.00	429,940,000.00	431,380,000.00
Reclamation Center Utility:			
Bonds, Notes and Loans	35,815,000.00	38,625,000.00	31,750,000.00
	<hr/>	<hr/>	<hr/>
Total Debt Issued	1,283,725,000.00	1,208,835,000.00	1,129,100,000.00
Authorized but not issued:			
General:			
Bonds and Notes	182,187,711.00	89,565,000.00	67,150,000.00
Reclamation Center Utility:			
Bonds and Notes	26,000,000.00	-	-
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	208,187,711.00	89,565,000.00	67,150,000.00
	<hr/>	<hr/>	<hr/>
Total Gross Debt	<u>\$ 1,491,912,711.00</u>	<u>\$ 1,298,400,000.00</u>	<u>\$ 1,196,250,000.00</u>
Deductions:			
Bonds Authorized by another Public			
Body to be guaranteed by County	\$ 866,795,000.00	\$ 740,270,000.00	\$ 665,970,000.00
General:			
Funds on Hand For Payment of Bonds and Notes:			
Installment Purchase Agreement	2,357,672.97	2,147,454.08	2,130,891.52
Reserve for Care Centers Debt Service	400,000.00	751,000.00	1,102,000.00
County College Bonds	10,610,000.00	12,545,000.00	11,915,000.00
County College - Authorized but not issued	2,229,500.00	-	-
Open Space Bonds	16,450,000.00	18,315,000.00	13,385,000.00
Open Space - Authorized but not issued	18,240,000.00	-	-
Reclamation Center Utility:			
Self Liquidating Debt	35,815,000.00	38,625,000.00	31,750,000.00
Authorized but not issued	26,000,000.00	-	-
	<hr/>	<hr/>	<hr/>
Total Deductions	978,897,172.97	812,653,454.08	726,252,891.52
	<hr/>	<hr/>	<hr/>
Total Net Debt	<u>\$ 513,015,538.03</u>	<u>\$ 485,746,545.92</u>	<u>\$ 469,997,108.48</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 10. Capital Debt (continued)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Debt Guaranteed by the County	\$ 866,795,000.00	\$ 866,795,000.00	\$ -
General Debt	563,302,711.00	50,287,172.97	513,015,538.03
Reclamation Center Utility	61,815,000.00	61,815,000.00	-
	<u>\$ 1,491,912,711.00</u>	<u>\$ 978,897,172.97</u>	<u>\$ 513,015,538.03</u>

The County's statutory net debt is the Net Debt, as calculated above, divided by the average Equalized Valuation Basis of \$164,296,545,821.33 which equals a statutory net debt at December 31, 2023 in the amount of .312%. New Jersey statute 40A:2-6, as amended, limits the debt of a County to 2% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2023 is calculated as follows:

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

2.0% of Equalized Valuation Basis (County)	\$ 3,285,930,916.43
Less: Net Debt	513,015,538.03
Remaining Borrowing Power	\$ 2,772,915,378.40

Self-Liquidating Utility Calculation

Reclamation Utility per N.J.S.A. 40A:2-45

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 36,869,027.15
Deductions:	
Operating and Maintenance Costs	\$ 28,079,245.10
Debt Service	4,528,254.90
Total Deductions	32,607,500.00
Excess/(Deficit) in Revenue	\$ 4,261,527.15

*If Excess in Revenues all Utility Debt is Deductible

Gross Solid Waste System Debt	\$ 61,815,000.00
Deduction	\$ 61,815,000.00

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 10. Capital Debt (continued)

General Debt – Serial Bonds

The following is a summary of the County’s General Debt outstanding as of December 31, 2023:

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	Balance December 31, <u>2023</u>
General Serial Bonds:					
Economic Development	Serial Bonds	12/16/2010	12/1/2025	4.650-4.800%	\$ 8,290,000.00
General Improvements	Serial Bonds	3/27/2014	3/1/2029	3.000-4.000%	26,100,000.00
General Improvements	Serial Bonds	12/1/2015	7/15/2030	3.000-5.000%	35,630,000.00
General Improvements	Serial Bonds	12/28/2017	7/15/2032	4.000-5.000%	40,025,000.00
Refunding Bonds	Serial Bonds	9/25/2019	1/15/2024	5.000%	4,790,000.00
General Improvements	Serial Bonds	12/30/2019	7/15/2034	5.000%	65,745,000.00
Refunding Bonds	Serial Bonds	11/18/2021	1/15/2027	5.000%	20,525,000.00
Refunding Bonds	Serial Bonds	11/18/2021	1/15/2036	5.000%	83,990,000.00
Refunding Bonds	Serial Bonds	11/10/2022	1/15/2036	5.000%	<u>32,695,000.00</u>
					<u>\$ 317,790,000.00</u>

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	Balance December 31, <u>2023</u>
**County College - State Share (Chapter 12):					
General Improvements	Serial Bonds	3/27/2014	3/1/2024	4.000%	\$ 285,000.00
General Improvements	Serial Bonds	12/1/2015	7/15/2025	5.000%	320,000.00
General Improvements	Serial Bonds	12/28/2017	7/15/2027	5.000%	1,300,000.00
General Improvements	Serial Bonds	12/30/2019	7/15/2029	5.000%	2,935,000.00
General Improvements	Serial Bonds	11/18/2021	1/15/2031	5.000%	3,320,000.00
General Improvements	Serial Bonds	11/10/2022	1/15/2032	5.000%	<u>2,450,000.00</u>
					<u>\$ 10,610,000.00</u>

**The debt service paid by the County related to the Chapter 12 County College Bonds is reimbursed by the State of New Jersey and anticipated as revenue in the County’s current fund budget. The debt is deducted from the County’s general debt on the Annual Debt Statement.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 10. Capital Debt (continued)

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	Balance December 31, 2023
County College- County Share:					
General Improvements	Serial Bonds	3/27/2014	3/1/2024	4.000%	\$ 285,000.00
General Improvements	Serial Bonds	12/1/2015	7/15/2025	5.000%	320,000.00
General Improvements	Serial Bonds	12/28/2017	7/15/2032	4.000-5.000%	2,220,000.00
General Improvements	Serial Bonds	12/30/2019	7/15/2034	5.000%	3,570,000.00
General Improvements	Serial Bonds	11/18/2021	1/15/2036	5.000%	3,635,000.00
General Improvements	Serial Bonds	11/10/2022	1/15/2037	5.000%	2,585,000.00
					\$ 12,615,000.00

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	Balance December 31, 2023
County Vocational School Bonds:					
General Improvements	Serial Bonds	3/27/2014	3/1/2026	3.000-4.000%	\$ 1,305,000.00
General Improvements	Serial Bonds	12/1/2015	7/15/2027	3.000-5.000%	1,465,000.00
General Improvements	Serial Bonds	12/28/2017	7/15/2030	4.000-5.000%	4,205,000.00
General Improvements	Serial Bonds	12/30/2019	7/15/2034	5.000%	5,715,000.00
General Improvements	Serial Bonds	11/18/2021	1/15/2036	5.000%	5,765,000.00
General Improvements	Serial Bonds	11/10/2022	1/15/2037	5.000%	2,540,000.00
					\$ 20,995,000.00

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	Balance December 31, 2023
Open Space Bonds:					
Open Space Preservation	Serial Bonds	3/27/2014	3/1/2029	3.000-4.000%	\$ 4,800,000.00
Open Space Preservation	Serial Bonds	12/1/2015	7/15/2030	3.000-5.000%	2,345,000.00
Refunding Bonds	Serial Bonds	11/18/2021	1/15/2027	5.000%	1,445,000.00
Refunding Bonds	Serial Bonds	11/10/2022	1/15/2037	5.000%	7,860,000.00
					\$ 16,450,000.00

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 10. Capital Debt (continued)

The following schedule represents the remaining debt service, through maturity, for the general serial bonds described above for the next five (5) years and five (5) year increments thereafter:

General Serial Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 42,340,000.00	\$ 14,251,265.00	\$ 56,591,265.00
2025	39,310,000.00	12,289,772.50	51,599,772.50
2026	35,220,000.00	10,418,187.50	45,638,187.50
2027	35,280,000.00	8,844,487.50	44,124,487.50
2028	29,525,000.00	7,397,193.75	36,922,193.75
2029-2033	107,525,000.00	19,915,762.50	127,440,762.50
2034-2036	28,590,000.00	1,905,000.00	30,495,000.00
	<u>\$ 317,790,000.00</u>	<u>\$ 75,021,668.75</u>	<u>\$ 392,811,668.75</u>

****County College - State Share (Chapter 12):**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,950,000.00	\$ 504,700.00	\$ 2,454,700.00
2025	1,665,000.00	415,750.00	2,080,750.00
2026	1,505,000.00	332,500.00	1,837,500.00
2027	1,505,000.00	257,250.00	1,762,250.00
2028	1,175,000.00	182,125.00	1,357,125.00
2029-2032	2,810,000.00	225,625.00	3,035,625.00
	<u>\$ 10,610,000.00</u>	<u>\$ 1,917,950.00</u>	<u>\$ 12,527,950.00</u>

County College- County Share:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,530,000.00	\$ 603,200.00	\$ 2,133,200.00
2025	1,300,000.00	533,875.00	1,833,875.00
2026	1,140,000.00	468,750.00	1,608,750.00
2027	1,140,000.00	411,625.00	1,551,625.00
2028	1,005,000.00	354,625.00	1,359,625.00
2029-2033	4,920,000.00	1,041,725.00	5,961,725.00
2034-2037	1,580,000.00	110,000.00	1,690,000.00
	<u>\$ 12,615,000.00</u>	<u>\$ 3,523,800.00</u>	<u>\$ 16,138,800.00</u>

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 10. Capital Debt (continued)

County Vocational School Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,545,000.00	\$ 984,475.00	\$ 3,529,475.00
2025	2,655,000.00	860,875.00	3,515,875.00
2026	2,655,000.00	736,825.00	3,391,825.00
2027	2,225,000.00	626,600.00	2,851,600.00
2028	1,855,000.00	522,750.00	2,377,750.00
2029-2033	6,915,000.00	1,398,875.00	8,313,875.00
2034-2037	2,145,000.00	143,625.00	2,288,625.00
	<u>\$ 20,995,000.00</u>	<u>\$ 5,274,025.00</u>	<u>\$ 26,269,025.00</u>

Open Space Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,875,000.00	\$ 670,337.50	\$ 2,545,337.50
2025	1,880,000.00	588,462.50	2,468,462.50
2026	1,885,000.00	510,337.50	2,395,337.50
2027	1,885,000.00	438,787.50	2,323,787.50
2028	1,905,000.00	366,237.50	2,271,237.50
2029-2033	5,320,000.00	951,075.00	6,271,075.00
2034-2037	1,700,000.00	158,000.00	1,858,000.00
	<u>\$ 16,450,000.00</u>	<u>\$ 3,683,237.50</u>	<u>\$ 20,133,237.50</u>

**The debt service paid by the County related to the Chapter 12 County College Bonds is reimbursed by the State of New Jersey and anticipated as revenue in the County's current fund budget. The debt is deducted from the County's general debt on the Annual Debt Statement.

General Debt – Bonds Authorized but Not Issued

The following is a summary of the County's General Capital Fund bonds authorized but not issued as of December 31, 2023:

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 10. Capital Debt (continued)

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2023</u>
10-02	Various Capital Improvements	\$ 50,000.00
12-05	Various Capital Improvements	100,000.00
15-05	Various Capital Improvements	570,000.00
16-01	Various Capital Improvements	130,000.00
17-02	Various Capital Improvements	1,640,000.00
18-03	Various Capital Improvements	2,035,000.00
18-07	Various Capital Improvements	750,000.00
19-02	Various Capital Improvements	4,010,000.00
19-04	Equipment and Infrastructure Improvements - VoTech	10,540,000.00
20-04	Amending Ord. Various Capital Improvements	400,000.00
21-01	Various Capital Improvements	185,000.00
21-03	Various Capital Improvements	10,465,000.00
21-04	Various Capital Improvements (Amending Ordinance)	6,250,000.00
22-01	Various Improvements and Purposes	41,495,000.00
22-05	Various Capital Improvements	3,975,000.00
22-07	County Vocational School Equipment and Improvements	3,000,000.00
22-09	Bayshore Ferry Terminal Bulkhead & Hall of Records Improvements	3,970,000.00
23-01	Various Capital Improvements	3,135,000.00
23-02	Various Capital Improvements	59,481,400.00
23-04	County Vocational School Equipment and Improvements	7,307,311.00
23-05	Improvements to Brookdale Community College - Ch12	4,459,000.00
23-06	Various Open Space Improvements	<u>18,240,000.00</u>
		<u><u>\$ 182,187,711.00</u></u>

General Debt – Installment Purchase Agreement (IPA)

Hofling Easement

On October 30, 2008, the County of Monmouth purchased land in Upper Freehold Township through an Installment Purchase Agreement (“IPA”) in the sum of \$1,115,380.00. Funding for the acquisition was as follows:

<u>Fund Source</u>	<u>Amount</u>
County Board Ordinance	\$ 295,436.25
County Trust – Open Space	100,000.00
Township of Upper Freehold Grant	<u>267,691.20</u>
	<u><u>\$ 663,127.45</u></u>

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 10. Capital Debt (continued)

From these sources, the County paid \$360,380.00 as a down payment to the sellers of the property. The balance of \$302,747.45 was used to purchase government strips (zero coupon US Treasuries) that will mature on November 15, 2029 in the sum of \$755,000.00. The County, under the IPA, was required to set up a note payable which was done by ordinance #08-IPA.

From the purchase date to the maturity date, the County is required to pay tax-exempt interest to the sellers at a rate of 4.85%. The interest is being paid through the County Open Space Trust Fund.

Scheuing Easement

On June 12, 2009, the County of Monmouth purchased land in Middletown Township through an Installment Purchase Agreement (“IPA”). Cost of the property was \$2,900,000.00 with an IPA for \$1,900,000.00. The IPA has an interest rate of 3.8% and matures on May 15, 2024. The County paid the seller \$1,000,000.00 in 2009 as a down payment. The County has received \$200,000.00 from the Monmouth Conservation Foundation in May 2010 as part of reimbursement to the County for the down payments.

The County will make annual sinking fund payments over the fifteen (15) years along with semi-annual interest payments. The sinking fund will invest in State and Local Government Securities (“SLGS”). Payments to the sinking fund along with semi-annual interest payments will come from the Open Space Trust Fund.

The following schedule represents the remaining debt service, through maturity, for the installment purchase agreement described above:

<u>Year</u>	<u>Hofling</u>		<u>Scheuing</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ -	\$ 36,617.50	\$ 1,900,000.00	\$ 36,100.00	\$ 1,972,717.50
2025	-	36,617.50	-	-	36,617.50
2027	-	36,617.50	-	-	36,617.50
2028	-	36,617.50	-	-	36,617.50
2029	755,000.00	36,617.50	-	-	791,617.50
	<u>\$ 755,000.00</u>	<u>\$ 219,705.00</u>	<u>\$ 1,900,000.00</u>	<u>\$ 36,100.00</u>	<u>\$ 2,910,805.00</u>

Utility Debt – Serial Bonds

The following is a summary of the County’s Utility Debt outstanding as of December 31, 2023:

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 10. Capital Debt (continued)

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2023</u>
Reclamation Utility Bonds	Serial Bonds	3/27/2014	3/1/2029	3.000-4.000%	2,875,000.00
Reclamation Utility Bonds	Serial Bonds	12/1/2015	7/15/2030	3.000-5.000%	2,725,000.00
Reclamation Utility Bonds	Serial Bonds	12/28/2017	7/15/2032	4.000-5.000%	2,700,000.00
Reclamation Utility Refunding Bonds	Serial Bonds	11/18/2021	1/15/2027	5.000%	1,515,000.00
Reclamation Utility Refunding Bonds	Serial Bonds	11/10/2022	1/15/2037	5.000%	26,000,000.00
					<u>\$ 35,815,000.00</u>

The following schedule represents the remaining debt service, through maturity, for the reclamation utility serial bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,810,000.00	\$ 1,642,025.00	\$ 4,452,025.00
2025	2,830,000.00	1,508,325.00	4,338,325.00
2026	2,830,000.00	1,376,425.00	4,206,425.00
2027	2,835,000.00	1,252,200.00	4,087,200.00
2028	3,720,000.00	1,105,425.00	4,825,425.00
2029-2033	15,210,000.00	3,156,600.00	18,366,600.00
2034-2037	5,580,000.00	523,500.00	6,103,500.00
			<u>\$ 35,815,000.00</u>
		<u>\$10,564,500.00</u>	<u>\$ 46,379,500.00</u>

Utility Debt – Bond Anticipation Notes

The County had no Utility Fund bond anticipation notes as of December 31, 2023.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 10. Capital Debt (continued)

Utility Debt – Bonds authorized but not issued

The following is a summary of the County’s Utility Capital Fund bonds authorized but not issued as of December 31, 2023:

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2023</u>
23-03	Reclamation Center Various Equipment and Improvements	\$ 26,000,000.00
		<u>\$ 26,000,000.00</u>

Summary of Principal Debt

A summary of the activity of the County’s principal debt is as follows:

	<u>Balance December 31, 2022</u>	<u>Accrued/ Increases</u>	<u>Retired/ Decreases</u>	<u>Balance December 31, 2023</u>	<u>Balance Due Within One Year</u>
General Capital:					
General Bonds	\$ 359,135,000.00	\$ -	\$ 41,345,000.00	\$ 317,790,000.00	\$ 42,340,000.00
County College Bonds-State	12,545,000.00	-	1,935,000.00	10,610,000.00	1,950,000.00
County College Bonds-County	13,965,000.00	-	1,350,000.00	12,615,000.00	1,530,000.00
Vocational School Bonds	23,325,000.00	-	2,330,000.00	20,995,000.00	2,545,000.00
Open Space Bonds	18,315,000.00	-	1,865,000.00	16,450,000.00	1,875,000.00
Installment Purchase Agreement	2,655,000.00	-	-	2,655,000.00	1,900,000.00
Authorized But Not Issued	89,565,000.00	92,622,711.00	-	182,187,711.00	-
	<u>\$ 519,505,000.00</u>	<u>\$ 92,622,711.00</u>	<u>\$ 48,825,000.00</u>	<u>\$ 563,302,711.00</u>	<u>\$ 52,140,000.00</u>
Utility Capital:					
Utility Bonds	\$ 38,625,000.00	\$ -	\$ 2,810,000.00	\$ 35,815,000.00	\$ 2,810,000.00
Authorized But Not Issued	-	26,000,000.00	-	26,000,000.00	-
	<u>\$ 38,625,000.00</u>	<u>\$ 26,000,000.00</u>	<u>\$ 2,810,000.00</u>	<u>\$ 61,815,000.00</u>	<u>\$ 2,810,000.00</u>

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 11. Debt Guaranteed by the County

In order to assist the Monmouth County Improvement Authority (MCIA) with the financing of governmental loan programs to be undertaken throughout the County on behalf of various municipalities, boards of education and local authorities situated in the County, the County with the passing of a resolution is authorized to guaranty unconditionally the punctual payment of principal and interest on any obligations of the MCIA. 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 obligations under each County Guaranty. The following schedule represents the total bonds issued and bonds authorized but not issued as of December 31, 2023, that are guaranteed by the County:

<u>Type of Obligations Guaranteed</u>	<u>Balance December 31, 2023</u>
2012 Brookdale Lease Revenue Refunding Bonds	\$ 1,830,000.00
2015 Brookdale Lease Revenue Refunding Bonds	20,015,000.00
2019 Brookdale Lease Revenue Refunding Bonds	4,990,000.00
Capital Equipment Lease Revenue Bonds - 2015	570,000.00
Capital Equipment Lease Revenue Bonds - 2017	1,480,000.00
Capital Equipment Lease Revenue Bonds - 2019	5,345,000.00
Capital Equipment Lease Revenue Bonds - 2021	12,095,000.00
Capital Equipment Lease Revenue Bonds - 2023	14,755,000.00
Governmental Loan Refunding Bonds - 2012	3,345,000.00
Governmental Loan Refunding Bonds - 2014	1,110,000.00
Governmental Loan Refunding Bonds - 2015	4,280,000.00
Governmental Loan Refunding Bonds (March) - 2016	7,385,000.00
Governmental Loan Refunding Bonds (October) - 2016	26,800,000.00
Governmental Pooled Loan Revenue Bonds - 2011A (Jan.)	475,000.00
Governmental Pooled Loan Revenue Bonds - 2011B (Dec.)	440,000.00
Governmental Pooled Loan Revenue Bonds - 2012	3,490,000.00
Governmental Pooled Loan Revenue Bonds - 2013 (June)	10,300,000.00
Governmental Pooled Loan Revenue Bonds - 2013B (Dec.)	13,095,000.00
Governmental Pooled Loan Revenue Bonds - 2014	18,150,000.00
Governmental Pooled Loan Revenue Bonds - 2015	11,975,000.00
Governmental Pooled Loan Revenue Bonds - 2017A (Feb.)	29,645,000.00
Governmental Pooled Loan Revenue Bonds - 2017B (Sept.)	19,465,000.00
Governmental Pooled Loan Revenue Bonds - 2018A	15,170,000.00
Governmental Pooled Loan Revenue Bonds - 2018B	59,750,000.00
Governmental Pooled Loan Revenue Bonds - 2018C	33,380,000.00
Governmental Pooled Loan Revenue Bonds - 2019A	42,400,000.00
Governmental Pooled Loan Revenue Bonds - 2019B	103,260,000.00
Governmental Pooled Loan Revenue Bonds - 2020	41,390,000.00
Governmental Pooled Loan Revenue Bonds - 2021A (July)	30,070,000.00
Governmental Pooled Loan Revenue Bonds - 2021B (Dec.)	30,460,000.00
Governmental Pooled Loan Revenue Bonds - 2022A	29,175,000.00
Governmental Pooled Loan Revenue Bonds - 2022B	48,150,000.00
Governmental Pooled Loan Revenue Bonds - 2022C	50,355,000.00
Governmental Pooled Loan Revenue Bonds - 2023	53,225,000.00
Monmouth-Ocean Education Services Commission - Revenue Bond Project 2023	14,795,000.00
Pooled Bond Anticipation Note Program - Series 2023	104,180,000.00
	<u>\$ 866,795,000.00</u>

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 12. Deferred Charges to be Raised in Succeeding Years' Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023, there were no deferred charges shown on the various balance sheets.

Note 13. Accrued Sick and Vacation Benefits

Any employee of the County who retires under either of the contributory pension systems may be eligible to receive payment for unused sick leave. Payment is limited to one half of the earned but unused sick leave days with a maximum payment of \$15,000.00. The payment is provided as a lump sum subject to federal and state taxes and is computed at one-half of the employee's average annual daily rate of pay for each day of earned and unused accumulated sick leave at the effective date of retirement. Overtime pay, longevity, and any other supplemental compensation are excluded from the computation.

GAAP accounting would require accumulated sick leave to be recognized as a liability in the accounting period the leave is earned. However, under regulatory basis of accounting, the liability is not accrued in the financial statements. Instead, the County provides for and charges its accounts the actual cost of sick leave in the year in which lump sum payments or installments fall due.

The total liability at December 31, 2023 is estimated to be \$6,647,889.35 based on the total individuals eligible for the County's sick leave policy, vacation leave policy, and compensatory time policy of 567, 77, and 496 individuals, respectively. Total gross hours of accumulated absences totaled 125,749.47 hours. A reserve has been established in the Trust Fund for future payments to employees related to accumulated sick and vacation benefits. The County appropriates funds in the current fund budget to transfer to the Trust Fund reserve account. In 2023, the County appropriated \$300,000.00 and the balance of the Trust Fund Reserve at December 31, 2023 was \$395,931.04.

Note 14. Deferred Compensation Program

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

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

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

The County created a Deferred Compensation Retirement Committee to oversee and make decisions with regards to the Plan and its available investments. This is a three-member committee consisting of the Chief Financial Officer, Deputy County Administrator, and Benefits Administrator. The County also hired a consultant to help guide the committee with making Plan decisions. The Committee meets once a quarter to go over the structure and performance of the plan with the contractor and the consultant, and can make any adjustments as may be necessary.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)**

YEAR ENDED DECEMBER 31, 2023

Note 15. Arbitrage

In general, when an interest rebate occurs as a result of investment activity in bond proceeds, the liability is payable to the Internal Revenue Service on a computation date in the fifth year subsequent to the date of issue of the bonds. Thus, depending upon continued investment activity in the proceeds, together with expenditures for the purpose of the bonds and interest rates, the ultimate rebate liability on the fifth-year computation date may be more or less than the liability computed in any interim. The County has several issues of bonds outstanding, which are subject to arbitrage calculations. As of December 31, 2023, the County has no liability related to arbitrage rebates.

Note 16. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. For the foregoing purposes, it has established various trust funds to finance its self-insured retention program. As of April 1, 2019, the County has changed insurance to the County Excess Liability Joint Insurance Fund (CELJIF). The following is a schedule of the County's present insurance coverage which reflects the amounts of its self-insured retention and excess coverage:

<u>Coverage</u>	<u>Self-Insured Retention</u>	<u>Excess Insurance</u>
General Liability	\$ 250,000.00	\$ 15,000,000.00
Automobile	500,000.00	15,000,000.00
Law Enforcement	500,000.00	15,000,000.00
Crime	25,000.00	2,000,000.00
Public Officials	250,000.00	15,000,000.00
Helicopter/Aviation	*10,000.00/25,000.00	5,000,000.00
Environmental Impairment	25,000.00	3,000,000.00
Property	Various	120,000,000.00
Excess Workers Comp.	1,150,000.00	260,000,000.00
Underground Storage Tank Liability	Various	1,000,000.00
Cyber Liability (Primary Layer)	75,000.00	2,000,000.00
Cyber (Excess Layer)		3,000,000.00
Fiduciary Liability	10,000.00	1,000,000.00
Marina Liability	10,000.00	5,000,000.00
Flood	Various	500,000.00

* \$10,000.00 not in motion and \$25,000.00 in motion

Surety Bonds are no longer purchased separately, they are now included in the Excess Liability Policy.

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 16. Risk Management (continued)

In respect to the excess insurance, the County's settled claims have not exceeded the commercial coverage in the past three years. At December 31, 2023, the amount on deposit in the Trust Fund was \$4,118,473.37.

The County also maintains a Trust Fund for workers compensation claims. At December 31, 2023, the amount on deposit in the Trust Fund for Workers Compensation coverage was \$3,701,292.85.

Note 17. Reclamation Center – Closure and Post-Closure Costs

The Closure and Post Closure requirements are specified in SWFP No. SWF080001 dated October 1, 2010. A major revision of the Closure and Post-Closure Care Plan for the Monmouth County Reclamation Center (MCRC) was prepared by CME Associates in July 2018 and updated in June 2021. The Closure and Post-Closure Care Plan included specific elements required by 40 CFR Sections 258.60 and 258.61(c) and N.J.A.C. 7:262A.9(e) and (f) for Phases I, II, and III Landfills and is comprised of a Closure and Post Closure Care Plan and a Closure and Post-Closure Financial Plan. This revised plan was submitted to the NJDEP in July 2021. To date, the County has not received any comments or feedback on the original or revised plan.

The 2021 Financial Plan is based on the projection that 2050 would be the final year of waste acceptance at the Landfill. This estimate was based on recent topographical calculations as well as the proposed Phase IV Valley Fill Expansion. The application for the expansion is currently under review by the NJDEP. The MCRC has also instituted operational changes and side slope air-space reclamation projects in an effort to maximize the operational life of the landfill.

As mentioned above, the 2021 Financial Plan estimates that the current and projected approved landfill capacity to be exhausted by 2050. Once landfilling is ceased, the plan estimates approximately two years of closure work and cap installation with the post closure care period beginning in 2053. This post closure care will continue through 2082. The present value closure cost for the landfill was estimated at \$49,158,774 with a \$79,657,325 future value. The total closure/post-closure cost was estimated at \$132,438,282.

Based on the currently approved design, the total capacity of the Phase II and Phase III landfills, excluding final cover is 27,236,000 cubic yards of which approximately 4,005,506 cubic yards remained available as of January 15, 2022. As such, approximately 85.29% of the landfill capacity was used as of January 15, 2022.

Based on the January 15, 2022 topographic survey and in accordance with the currently approved design, the estimated remaining landfill operational life is approximately five (5) years. It should be noted that a significant portion of this capacity is located around the outer slopes due to waste settlement. The proposed expansion, when approved will provide an additional 13,470,391 cubic yards and when combined with the existing approved capacity is estimated to extend the operational life of the landfill through 2050.

The Monmouth County Reclamation Center Sanitary Landfill Facility Closure Escrow Fund – Phase III was created pursuant to the “Sanitary Landfill Facility Closure and Contingency Fund Act” (P.L. 1981, C.306). It requires the owner or operator of every sanitary landfill to establish a separate interest-bearing escrow account for each landfill facility.

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 17. Reclamation Center – Closure and Post-Closure Costs (continued)

In accordance with the agreement among the New Jersey Department of Environmental Protection, U.S. Bank, and the County, all funds deposited in the Landfill Closure Escrow Account shall not be considered an asset of the County and shall not be available to any creditor of the County in the event of bankruptcy, reorganization, insolvency or receivership of the landfill or the County. The County and the Escrow Agent agree that funds deposited in the Escrow Account are for the sole benefit of the purposes established: to ensure that funds are set aside and kept available for closure and post-closure care and may be withdrawn only pursuant to the express provision of the Escrow Agreement. Funds will only be available for use by the owner/operator, or by a court-appointed receiver or other legal representative of the owner/operator, for closure and post-closure care activities, upon written approval of the Department of Environmental Protection, Office of Special Funds Administration. The balance of the Escrow Account at December 31, 2023 and 2022 is \$15,570,233.86 and \$14,538,805.33 respectively.

Note 18. Reserve for Environmental Impairment Liability

In conjunction with its petition to increase its reclamation utility landfill rates, which were approved by the State of New Jersey in January 1989, the County established a Reserve for Self-Insurance for potential losses that might occur as a result of accidents having an environmental impact. At December 31, 2023, the Reserve, which management considered to be adequate in terms of its risk, amounted to \$7,000,000.00.

Note 19. Contingencies

Grantor Agencies

The County receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2023, the County estimates that no material liabilities will result from such audits.

Litigation

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

Note 20. Division of Social Services

The County Board of Social Services was dissolved by an action of the Board of Chosen Freeholders now known as the Board of County Commissioners in 1991, and became a Division within the framework of other County Departments and Divisions in that year. The State of New Jersey is responsible for the imposition of federal eligibility requirements for assistance, and certain other support subsidies that are tested on an ongoing basis by its quality assurance units. Programs governing client files in the State's database are used to categorize and measure terms of client benefits and validate eligibility based upon historical information

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 20. Division of Social Services (continued)

For the purpose of the financial statements the Division accounts are reported in the following funds:

Current Fund Accounts:

Administration

Trust Fund Accounts:

Reach Omega

Assistance

Child Support

Clearing

Rental Assistance

In addition, a record of the Division's Fixed Assets is maintained by the County and reported in the County's General Fixed Assets Account Group for all items in excess of \$5,000.00. During 2022, the County of Monmouth contracted with a third-party to complete an update to the fixed asset appraisal.

Based upon this threshold, the Division's Fixed Assets, comprised solely of movable equipment and vehicles, were reported at the following values for the current and previous four years:

December 31, 2023	\$636,773.68
December 31, 2022	641,994.55
December 31, 2021	538,036.68
December 31, 2020	563,188.36
December 31, 2019	564,691.36

Note 21. Leases Receivable

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the County's assets related to leases receivable. In accordance with New Jersey accounting principles, future lease payments owed to the County are not reported as an asset in the accompanying financial statements. At December 31, 2023 the County had leases receivable as follows:

- The County entered into an agreement with USDA. Under this lease, the vendor will pay annual payments in the amount of \$71,565.45 until July 2025. The estimated lease receivable at December 31, 2023 totaled \$136,938.32. The County recognized revenue during the year ending December 31, 2023 totaling \$71,565.45.
- The County entered into an agreement with Freehold Soil. Under this lease, the vendor will pay annual payments in the amount of \$95,000.00 until March 2030. The estimated lease receivable at December 31, 2023 totaled \$591,876.88. The County recognized revenue during the year ending December 31, 2023 totaling \$95,000.00.
- The County entered into an agreement with HESP Solar, LLC. Under this lease, the vendor will pay annual payments in the amount of \$712,500.00 until December 2039. The estimated lease receivable at December 31, 2023 totaled \$8,949,785.19. The County recognized revenue during the year ending December 31, 2023 totaling \$712,500.00

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 22. Lease Obligations

In accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the County's lease obligations and assets related to right to use leased assets. The right to use these leased assets and the corresponding lease obligation are not reported on the various statements of assets, liabilities, reserves and net position. At December 31, 2023 the County had lease obligations as follows:

- The County entered into a lease agreement with Asbury Park for use by the County Prosecutor. The lease runs from January 1, 2022 through September 30, 2024. Annual payments were established at \$110,058.
- The County entered into a lease agreement with Wall for use by the County Prosecutor. The lease runs from January 1, 2022 through September 30, 2027. Annual payments were established at \$329,686.92.
- The County entered into a lease agreement with Neptune for use by the Workforce Development. The lease runs from January 1, 2022 through October 30, 2030. Annual payments were established at \$132,588.
- The County entered into a lease agreement with Freehold for use by the County Clerk. The lease runs from January 1, 2022 through February 28, 2026. Annual payments were established at \$593,475.
- The County entered into a lease agreement with Neptune for use by the County Clerk. The lease runs from January 1, 2022 through May 31, 2027. Annual payments were established at \$141,852.24.
- The County entered into a lease agreement with Neptune for use by the County Sheriff. The lease runs from January 1, 2022 through December 31, 2026. Annual payments were established at \$163,200.
- The County entered into a lease agreement with Oceanport for use by the Veteran's Services Office. The lease runs from January 1, 2022 through March 31, 2024. Annual payments were established at \$31,715.96
- The County entered into a lease agreement with JCP&L for use of a Tower Lease. The lease runs from January 1, 2022 through February 29, 2028. Annual payments were established at \$44,241.48.

Note 23. Subscription-Based Information Technology Arrangement Liabilities

In accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the County's Subscription-Based Information Technology Arrangement Liabilities. These arrangements are not reported on the various statements of assets, liabilities, reserves and net position. At December 31, 2023 the County had Subscription-Based Information Technology Arrangement Liabilities as follows:

- The County entered into a subscription based arrangement with CISCO for security advisory subscription services in use by the County. The arrangement runs from November 20, 2020 through November 19, 2025. Annual payments were established at \$73,684.21.
- The County entered into a subscription based arrangement with CISCO for equipment and hardware in use by the County. The arrangement runs from June 24, 2019 through June 23, 2024. Annual payments were established at \$158,810.38.

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 23. Subscription-Based Information Technology Arrangement Liabilities (continued)

- The County entered into a subscription based arrangement with CISCO for security hardware and licensing equipment and hardware in use by the County. The arrangement runs from June 24, 2019 through June 23, 2024. Annual payments were established at \$219,907.14.
- The County entered into a subscription based arrangement with ESRI for informational technology services. The arrangement runs from January 1, 2023 through December 31, 2027. Annual payments were established and range between \$250,000.00 and \$370,000.00.
- The County entered into a subscription based arrangement with Microsoft for informational technology services. The arrangement runs from November 1, 2023 through October 31, 2028. Annual payments were established at \$484,818.38.
- The County entered into a subscription based arrangement with Microsoft for informational technology services for the Sheriff's Office. The arrangement runs from July 1, 2020 through June 30, 2025. Annual payments were established at \$229,890.90

Note 24. Subsequent Events

The County has evaluated subsequent events through September 13, 2024, the date the financial statements were available to be issued. The County noted the following:

The County adopted a bond ordinance on January 25, 2024 for acquisition of real property and improvements in the sum of \$2,850,000, and authorizing the issuance of \$2,850,000 bonds or notes to finance the ordinance.

The County adopted a bond ordinance on February 22, 2024 for improvements to Brookdale Community College facilities in the sum of \$4,686,621 and authorizing the issuance of \$2,343,311 bonds or notes of the County and \$2,343,310 bonds or notes of the County entitled to the Benefits of Chapter 12 of the Laws of New Jersey.

The County adopted a bond ordinance on March 14, 2024 for various equipment and improvements for the Reclamation Center in the sum of \$20,000,000, and authorizing the issuance of \$20,000,000 bonds or notes to finance the ordinance.

The County adopted a bond ordinance on May 9, 2024 for various improvements and purposes in the sum of \$87,000,000, and authorizing the issuance of \$82,650,000 bonds or notes to finance the ordinance.

The County held a BAN sale on June 4, 2024 in the amount of \$84,225,000 at an interest rate of 5.00%.

The County held a Bond sale on June 4, 2024 in the amount of \$43,170,000. The breakdown is as follows:

- \$18,690,000 – Reclamation Center Utility Bonds, Series 2024A
- \$16,235,000 – Open Space Bonds, Series 2024B
- \$4,070,000 - County College Bonds, Series 2024C
- \$4,175,000 – County College Bonds, Series 2024D

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2023

Note 24. Subsequent Events (continued)

The County adopted a bond ordinance on June 13, 2024 for acquisition of property for recreation, conservation, and farmland preservation purposes in the sum of \$19,100,000, and authorizing the issuance of \$18,145,000 bonds or notes to finance the ordinance.

The County adopted a bond ordinance on July 11, 2024 for various improvements to the County Vocational School in the sum of \$7,100,000, and authorizing the issuance of \$7,100,000 bonds or notes to finance the ordinance.

APPENDIX C

Proposed Form of Authority Bond Counsel Legal Opinion

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March __, 2025

The Monmouth County
Improvement Authority
Hall of Records, 1 East Main Street
Freehold, New Jersey

Dear Members:

We have examined a record of proceedings relating to the issuance of \$ _____ Governmental Pooled Loan Project Notes, Series 2025 (the “Notes”), of The Monmouth 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 1960 of the State of New Jersey, as amended and supplemented (the “Act”).

The Notes are issued under and pursuant to the Act, and under and pursuant to the 2025 Governmental Pooled Loan Project Note Resolution adopted by the Authority on January 9, 2025 (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 13, 2026.

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 twenty-three municipalities, a certain utilities authority and a certain fire district located in Monmouth County, New Jersey (the “Borrowers”), to finance and/or refinance capital projects of the Borrowers through the acquisition of twenty-five series of Governmental Loan Project Notes, Series 2025 (Monmouth 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 excluded from 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 net gains from the sale of the Notes are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

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.

This opinion letter is rendered to you in connection with the above described transaction. This opinion letter may not be relied upon by you for any other purpose, or relied upon by, or furnished to, any other person, firm or corporation without our prior written consent. This is only an opinion letter and not a warranty or guaranty of the matters discussed herein.

Very truly yours,

Gibbons P.C.

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APPENDIX D

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 07701-5902
 732-268-8000
 FAX 732-345-8420

March __, 2025

Commissioner Director and Members
 of the Board of County Commissioners
 of the County of Monmouth
 Freehold, New Jersey

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

Chairman and Members of
 The Monmouth County
 Improvement Authority
 Freehold, New Jersey

U.S. Bank Trust Company, National
 Association, as Trustee
 Edison, New Jersey

Ladies and Gentlemen:

We have acted as County Bond Counsel for the County of Monmouth, State of New Jersey (the "County") in connection with the issuance by The Monmouth County Improvement Authority (the "Authority") of \$_____ aggregate principal amount of the Authority's Governmental Pooled Loan Project Notes, Series 2025 (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 resolutions each respectively adopted on January 30, 2025, which guarantees payment of principal of and interest on the Notes (the "County Guaranties") and the County Guaranty Agreements, each dated as of March 1, 2025, between the Authority, U.S. Bank Trust Company, 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 February __, 2025 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.

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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 2025 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 2025 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.

\$237,071,000*
**The Monmouth County
Improvement Authority
(Monmouth County, New Jersey)
Governmental Pooled Loan
Project Notes, Series 2025**



OFFICIAL STATEMENT

Raymond James

RAYMOND JAMES®

Dated February __, 2025.

* Preliminary, subject to change.