

In the opinion of Gibbons P.C., Bond Counsel to the County (as defined herein), assuming continuing compliance by the County with certain tax covenants described herein, under existing law, interest on the Series 2021 Obligations (as defined herein) is excluded from the gross income of the owners of the Series 2021 Obligations 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 2021 Obligations is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. Under existing law, interest on the Series 2021 Obligations and net gains from the sale of the Series 2021 Obligations are exempt from the tax imposed by the New Jersey Gross Income Tax. See "TAX MATTERS" herein.

COUNTY OF MONMOUTH

New Jersey

\$105,350,000 General Obligation Bonds, Series 2021A

Consisting of

\$90,990,000 General Improvement Bonds, Series 2021A

\$6,265,000 County Vocational School Bonds, Series 2021A

(New Jersey School Bond Reserve Act, P.L. 1980, c. 72),

\$3,955,000 County College Bonds, Series 2021A

and

\$4,140,000 County College Bonds, Series 2021A

(County College Bond Act, P.L. 1971, c. 12)

(Callable)

and

\$29,145,000 General Obligation Refunding Bonds, Series 2021B

Consisting of

\$25,475,000 General Improvement Refunding Bonds, Series 2021B

\$1,790,000 Open Space Refunding Bonds, Series 2021B

and

\$1,880,000 Reclamation Center Utility Refunding Bonds, Series 2021B

(Non-Callable)

and

\$18,820,000 Reclamation Center Utility Bond Anticipation Note, Series 2021

(Non-Callable)

Dated: Date of Delivery

Due: As shown on the inside front cover

The \$105,350,000 General Obligation Bonds, Series 2021A, consisting of \$90,990,000 General Improvement Bonds, Series 2021A, \$6,265,000 County Vocational School Bonds, Series 2021A (New Jersey School Bond Reserve Act, P.L. 1980, c. 72), \$3,955,000 County College Bonds, Series 2021A and \$4,140,000 County College Bonds, Series 2021A (County College Bond Act, P.L. 1971, c. 12) (collectively, the "Series 2021A Bonds") and \$29,145,000 General Obligation Refunding Bonds, Series 2021B, consisting of \$25,475,000 General Improvement Refunding Bonds, Series 2021B, \$1,790,000 Open Space Refunding Bonds, Series 2021B and \$1,880,000 Reclamation Center Utility Refunding Bonds, Series 2021B (collectively, the "Series 2021B Bonds," and together with the Series 2021A Bonds, the "Series 2021 Bonds") are being issued by the County of Monmouth, New Jersey (the "County") in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house transactions, which will act as securities depository for the Series 2021 Bonds. Individual purchases will be made in book-entry form (without certificates) through DTC Participants, as hereinafter defined, in the principal amount of \$5,000 each or any integral multiple thereof. Provided DTC or its nominee Cede is the registered owner of the Series 2021 Bonds, principal of, redemption premium, if any, and interest, calculated on the basis of a 360-day year of twelve 30-day months (payable semi-annually on January 15, 2022 and on each July 15 and January 15 thereafter until maturity or prior redemption to the registered owners of the Series 2021 Bonds, as of the next preceding January 1 and July 1), on the Series 2021 Bonds will be paid to DTC or its nominee which is obligated to remit such principal, redemption premium, if any, and interest to DTC Participants. DTC Participants and Indirect Participants (as defined herein) will be responsible for remitting such payments to the Beneficial Owners (as defined herein) of the Series 2021 Bonds. See "OTHER INFORMATION - The DTC Book-Entry-Only System."

The \$18,820,000 Reclamation Center Utility Bond Anticipation Note, Series 2021 (the "Series 2021 Note," and together with the Series 2021 Bonds, the "Series 2021 Obligations") is being issued by the County, in the form of one fully registered note certificate and, when issued, will be registered in the name of Cede & Co., as nominee for DTC, which will act as securities depository for the Series 2021 Note. Individual purchases will be made in book-entry form (without certificates) through DTC Participants in the principal amount of \$5,000 each or any integral multiple thereof. The Series 2021 Note shall be dated and bear interest from its date of delivery, shall mature on November 17, 2022, shall bear interest at the rate of interest set forth on the inside front cover here, payable at maturity, calculated on the basis of a 360-day year of twelve 30-day months. Provided DTC or its nominee Cede is the registered owner of the Series 2021 Note, principal of and interest (payable on November 17, 2022 to the registered owners of the Series 2021 Note as of November 10, 2022), on the Series 2021 Note will be paid to DTC or its nominee which is obligated to remit such principal and interest to DTC Participants. DTC Participants and Indirect Participants will be responsible for remitting such payments to the Beneficial Owners of the Series 2021 Note. See "OTHER INFORMATION - The DTC Book-Entry-Only System."

The Series 2021 Obligations are being issued pursuant to the Local Bond Law of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended (the "Local Bond Law"), and where appropriate, Title 18A, Education of the New Jersey Statutes, as amended, various ordinances and two resolutions of the County, to permanently finance and refinance specified general improvements, to currently refund certain general obligation bonds of the County and to pay the costs of issuance with respect to the Series 2021 Obligations.

The Series 2021A Bonds are subject to redemption prior to maturity as set forth herein. The Series 2021B Bonds are not subject to redemption prior to maturity as set forth herein. The Series 2021 Note is not subject to redemption prior to maturity as set forth herein.

The full faith and credit of the County are irrevocably pledged for the payment of the principal of, redemption premium, if any, and interest on the Series 2021 Obligations. The Series 2021 Obligations will be valid and binding general obligations of the County, payable as to principal, redemption premium, if any, and interest from the levy of ad valorem taxes upon all taxable property within the County, without limitation as to rate or amount.

FOR MATURITY SCHEDULES, SEE INSIDE COVER HEREOF

The issuance of the Series 2021 Obligations is subject to the approving legal opinions of Gibbons P.C., Newark, New Jersey, Bond Counsel to the County, and certain other conditions described herein. It is anticipated that the Series 2021 Obligations will be available for delivery through the facilities of DTC on or about November 18, 2021, in New York, New York, or at such other place and time as may be agreed to by the County.

Dated: October 21, 2021

**COUNTY OF MONMOUTH
STATE OF NEW JERSEY**

\$90,990,000 GENERAL IMPROVEMENT BONDS, SERIES 2021A

<u>Year</u> <u>(January 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Year</u> <u>(January 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
2022	\$3,500,000	5.00%	0.13%	2030	\$7,000,000	5.00%	1.15%
2023	3,500,000	5.00	0.21	2031	7,000,000	5.00	1.24
2024	6,105,000	5.00	0.25	2032	7,000,000	5.00	1.30*
2025	7,000,000	5.00	0.34	2033	7,000,000	5.00	1.33*
2026	7,000,000	5.00	0.52	2034	6,160,000	5.00	1.37*
2027	7,000,000	5.00	0.67	2035	4,360,000	5.00	1.41*
2028	7,000,000	5.00	0.89	2036	4,365,000	5.00	1.44*
2029	7,000,000	5.00	1.03				

**\$6,265,000 COUNTY VOCATIONAL SCHOOL BONDS, SERIES 2021A
(NEW JERSEY SCHOOL BOND RESERVE ACT, P.L. 1980, C. 72)**

<u>Year</u> <u>(January 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Year</u> <u>(January 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
2022	\$250,000	5.00%	0.13%	2030	\$485,000	5.00%	1.15%
2023	250,000	5.00	0.21	2031	485,000	5.00	1.24
2024	385,000	5.00	0.25	2032	500,000	5.00	1.30*
2025	480,000	5.00	0.34	2033	500,000	5.00	1.33*
2026	480,000	5.00	0.52	2034	440,000	5.00	1.37*
2027	480,000	5.00	0.67	2035	280,000	5.00	1.41*
2028	480,000	5.00	0.89	2036	285,000	5.00	1.44*
2029	485,000	5.00	1.03				

\$3,955,000 COUNTY COLLEGE BONDS, SERIES 2021A

<u>Year</u> <u>(January 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Year</u> <u>(January 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
2022	\$160,000	5.00%	0.13%	2030	\$305,000	5.00%	1.15%
2023	160,000	5.00	0.21	2031	305,000	5.00	1.24
2024	250,000	5.00	0.25	2032	320,000	5.00	1.30*
2025	300,000	5.00	0.34	2033	320,000	5.00	1.33*
2026	300,000	5.00	0.52	2034	270,000	5.00	1.37*
2027	305,000	5.00	0.67	2035	175,000	5.00	1.41*
2028	305,000	5.00	0.89	2036	175,000	5.00	1.44*
2029	305,000	5.00	1.03				

**\$4,140,000 COUNTY COLLEGE BONDS, SERIES 2021A
(COUNTY COLLEGE BOND ACT, P.L. 1971, c. 12)**

<u>Year</u> <u>(January 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Year</u> <u>(January 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
2022	\$410,000	5.00%	0.13%	2027	\$415,000	5.00%	0.67%
2023	410,000	5.00	0.21	2028	415,000	5.00	0.89
2024	415,000	5.00	0.25	2029	415,000	5.00	1.03
2025	415,000	5.00	0.34	2030	415,000	5.00	1.15
2026	415,000	5.00	0.52	2031	415,000	5.00	1.24

\$25,475,000 GENERAL IMPROVEMENT REFUNDING BONDS, SERIES 2021B

<u>Year</u> <u>(January 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Year</u> <u>(January 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
2023	\$4,950,000	5.00%	0.21%	2026	\$5,165,000	5.00%	0.57%
2024	5,025,000	5.00	0.27	2027	5,225,000	5.00	0.72
2025	5,110,000	5.00	0.38				

\$1,790,000 OPEN SPACE REFUNDING BONDS, SERIES 2021B

<u>Year</u> <u>(January 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Year</u> <u>(January 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
2023	\$345,000	5.00%	0.21%	2026	\$365,000	5.00%	0.57%
2024	355,000	5.00	0.27	2027	365,000	5.00	0.72
2025	360,000	5.00	0.38				

\$1,880,000 RECLAMATION CENTER UTILITY REFUNDING BONDS, SERIES 2021B

<u>Year</u> <u>(January 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Year</u> <u>(January 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
2023	\$365,000	5.00%	0.21%	2026	\$380,000	5.00%	0.57%
2024	370,000	5.00	0.27	2027	385,000	5.00	0.72
2025	380,000	5.00	0.38				

\$18,820,000 RECLAMATION CENTER UTILITY BOND ANTICIPATION NOTE, SERIES 2021

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
November 17, 2022	\$18,820,000	4.00%	0.16%

* Priced to the July 15, 2031 optional call date.

COUNTY OF MONMOUTH
STATE OF NEW JERSEY

BOARD OF COUNTY COMMISSIONERS

Thomas A. Arnone	Director of the Board
Susan M. Kiley	Deputy Director
Lillian G. Burry	Commissioner
Nick DiRocco	Commissioner
Ross F. Licitra	Commissioner

COUNTY OFFICIALS

Teri O'Connor	County Administrator
Craig R. Marshall	Director of Finance and County Treasurer
Michael D. Fitzgerald, Esq.	County Counsel
Marion Masnick	Clerk of the Board of County Commissioners

PROFESSIONALS

Gibbons P.C.	Bond Counsel
Holman Frenia Allison, P.C.	Independent Auditor
Public Resources Advisory Group	Municipal Advisor

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations with respect to the Series 2021 Obligations, other than those contained in this Official Statement, in connection with the offering of the Series 2021 Obligations. If given or made, such information or representation must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell nor the solicitation of any offer to buy, nor shall there be any sale of the Series 2021 Obligations by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the Series 2021 Obligations referred to herein and may not be used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or the holders of any of the Series 2021 Obligations. 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 County since the date hereof or any earlier date as of which any information contained herein is given.

Certain information set forth herein has been obtained from sources other than the County that are believed to be reliable. Such information is not guaranteed as to accuracy or completeness by the County, and the provision of such information herein is not to be construed as a representation of the County.

COUNTY OF MONMOUTH, NEW JERSEY

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**OFFICIAL STATEMENT
OF
THE COUNTY OF MONMOUTH
STATE OF NEW JERSEY**

**Relating to its
\$105,350,000 General Obligation Bonds, Series 2021A
Consisting of
\$90,990,000 General Improvement Bonds, Series 2021A
\$6,265,000 County Vocational School Bonds, Series 2021A
(New Jersey School Bond Reserve Act, P.L. 1980, c. 72),
\$3,955,000 County College Bonds, Series 2021A
and
\$4,140,000 County College Bonds, Series 2021A
(County College Bond Act, P.L. 1971, c. 12)
(Callable)
and
\$29,145,000 General Obligation Refunding Bonds, Series 2021B
Consisting of
\$25,475,000 General Improvement Refunding Bonds, Series 2021B
\$1,790,000 Open Space Refunding Bonds, Series 2021B
and
\$1,880,000 Reclamation Center Utility Refunding Bonds, Series 2021B
(Non-Callable)
and
\$18,820,000 Reclamation Center Utility Bond Anticipation Note, Series 2021
(Non-Callable)**

I. DESCRIPTION OF THE SERIES 2021 OBLIGATIONS

Introduction

This Official Statement, which includes the cover page and appendices attached hereto, has been prepared by officials of the County of Monmouth (the “County”), State of New Jersey (the “State”), in connection with the sale and issuance of \$105,350,000 aggregate principal amount of the County’s General Obligation Bonds, Series 2021A, consisting of \$90,990,000 General Improvement Bonds, Series 2021A, \$6,265,000 County Vocational School Bonds, Series 2021A (New Jersey School Bond Reserve Act, P.L. 1980, c. 72), \$3,955,000 County College Bonds, Series 2021A and \$4,140,000 County College Bonds, Series 2021A (County College Bond Act, P.L. 1971, c. 12) (collectively, the “Series 2021A Bonds”), \$29,145,000 aggregate principal amount of the County’s General Obligation Refunding Bonds, Series 2021B, consisting of \$25,475,000 General Improvement Refunding Bonds, Series 2021B, \$1,790,000 Open Space Refunding Bonds, Series 2021B and \$1,880,000 Reclamation Center Utility Refunding Bonds, Series 2021B (collectively, the “Series 2021B Bonds,” and together with the Series 2021A Bonds, the “Series 2021 Bonds”), and \$18,820,000 aggregate principal amount of the County’s Reclamation Center Utility Bond Anticipation Note, Series 2021 (the “Series 2021

Note," and together with the Series 2021 Bonds, the "Series 2021 Obligations"), each dated the date of delivery.

The Series 2021 Obligations are issued pursuant to the Local Bond Law of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended (the "Local Bond Law"), and where appropriate, Title 18A, Education of the New Jersey Statutes, as amended. The Series 2021 Obligations have been authorized by various ordinances duly adopted by the County and two resolutions of the County adopted at meeting of the Board of County Commissioners (the "County Board") on September 23, 2021. The Series 2021 Obligations will be general obligations of the County, whose full faith and credit are pledged to the payment of the principal of, redemption premium, if any, and interest on the Series 2021 Obligations, and for which the County shall, unless otherwise paid, levy *ad valorem* taxes upon all taxable property within the County without limitation as to rate or amount.

Term

The Series 2021 Bonds will be dated the date of delivery, and will mature on January 15 in the years and in the amounts set forth on the inside cover page hereof. The Series 2021 Bonds will bear interest, calculated on the basis of a 360-day year of twelve 30-day months, payable semi-annually on January 15, 2022 and on each July 15 and January 15 thereafter until maturity or optional redemption. The Series 2021 Note will be dated the date of delivery, and will mature on November 17, 2022 in the amount set forth on the inside front cover page hereof. The Series 2021 Note will bear interest, calculated on the basis of a 360-day year of twelve 30-day months, payable on its maturity date.

Denomination and Place of Payment

The Series 2021 Obligations will initially be issued in fully registered form, without coupons, in the name of Cede & Co. ("Cede"), as nominee for The Depository Trust Company ("DTC") which will act as securities depository for the Series 2021 Bonds under its book-entry-only system (the "DTC Book-Entry-Only System"). An individual purchaser (the "Beneficial Owner") may purchase a Series 2021 Obligation in book-entry form (without certificates) in denominations of \$5,000 each or any integral multiple thereof.

Provided Cede is the registered owner of the Series 2021 Obligations, the principal, redemption premium, if any, and interest on, the Series 2021 Obligations will be paid to DTC or Cede, as its nominee, and credited to the participants of DTC as listed on the records of DTC as of each next preceding January 1 and July 1 with respect to the Series 2021 Bonds and as of November 17, 2022 with respect to the Series 2021 Note (the "Record Dates" for the payment of interest on the Series 2021 Obligations). See "OTHER INFORMATION - The DTC Book-Entry-Only System" herein.

Optional Redemption Provisions

Series 2021A Bonds

The Series 2021A Bonds maturing on or prior to January 15, 2031 shall not be subject to redemption prior to their respective maturity dates. The Series 2021A Bonds maturing on or

after January 15, 2032 shall be subject to redemption prior to their respective maturity dates, on or after July 15, 2031 at the option of the County, either in whole or in part at any time in any order of maturity at par (the “Redemption Price”) and accrued interest thereon to the date of redemption.

Notice of redemption shall be given by mailing by first class mail in a sealed envelope with postage prepaid to the registered owners of such Series 2021A Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the County, at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. However, so long as DTC (or any successor thereto) acts as Securities Depository for the Series 2021A Bonds, notices of redemption shall be sent to such depository and shall not be sent to the beneficial owners of the Series 2021A Bonds, and will be done in accordance with DTC procedures. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any notice of redemption shall not affect the validity of the redemption proceedings. If the County determines to redeem a portion of the Series 2021A Bonds of a maturity, such Series 2021A Bonds shall be selected by lot. If notice of redemption has been given as described herein, the Series 2021A Bonds, or the portion thereof called for redemption, shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Payment shall be made upon surrender of the Series 2021A Bonds redeemed.

Series 2021B Bonds

The Series 2021B Bonds are not subject to redemption prior to maturity.

Series 2021 Note

The Series 2021 Note is not subject to redemption prior to maturity.

Authorization

The Series 2021 Obligations have been authorized and are to be issued in accordance with the Local Bond Law, and where appropriate, Title 18A, Education of the New Jersey Statutes, as amended, various ordinances and two resolutions adopted by the Board of County Commissioners of the County on September 23, 2021. The ordinances included in the sale of the Series 2021 Obligations were published in full or in summary form after their adoption along with the statement that the twenty-day period of limitation within which a suit, action or proceeding questioning the validity of the authorizing bond ordinances can be commenced began to run from the date of the first publication of such estoppel statement. The Local Bond Law provides that after issuance all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and any person shall be estopped from questioning the sale, execution or delivery of the Series 2021 Obligations by the County.

Security for the Series 2021 Obligations

The Series 2021 Obligations are general obligations of the County whose full faith and credit are pledged to the payment of the principal of, redemption premium, if any, and interest thereon. The County is authorized and required by law to levy *ad valorem* taxes upon all the

taxable property within the County without limitation as to rate or amount for the payment of the principal of and interest on the Series 2021 Obligations.

Additional Security for the County Vocational School Bonds, Series 2021A (New Jersey School Bond Reserve Act, P.L. 1980, c. 72)

The County Vocational School Bonds, Series 2021A (New Jersey School Bond Reserve Act, P.L. 1980, c. 72) will be secured by the School Bond Reserve (“School Bond Reserve”) established in the Fund for the Support of Free Public Schools of the State of New Jersey (the “Fund”) and in accordance with the New Jersey School Bond Reserve Act, P.L. 1980, c. 72, approved July 16, 1980 (the “School Bond Reserve Act” and codified at N.J.S.A. 18A:56-17 et. seq.). The School Bond Reserve shall consist of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least one and one-half (1 1/2 %) per cent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes for all such indebtedness issued prior to July 1, 2003, exclusive of bonds the debt service for which is provided by the State, provided such amounts do not exceed the moneys available in the old school bond reserve account. The new school bond reserve account shall be funded in an amount equal to at least one (1%) per cent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes for all such indebtedness issued on and after July 1, 2003, exclusive of bonds the debt service for which is provided by State appropriations.

The School Bond Reserve Act provides that the School Bond Reserve shall be composed entirely of direct obligations of the United States Government or obligations guaranteed by the full faith and credit of the United States Government. Securities representing at least one-third of the minimal market value to be held in the School Bond Reserve shall be due to mature within one year of issuance or purchase. The trustees of the Fund are to determine, on or before September 15 of each year the aggregate amount of school purpose bonds issued and outstanding and to maintain the old school bond reserve account and the new school bond reserve account for the ensuing year at appropriate levels based upon market valuation of the obligations invested. The funds that are set aside in the old school bond reserve account constitute a reserve for the prompt payment to holders of bonds issued for school purposes by counties, municipalities or school districts of the principal of and interest of bonds issued prior to July 1, 2003 for school purposes in the event of the inability of the issuer to make payments. The funds that are set aside in the new school bond reserve account constitute a reserve for the prompt payment to holders of bonds issued for school purposes by counties, municipalities or school districts of the principal of and interest of bonds issued on and after July 1, 2003 for school purposes in the event of the inability of the issuer to make payments. In the event that the amount held in the old school bond reserve account exceeds the amount required to be held pursuant to the School Bond Reserve Act, the excess may be transferred by the State Treasurer to the new school bond reserve account. In the event that the amounts in either the old school bond reserve account or the new school bond reserve account fall below the amount required to make payments on bonds, the amounts in both the old school bond reserve account and new school bond reserve account shall be available to make payments for bonds secured by the reserve.

Beginning with the fiscal year ending on June 30, 2003 and continuing on each June 30 thereafter, the State Treasurer shall calculate the amount necessary to fully fund the old school bond reserve account and the new school bond reserve account as required pursuant to the School Bond Reserve Act. To the extent moneys available under the N.J.S.A. 18A:56-1 et. seq. are insufficient to maintain each of the old school bond reserve account and the new school bond reserve account at the required levels, the State Treasurer shall, no later than September 15 of the fiscal year following the June 30 calculation date, pay to the trustees for deposit in the School Bond Reserve such amounts as may be necessary to maintain the old school bond reserve account and the new school bond reserve account at the levels required pursuant to the School Bond Reserve Act. No money may be borrowed from the Fund to provide liquidity to the State unless the one and one-half (1 1/2%) per cent and one (1%) per cent accounts are at the levels certified as full funding on the most recent June 30 calculation date.

If a municipality, county or school district is unable to meet payment of principal of or interest on any of its bonds issued for school purposes, the trustee of the Fund will purchase such bonds at par value or will pay to the bondholders the interest due or to become due within the limit of funds available in the School Bond Reserve in accordance with the provisions of the School Bond Reserve Act.

The County Vocational School Bonds, Series 2021A (New Jersey School Bond Reserve Act, P.L. 1980, c. 72) have not been assigned a separate rating based upon the School Bond Reserve Act.

Additional Security for the County College Bonds, Series 2021A (County College Bond Act, P.L. 1971, c. 12)

The County College Bonds, Series 2021A (County College Bond Act, P.L. 1971, c. 12) are entitled to the benefits of the provisions of the County College Bond Act, P.L. 1971, c.12 (N.J.S.A. 18A:64A-22.1 *et seq.*) (the “County College Bond Act”). Under the provisions of the Act, the State shall appropriate and pay annually on behalf of the County an amount equal to the amount of principal and interest due on the County College Bonds, Series 2021A (County College Bond Act, P.L. 1971, c. 12). The amount paid by the State pursuant to the Act are paid directly to the paying agent for the County College Bonds, Series 2021A (County College Bond Act, P.L. 1971, c. 12) and therefore must be used for the payment of the principal of and interest on the County College Bonds, Series 2021A (County College Bond Act, P.L. 1971, c. 12). Any obligations issued by the County that are entitled to the benefits of the provisions of the County College Bond Act are not debts or liabilities of the State, but are dependent for repayment upon appropriations by law from time to time.

Purpose of the Series 2021A Bonds

The proceeds of the Series 2021A Bonds will be used to permanently finance the acquisition and undertaking of capital improvements authorized by various ordinances of the Board of County Commissioners of the County adopted on the date as set forth in the table below:

<u>Project</u>	<u>Amount of Series 2021A Bonds Originally Authorized</u>	<u>Amount of Series 2021A Bonds Issued</u>	<u>Adoption Dates</u>
Various Improvements (Ord. No. 08-03), as amended and as reappropriated	\$71,055,000.00	\$ 412,000	May 22, 2008
Various Improvements (Ord. No. 10-02), as amended and as reappropriated	47,500,000.00	320,000	June 24, 2010
Various Improvements (Ord. No. 13-01), as amended and as reappropriated	25,195,000.00	1,270,000	June 27, 2013
Various Improvements (Ord. No. 14-02), as amended and as reappropriated	10,000,000.00	49,000	June 12, 2014
Various Improvements (Ord. No. 14-03), as amended and as reappropriated	13,440,000.00	360,000	June 12, 2014
Various Improvements (Ord. No. 15-05), as amended and as reappropriated	44,195,000.00	190,000	May 28, 2015
Various Improvements (Ord. No. 16-01), as amended and as reappropriated	58,900,000.00	4,866,000	June 9, 2016
Various Improvements (Ord. No. 17-02), as amended and as reappropriated	43,835,000.00	3,782,000	July 13, 2017
Various Improvements (Ord. No. 17-04), as amended and as reappropriated	10,115,387.40	4,449,000	July 13, 2017
Various Improvements (Ord. No. 18-03), as amended and as reappropriated	54,640,000.00	14,450,550	June 14, 2018
Various Improvements (Ord. No. 18-06)	43,835,000.00	81,000	August 9, 2018
Various Improvements (Ord. No. 18-07)	2,090,000.00	975,000	August 23, 2018
Various Improvements (Ord. No. 19-02), as amended and as reappropriated	71,735,000.00	21,816,450	April 3, 2019
Various Improvements (Ord. No. 20-01)	4,285,000.00	3,466,000	February 13, 2020
Various Improvements (Ord. No. 20-03)	7,910,000.00	6,398,000	June 11, 2020
Various Improvements (Ord. No. 20-04)	5,315,000.00	3,806,000	July 23, 2020
Various Improvements (Ord. No. 20-06)	6,315,000.00	5,108,000	July 23, 2020
Various Improvements (Ord. No. 21-01)	760,000.00	465,000	May 27, 2021
Various Improvements (Ord. No. 21-03)	36,780,000.00	12,696,000	July 22, 2021
Various Improvements (Ord. No. 21-05)	11,425,000.00	6,030,000	August 26, 2021
Vocational School Improvements (Ord. No. 18-05)	6,985,000.00	979,000	June 14, 2018
Vocational School Improvements (Ord. No. 19-04)	17,950,000.00	4,477,000	April 3, 2019
Vocational School Improvements (Ord. No. 21-04)	8,250,000.00	809,000	August 12, 2021
County College Improvements (Ord. No. 20-07)	3,900,000.00	3,231,000	November 24, 2020
County College Improvements (Ord. No. 21-02)	5,870,000.00	4,864,000	July 8, 2021
TOTAL	\$612,280,387.40	\$105,350,000	

Purpose of the Series 2021B Bonds

The proceeds of the Series 2021B Bonds will be used to refund certain general obligation bonds of the County authorized by an ordinance of the Board of County Commissioners of the County adopted on the date as set forth in the table below. In particular, a portion of the proceeds of the Series 2021B Bonds is anticipated to be used to pay the principal and redemption premium of the County's (a) General Improvement Bonds, Series 2012, dated June 28, 2012, which bonds mature on January 15, in each of the years 2023 to 2027, inclusive, in an aggregate amount of \$28,500,000, (ii) Open Space Bonds, Series 2012, dated June 28, 2012, which bonds mature on January 15, in each of the years 2023 to 2027, inclusive, in the aggregate amount of \$2,000,000 and (iii) Reclamation Center Utility Bonds, Series 2012, dated June 28, 2012, which bonds mature on January 15, in each of the years 2023 to 2027, inclusive, in the aggregate amount of \$2,100,000 (collectively, the "Refunded Bonds"). A portion of the proceeds of the Series 2021B Bonds will be deposited to the credit of an escrow fund (the "Escrow Fund") created pursuant to an escrow deposit agreement between the County and Zions Bancorporation, National Association, Pittsburgh, Pennsylvania, as escrow agent (the "Escrow Agent") to be held uninvested as cash (the "Escrow Amount") which will be sufficient to pay principal of, premium, if any, and interest on the Refunded Bonds.

<u>Project</u>	<u>Amount of Series 2021B Bonds Authorized</u>	<u>Amount of Series 2021B Bonds Issued</u>	<u>Adoption Date</u>
Refunding of Certain General Obligations of the County (Ord. No. 21-0006)	\$35,000,000	\$29,145,000	September 9, 2021

Purpose of the Series 2021 Note

The proceeds of the Series 2021 Note will be used to refinance the acquisition and undertaking of capital improvements authorized by various ordinances of the Board of County Commissioners of the County adopted on the date as set forth in the table below:

<u>Project</u>	<u>Amount of Series 2021 Note Originally Authorized</u>	<u>Amount of Series 2021 Note Issued</u>	<u>Adoption Dates</u>
Reclamation Center Utility Improvements (Ord. No. 19-01)	\$ 7,550,000	\$ 7,224,000	March 18, 2019
Reclamation Center Utility Improvements (Ord. No. 19-05)	4,050,000	3,875,000	July 11, 2019
Reclamation Center Utility Improvements (Ord. No. 20-02)	8,000,000	7,721,000	May 14, 2020
TOTAL	\$19,600,000	\$18,820,000	

II. 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 194 to 66,522 (2010 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 2023
Susan M. Kiley	Deputy Director	January 2022
Lillian G. Burry	Commissioner	January 2024
Nick DiRocco	Commissioner	January 2023
Ross F. Licitra	Commissioner	January 2024

County Officials

Teri O'Connor	County Administrator
Craig R. Marshall	Director of Finance and County Treasurer
Michael D. Fitzgerald, Esq.	County Counsel
Marion Masnick	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 (2016-2020)” herein.

Solid Waste Disposal

The County presently uses solid waste processing and landfill facilities 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 since federal court decisions dismantled the New Jersey “waste flow control” regulations, the MCRC still accepts most solid waste from local businesses and municipalities. The MCRC accepted 398,543.36 tons during 2020 and, at current monthly deliveries, is expected to accept a similar amount during 2021. Much of the waste has been baled since the MCRC opened in 1976, making more efficient use of the available capacity. A Materials Processing and Recovery Facility (MPRF) began operation in December 1996, and now accepts all municipal and bulky waste brought to the facility. Trucks dump regular and bulky waste in separate areas of an enclosed building, where waste is inspected, and some recyclables removed. Bulky waste is now crushed and transported to the landfill by haul trucks. While the Phase III landfill area opened in August 1997, designed specifically as a balefill, the MCRC has shifted operations from baling waste to conventional landfilling in order to take full advantage of the available capacity in the landfill. Utilizing conventional landfilling (compacting loose waste), the MCRC capacity is expected to last until 2028. In the meantime, the County has filed an application to the New Jersey Department of Environmental Protection (NJDEP) for an expansion of the landfill facility which will provide another 20 years of capacity to dispose of the municipal solid waste generated within the County. 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.

On March 26, 2021 the MCRC outsourced the management and operation of the facility to Waste Management through the RFP process. The adopted budget for 2021 is \$31,650,000 compared to the 2020 adopted budget of \$34,700,000, a savings of \$3,050,000 as a result of this contract. The initial year of the contract is only for 9 months which will make year 2 savings greater. As a result of their management, it was recommended to end the use of the Materials Recovery Processing Facility (MRPF) by having all the haulers dump directly into the landfill. On May 7, 2021 this change was implemented with additional annual savings of over \$4.1 million. We expect that Waste Management will continue to streamline operations and provide additional cost saving ideas as they continue to operate and manage the facility.

The County has also developed a comprehensive mandatory recycling program as part of its Solid Waste Plan. The program began in 1987 with a phased-in approach (over 12 months) for multi-material municipal private collection of residential, commercial and institutional recyclables. Many towns recycle additional materials not required by the County. The mandatory recycling program, in conjunction with the recovery operations at the MPRF, results in a recycling rate around 50% for the County as a whole. Current efforts focus on source reduction, such as backyard composting and environmental shopping, to reduce the total amount of waste requiring recycling or disposal.

In 2014 the MCRC began construction on a design, build, operate contract to build a Leachate Pretreatment Facility. This facility was designed to treat the leachate generated within the landfill, and then dispose of it directly into the sewer system. This was expected to significantly reduce a \$4+ million trucking contract with a net savings of about \$2 million annually. While this facility has been functional since August 2016, it has rarely reached its expected design capacity. In addition, on an application from the Township of Neptune Sewage Authority (TNSA), the NJDEP unilaterally modified the Significant Indirect User (SIU) permit that was granted to the MCRC/County prior to the construction of the facility. This modification has significantly impacted the ability of the plant to meet the original treatment goals and has significantly reduced the amount of leachate that can be treated on a daily basis. In September 2019 the plant was shut down pending authorized modifications to the plant to be designed and constructed which will remove the impediments to treating up to 150,000 gallons of leachate a day. It is anticipated that the modification authorized by the County will increase the capacity of the plant to accommodate the anticipated Phase 4 expansion of the landfill, which will provide the additional 20 year capacity for the landfill. The modifications have been completed and the plant started ramping up towards full capacity in August 2021. The plant is presently sending about 40% of daily capacity, or 60,000 gallons, thereby saving trucking fees. It is expected to be fully operational in the next several months.

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.

Tropical Storm Sandy

On October 29, 2012, Tropical Storm Sandy made landfall five miles south of Atlantic City, New Jersey. The resulting storm surge and winds caused catastrophic damage to many coastal and riverfront communities, as well as widespread physical damage (including loss of electrical power and other utilities) throughout the State. In the days following the storm, most schools and businesses -- and many roads, bridges and public transportation systems -- were closed. The County expected to secure substantial federal assistance, including reimbursement of certain associated costs from the Federal Emergency Management Agency ("FEMA") to allow the County to recover a substantial portion of storm-related losses.

The State, its counties, including the County, and municipal governments have tabulated the associated costs and expenses as a result of the storm preparation, evacuation and shut down as well as the costs for remediation, clean-up, mitigation and the restoration of services. These costs have been categorized by agency and expense type and in accordance with FEMA allowances. The County intends to maximize its recovery from all available FEMA sources, subject to any sublimits and retentions. The amount and timing for receipt of funds from FEMA cannot be predicted.

The County's current eligible obligated requests for financial assistance from FEMA total \$18,170,774.57 of which approximately 90% of such requests, \$16,331,727.97, will be reimbursed to the County. As of October 7, 2021, \$15,593,529.21 has been paid by FEMA and received by the County. Of the \$738,198.76 that has not been paid, \$41,898.56 is for one project that has been set up as a grant. The remaining \$696,300.20 is spread over five open projects, of which four are going through the closeout process.

Sale of Care Centers

On October 20, 2015, the County conducted public auctions for the sale of the Geraldine L. Thompson and John L. Montgomery care centers. The public auctions resulted in a high bid of \$15,000,000 for the Geraldine L. Thompson Care Center and a high bid of \$17,400,000 for the John L. Montgomery Care Center. The Board of County Commissioners approved and accepted the high bid for each care center at its meeting on October 22, 2015. The County closed on each sale on December 31, 2015.

III. 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 2021 is 1%. 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>
2017	\$116,055,885,089	97.97	\$118,464,161,224	0.255830452
2018	119,785,889,692	97.66	122,658,340,514	0.248211848
2019	123,829,470,638	96.55	128,258,638,858	0.238521177
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

Source: Abstract of Ratables County of Monmouth

DISTRIBUTION OF ASSESSED VALUATION

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Vacant Land	\$ 1,704,290,300	\$ 1,826,612,900	\$ 1,815,041,000	\$ 1,824,482,600	\$ 1,818,976,950
Residential	96,796,150,985	99,989,649,035	103,536,016,545	106,658,071,249	110,758,325,860
Farm Regular	888,484,900	899,778,600	916,202,100	913,977,900	908,827,000
Farm Qualified	27,434,600	27,493,600	27,514,800	26,841,400	26,539,900
Commercial	13,075,752,350	13,345,094,550	13,690,626,721	14,105,100,171	14,055,498,208
Industrial	1,148,978,100	1,160,418,900	1,160,841,300	1,172,164,400	1,260,650,300
Apartments	<u>2,338,559,400</u>	<u>2,459,433,100</u>	<u>2,611,822,500</u>	<u>2,733,879,400</u>	<u>2,882,609,100</u>
	<u>\$115,979,650,635</u>	<u>\$119,708,480,685</u>	<u>\$123,758,064,966</u>	<u>\$127,434,517,120</u>	<u>\$131,711,427,318</u>

Source: Abstract of Ratables, County of Monmouth (June 2021).

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, 2020**

	<u>Owner of Record</u>	<u>Property Location</u>	<u>2020 Total Assessed Value</u>	<u>2020 Tax Rate Per \$100</u>	<u>Total 2020 Taxes</u>
1	Freehold Mall	Freehold Township	\$519,439,700	2.130	\$11,064,066
2	Monmouth Mall	Eatontown	234,104,600	2.280	5,337,585
3	AT&T Corporate Park	Middletown	176,603,900	2.138	3,775,791
4	Assisted Living Facility	Tinton Falls	179,612,000	1.937	3,479,084
5	Jersey Shore Premium Outlets	Tinton Falls	177,381,400	1.937	3,435,878
6	Pier Village Urban Renewal Co	Long Branch	136,074,000	2.090	2,843,947
7	New Jersey Sports & Exposition Authority	Oceanport	111,991,100	1.828	2,047,197
8	Avalon Bay Apartments	Freehold Township	69,726,700	2.130	1,485,179
9	Woodshire Apartments	Ocean Township	71,408,100	1.940	1,385,317
10	Shopping Center – The Grove	Shrewsbury Boro	63,400,500	2.123	1,345,993
11	Seaview Square Mall	Ocean Township	67,820,300	1.940	1,315,714
12	Shopping Center	Manalapan	61,869,100	2.008	1,242,332

Source: Monmouth County Board of Taxation (June 1, 2021).

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 Freeholders. 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 Freeholders 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 Freeholders 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 2020 independent auditor, for the calendar year ending December 31, 2020 appears in Appendix A to this Official Statement.

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues and Other Additions:					
Fund Balance Utilized	\$ 45,850,000	\$ 43,500,000	\$ 40,000,000	\$ 37,000,000	\$ 36,500,000
Miscellaneous Revenue					
Anticipated	146,081,882	151,046,425	148,373,068	181,339,235	263,382,811
Miscellaneous Revenue Not					
Anticipated	13,305,469	12,916,515	14,781,801	15,596,664	12,790,056
Receipts from Current Taxes	302,475,000	302,475,000	304,000,000	305,500,000	311,500,000
Other Credits to Revenue	41,386	14,714	42,324	27,455	213,009
Unexpended Balance of					
Appropriations Lapsed	13,840,752	13,243,978	14,720,129	11,490,726	9,810,358
Total Revenues and Other Additions	\$521,594,489	\$523,196,632	\$521,917,322	\$550,954,080	\$634,196,234
Expenditures:					
Budget Appropriations*	\$485,502,487	\$487,330,392	\$486,798,751	\$515,783,684	\$602,637,348
Other Charges	--	--	--	--	--
Total Expenditures	\$485,502,487	\$487,330,392	\$486,798,751	\$515,783,684	\$602,637,348
Excess in Revenue	36,092,002	35,866,240	35,118,571	35,170,396	31,558,886
Adjustment to Income Before					
Surplus: Emergency	--	--	--	--	--
Authorization					
Fund Balance, January 1	92,161,556	82,403,558	74,769,798	69,888,369	68,058,765
	128,253,558	118,269,798	109,888,369	105,058,765	99,617,651
Decreased by:					
Utilized as Anticipated Revenue	45,850,000	43,500,000	40,000,000	37,000,000	36,500,000
Fund Balance, December 31	<u>\$82,403,558</u>	<u>\$74,769,798</u>	<u>\$69,888,369</u>	<u>\$68,058,765</u>	<u>\$63,117,651</u>
Fund Balance, as a percentage of Total Expenditures	16.97%	15.34%	14.36%	13.20%	10.47%
* Paid or Charged	\$472,705,464	\$472,710,920	\$475,241,517	\$505,709,989	\$584,241,348
Appropriation Reserves	12,797,023	14,619,472	11,557,234	10,073,695	18,396,000
Current Appropriations Cancelled	--	--	--	--	--
	\$485,502,487	\$487,330,392	\$486,798,751	\$515,783,684	\$602,637,348

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 16.97% in 2016, while the tax levy has remained stable.

FIVE YEAR SUMMARY OF CURRENT FUND BUDGET AND ACTUAL RESULTS

	2016		2017		2018		2019		2020	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:										
County Clerk	\$ 11,972,549	\$ 13,470,051	\$ 13,416,846	\$ 14,618,090	\$ 14,288,512	\$ 15,705,376	\$ 14,950,976	\$ 14,803,830	\$ 14,452,130	\$ 17,549,889
Interest on Investments	1,000,000	1,588,002	1,585,000	2,064,117	2,060,000	4,517,779	4,500,000	4,458,853	3,000,000	1,845,064
Parks & Recreation	7,277,604	7,434,300	7,392,254	7,395,928	7,384,897	6,708,967	6,670,325	7,867,355	7,480,884	9,806,657
Medical Homes	1,710,000	1,711,535	0	0	0	0	0	0	0	0
Division of Social Services	22,501,552	25,224,535	22,535,294	23,393,550	22,507,250	21,187,615	20,534,896	21,886,218	21,357,537	21,654,647
State of N.J. - Social Service Reimbursement	28,983,244	28,983,244	0	0	0	0	0	0	0	0
State of N.J. - Inmate Reimbursement	20,000	47,920	20,000	43,096	40,000	33,543	33,000	27,562	25,000	741,376
State of N.J. - Remaining Aid	2,013,840	2,152,797	2,036,498	2,111,197	1,913,044	1,833,876	1,676,168	1,730,311	2,169,292	2,162,516
State & Federal Grants	22,505,116	22,505,116	49,770,891	49,770,891	46,866,745	46,866,745	75,788,327	75,788,327	157,615,809	157,615,809
Miscellaneous Revenue	39,193,582	56,269,851	44,598,609	64,566,071	47,738,303	66,300,968	49,129,993	70,373,443	48,236,806	64,796,910
Fund Balance Utilized	45,850,000	45,850,000	43,500,000	43,500,000	40,000,000	40,000,000	37,000,000	37,000,000	36,500,000	36,500,000
County Tax Levy	<u>302,475,000</u>	<u>302,475,000</u>	<u>302,475,000</u>	<u>302,475,000</u>	<u>304,000,000</u>	<u>304,000,000</u>	<u>305,500,000</u>	<u>305,500,000</u>	<u>311,500,000</u>	<u>311,500,000</u>
TOTAL REVENUES	\$485,502,487	\$507,712,351	\$487,330,392	\$509,937,940	\$486,798,751	\$507,154,869	\$515,783,685	\$539,435,899	\$602,637,348	\$624,172,868
Appropriations:										
General Government	\$ 30,056,715	\$ 28,290,314	\$ 29,922,184	\$ 28,533,466	\$ 30,153,402	\$ 29,122,935	\$ 28,632,571	\$ 27,439,466	\$ 28,664,776	\$ 25,790,259
Land Use Administration	1,110,151	1,018,443	1,070,607	1,035,368	1,162,022	1,143,317	1,199,946	1,136,978	1,268,999	1,151,198
Code Enforcement	313,286	312,959	288,178	279,845	301,590	297,315	307,984	307,182	312,687	298,737
Insurance	61,735,504	59,729,706	61,562,000	58,578,409	58,873,000	56,636,217	58,714,700	56,989,141	63,915,000	61,958,792
Public Safety	95,268,800	92,216,083	96,944,567	94,755,215	97,869,315	95,542,923	98,543,015	96,983,600	100,395,224	95,813,673
Public Works & Engineering	32,850,403	31,842,707	33,550,494	32,853,545	37,998,055	37,426,352	35,955,096	35,317,499	33,257,794	32,530,170
Health & Human Services	75,155,450	73,139,492	46,522,038	41,953,169	43,762,063	41,000,113	44,527,007	42,039,223	43,672,437	37,468,884
Parks & Recreation	19,048,673	18,845,740	20,343,800	19,287,238	20,196,458	19,968,894	20,807,066	20,573,826	19,956,952	19,836,992
Education	37,541,193	37,460,442	37,547,918	37,450,011	37,555,887	37,480,414	37,481,565	37,407,652	37,458,888	37,227,273
Other Common Operating/Contingent	760,352	636,310	1,001,040	867,829	1,030,701	933,742	414,370	164,560	708,170	634,042
Utility Expenses	9,570,000	9,257,855	9,750,000	9,411,241	9,945,000	9,163,980	9,945,000	9,203,081	9,300,000	8,986,981
Statutory Expenditures	36,850,000	35,676,996	36,500,000	36,124,531	37,425,000	36,773,574	39,875,000	39,352,313	40,206,000	39,632,291
State & Federal Grants	23,555,116	22,817,392	50,820,891	50,208,511	47,916,745	47,325,030	76,838,327	76,386,535	158,665,809	158,247,240
Capital Improvements	3,550,000	3,324,181	3,550,000	3,415,867	3,550,000	3,367,198	3,550,000	3,416,895	3,550,000	3,356,205
Debt Service	58,136,844	58,136,844	57,956,675	57,956,675	59,059,513	59,059,513	58,992,038	58,992,038	61,304,612	61,304,612
Deferred Charges	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL APPROPRIATIONS	\$485,502,487	\$472,705,464	\$487,330,392	\$472,710,920	\$486,798,751	\$475,241,517	\$515,783,685	\$505,709,989	\$602,637,348	\$584,241,349
Excess in Revenues		\$35,006,887		\$37,227,020		\$31,913,352		\$33,725,910		\$39,931,519
Less Appropriation Reserve		11,589,217		14,619,472		11,557,234		10,073,695		18,396,000
Less Cancellation – Current Yr Approp		<u>-0-</u>		<u>-0-</u>		<u>-0-</u>		<u>-0-</u>		<u>-0-</u>
Excess in Revenues, Net		\$23,417,670		\$22,607,548		\$20,356,118		\$23,652,215		\$21,535,519
Other Credits/(Debits) to Income:										
Unexpended Balance of Previous Year										
Appropriation Reserve		\$12,632,946		\$13,243,978		\$14,720,129		\$11,490,726		\$9,810,358
Emergency Authorization		<u>-0-</u>		<u>-0-</u>		<u>-0-</u>		<u>-0-</u>		<u>-0-</u>
Other		<u>41,386</u>		<u>14,714</u>		<u>42,324</u>		<u>27,455</u>		<u>213,009</u>
Total Excess in Revenues, Net + Other		\$36,092,002		\$35,866,240		\$35,118,571		\$35,170,396		\$31,558,886
Credits to Income		<u>\$46,311,556</u>		<u>\$38,903,558</u>		<u>\$34,769,798</u>		<u>\$32,888,369</u>		<u>\$31,558,765</u>
Fund Balance, Beginning of Year		<u>\$82,403,558</u>		<u>\$74,769,798</u>		<u>\$69,888,369</u>		<u>\$68,058,765</u>		<u>\$63,117,651</u>
Fund Balance, End of Year										

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

	<u>2020⁽¹⁾</u>	<u>2021⁽²⁾</u>
Anticipated Revenues:		
Fund Balance Utilized	\$ 36,500,000	\$ 36,375,000
State Aid	20,751,829	19,834,127
State and Federal Grants	7,778,461	8,521,096
Miscellaneous Revenue	76,269,710	76,419,777
County Tax Levy	<u>311,500,000</u>	<u>311,500,000</u>
Total Anticipated Revenues	<u>\$452,800,000</u>	<u>\$452,650,000</u>
Appropriations:		
Operations	\$347,635,388	\$347,464,552
Capital Improvements	3,550,000	550,000
Debt Service	61,304,612	61,356,603
Pension Contributions and Social Security Taxes	<u>40,310,000</u>	<u>43,278,845</u>
Total Appropriations	<u>\$452,800,000</u>	<u>\$452,650,000</u>

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- (1) The 2020 County Budget was adopted by the Board of County Commissioners (formerly known as the Board of Chosen Freeholders) on April 7, 2020.
- (2) The 2021 County Budget was adopted by the Board of County Commissioners on May 27, 2021.

**COUNTY OF MONMOUTH
RECLAMATION CENTER UTILITY FUND
STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>REVENUES</u>					
Fund Balance	\$8,225,000	\$ 8,755,000	\$ 6,640,000	\$ 3,495,000	\$ 3,800,000
Grant	544,616	551,782	501,620	472,956	523,118
Utility Fees	25,820,396	26,052,294	28,651,992	30,457,614	29,959,878
Reclamation Center Capital					
Fund Balance	--	--	3,465,000	--	--
Gas to Energy Utility					
Receipts	--	--	--	681,099	--
Interest on Investments	--	--	--	528,670	444,521
Miscellaneous Revenue					
Not Anticipated	1,152,223	1,247,465	1,245,434	147,221	434,834
Other Income	--	57,113	--	146	347
Unexpended Appropriations	3,914,703	4,007,190	1,296,572	2,361,505	1,583,782
Total Revenue	<u>\$39,656,938</u>	<u>\$40,670,844</u>	<u>\$41,800,618</u>	<u>\$38,144,211</u>	<u>\$36,746,480</u>
<u>EXPENDITURES</u>					
Operations with Reserves	\$28,067,308	\$31,546,036	\$32,695,438	\$32,013,299	\$32,730,510
Other Expenditures and Commitments	--	--	3,200,000	--	--
Total Expenditures	<u>\$28,067,308</u>	<u>\$31,546,036</u>	<u>\$35,895,438</u>	<u>\$32,013,299</u>	<u>\$32,730,510</u>
Net Revenues	<u>\$11,589,630</u>	<u>\$9,124,808</u>	<u>\$5,905,180</u>	<u>\$6,130,912</u>	<u>\$4,015,970</u>
Debt Service	<u>3,702,308</u>	<u>3,580,746</u>	<u>2,406,182</u>	<u>2,334,657</u>	<u>2,492,608</u>
Change in Fund Balance	\$ 7,887,322	\$ 5,544,062	\$ 3,498,998	\$ 3,796,255	\$ 1,523,362
Fund Balance, January 1	<u>\$10,189,244</u>	<u>\$9,851,566</u>	<u>\$ 6,640,628</u>	<u>\$ 3,499,626</u>	<u>\$ 3,800,881</u>
	\$18,076,566	\$15,395,628	\$10,139,626	\$7,295,881	\$5,324,243
Utilized as Revenue	<u>8,225,000</u>	<u>8,755,000</u>	<u>6,640,000</u>	<u>3,495,000</u>	<u>3,800,000</u>
Fund Balance, December 31	<u><u>\$9,851,566</u></u>	<u><u>\$ 6,640,628</u></u>	<u><u>\$ 3,499,626</u></u>	<u><u>\$ 3,800,881</u></u>	<u><u>\$ 1,524,243</u></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 originally adopted on May 27, 2021 by the Board of County Commissioners, and subsequently amended on June 24, 2021 and August 12, 2021, calls for expenditures of \$423,121,000 through the year 2026. Of this \$423,121,000 total, \$18,016,000 is anticipated to be paid from cash down payment and other funds; the remaining \$405,105,000 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 September 30, 2021, is presented in the table below:

<u>Type of Security</u>	<u>Amount</u>	<u>Percent</u>
Bank Money Market Accounts	\$331,421,613.88	99.8%
Taxable Bond/Tax Anticipation Notes ⁽¹⁾	541,200.00	0.2

(1) Local Bond/Tax 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 \$27,247,808 for 2019, \$27,001,585 for 2020, and \$30,094,998 for 2021 as of October 7, 2021.

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.

IV. 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 October 14, 2021 is 0.3842% 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 has not issued any short-term debt since September 1997, other than (i) a short-term bond anticipation note in the amount of \$22,237,000 issued on December 30, 2013 which was subsequently paid off on March 27, 2014 with a portion of the proceeds of the County's General Obligation Bonds, Series 2014, and (ii) a short-term reclamation center utility bond anticipation note in the amount of \$19,500,000 issued on December 28, 2020, bearing interest at 0.35% and maturing on December 27, 2021, which amount refunded notes in the amount of \$11,500,000, and also provided for the financing of unfunded Reclamation Center improvements in the amount of \$8,000,000 (the "Series 2020 Note"). The proceeds of the Series 2021 Note will be used to currently refund the Series 2020 Note.

COUNTY OF MONMOUTH
STATEMENT OF STATUTORY NET DEBT AS OF OCTOBER 14, 2021
(Unaudited)

GROSS DEBT:

General Bonds Issued and Outstanding	\$284,020,000.00
Open Space Bonds Issued and Outstanding	13,595,000.00
Self-Liquidating Utility	13,150,000.00
County College Bonds Issued and Outstanding	16,625,000.00
County Vocational Bonds/Notes Issued and Outstanding	16,515,000.00
Installment Purchase Agreement Notes Payable	<u>2,655,000.00</u>
	\$346,560,000.00

BONDS/NOTES AUTHORIZED:

General Improvements:		
Notes Issued	-0-	
Authorized but not Issued	\$915,575,000.00	
Open Space:		
Notes Issued	-0-	
Authorized but not Issued	2,145,000.00	
Self-Liquidating Utility:		
Notes Issued	19,500,000.00	
Authorized but not Issued	2,255,000.00	<u>939,475,000.00</u>

TOTAL GROSS DEBT **\$1,286,035,000.00**

LESS: STATUTORY DEDUCTIONS:

Guaranteed Equipment Lease Program - M.C.I.A.	33,010,000.00 ⁽¹⁾	
Guaranteed Govt. Loan Refunding Rev. Bonds - M.C.I.A.	84,345,000.00 ⁽¹⁾	
Guaranteed Pooled Loan Program - M.C.I.A.	517,250,000.00 ⁽¹⁾	
Guaranteed Lease Revenue Bonds - BCC - M.C.I.A.	30,510,000.00 ⁽¹⁾	
Guaranteed Govt. Loan Project Notes-FMERA - M.C.I.A.	23,660,000.00 ⁽¹⁾	
County College Bonds (Issued and ABNI)	12,660,000.00 ⁽²⁾	
Self-Liquidating Utility (Issued and ABNI)	33,534,639.00 ⁽³⁾	
Open Space Acquisition Bonds	15,595,000.00 ⁽⁴⁾	
IPA Cash on Hand (as of 9/30/21)	2,135,992.81 ⁽⁵⁾	
Reserve for Care Center Debt Service Cash on Hand	1,560,000.00 ⁽⁵⁾	
Refunding Bond Ordinance No. 2021-0006	28,500,000.00 ⁽⁶⁾	
		<u>782,760,631.81</u>

STATUTORY NET DEBT **\$503,274,368.19**

Three-Year Average (2018-2020)	
Equalized Valuation of Real Property (Pursuant to N.J.S.A. 15:1-35.1)	\$130,984,523,966.33

Net Debt Expressed as a Percentage of Average
Equalized Valuation of Real Property 0.3842%

Debt Limitation Per N.J.S.A. 40A:2-6
(Counties) 2% of Three-Year Average
Equalized Valuation \$2,619,690,479.33

Total Net Debt **503,274,368.19**

Remaining Net Debt Capacity **\$2,116,416,111.14**

(1) The County has unconditionally guaranteed \$33,010,000 M.C.I.A. Capital Equipment Lease Revenue Bonds, \$84,345,000 M.C.I.A. Governmental Loan Refunding Revenue Bonds, \$517,250,000 M.C.I.A. Governmental Loan Revenue Bonds, \$30,510,000 M.C.I.A. Lease Revenue Bonds For Brookdale Community College and \$22,185,000 M.C.I.A. Governmental Loan Project Notes – FMERA which are outstanding. The County has also unconditionally guaranteed \$1,475,000 Government Loan Project Notes – FMERA which have not yet been sold as of October 14, 2021. The guaranty is 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)).

(6) See N.J.S.A. 40A:2-52.

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

DECEMBER 31, 2020

<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>
2021	\$41,410,000.00	\$13,382,502.50	\$3,020,000.00	\$897,550.00	\$1,800,000.00	\$846,550.00	\$46,230,000.00	\$15,126,602.50	\$61,356,602.50
2022	39,195,000.00	11,616,642.50	3,045,000.00	765,000.00	1,845,000.00	762,400.00	44,085,000.00	13,144,042.50	57,229,042.50
2023	37,300,000.00	9,990,690.00	2,345,000.00	648,200.00	1,980,000.00	678,000.00	41,625,000.00	11,316,890.00	52,941,890.00
2024	35,115,000.00	8,369,390.00	2,350,000.00	536,650.00	1,980,000.00	583,350.00	39,445,000.00	9,489,390.00	48,934,390.00
2025	30,325,000.00	6,927,147.50	1,780,000.00	436,250.00	1,975,000.00	490,875.00	34,080,000.00	7,854,272.50	41,934,272.50
2026	26,180,000.00	5,591,687.50	1,455,000.00	347,250.00	1,975,000.00	400,825.00	29,610,000.00	6,339,762.50	35,949,762.50
2027	26,180,000.00	4,556,987.50	1,450,000.00	274,500.00	1,545,000.00	324,600.00	29,175,000.00	5,156,087.50	34,331,087.50
2028	19,950,000.00	3,633,568.75	990,000.00	202,000.00	1,175,000.00	254,750.00	22,115,000.00	4,090,318.75	26,205,318.75
2029	17,965,000.00	2,816,712.50	985,000.00	152,500.00	1,175,000.00	196,000.00	20,125,000.00	3,165,212.50	23,290,212.50
2030	13,670,000.00	2,167,075.00	430,000.00	103,250.00	895,000.00	137,250.00	14,995,000.00	2,407,575.00	17,402,575.00
2031	11,015,000.00	1,598,650.00	470,000.00	84,150.00	295,000.00	98,500.00	11,780,000.00	1,781,300.00	13,561,300.00
2032	11,020,000.00	1,098,450.00	605,000.00	63,450.00	515,000.00	83,750.00	12,140,000.00	1,245,650.00	13,385,650.00
2033	5,980,000.00	598,000.00	360,000.00	36,000.00	580,000.00	58,000.00	6,920,000.00	692,000.00	7,612,000.00
2034	5,980,000.00	299,000.00	360,000.00	18,000.00	580,000.00	29,000.00	6,920,000.00	346,000.00	7,266,000.00
	<u>\$321,285,000.00</u>	<u>\$72,646,503.75</u>	<u>\$19,645,000.00</u>	<u>\$4,564,750.00</u>	<u>\$18,315,000.00</u>	<u>\$4,943,850.00</u>	<u>\$359,245,000.00</u>	<u>\$82,155,103.75</u>	<u>\$441,400,103.75</u>

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

DECEMBER 31, 2020

							Total Debt Service Including Open Space & Reclamation
<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>Center</u>
2021	\$3,235,000.00	\$559,037.50	\$3,794,037.50	\$1,585,000.00	\$556,225.00	\$2,141,225.00	\$67,291,865.00
2022	3,315,000.00	426,687.50	3,741,687.50	1,585,000.00	488,025.00	2,073,025.00	63,043,755.00
2023	1,535,000.00	330,337.50	1,865,337.50	1,585,000.00	421,925.00	2,006,925.00	56,814,152.50
2024	1,535,000.00	269,587.50	1,804,587.50	1,580,000.00	355,825.00	1,935,825.00	52,674,802.50
2025	1,535,000.00	212,837.50	1,747,837.50	1,590,000.00	292,275.00	1,882,275.00	45,564,385.00
2026	1,535,000.00	158,087.50	1,693,087.50	1,590,000.00	228,675.00	1,818,675.00	39,461,525.00
2027	1,535,000.00	110,037.50	1,645,037.50	1,590,000.00	172,875.00	1,762,875.00	37,739,000.00
2028	1,135,000.00	69,487.50	1,204,487.50	1,170,000.00	125,175.00	1,295,175.00	28,704,981.25
2029	1,135,000.00	33,937.50	1,168,937.50	1,170,000.00	83,175.00	1,253,175.00	25,712,325.00
2030	335,000.00	10,887.50	345,887.50	690,000.00	48,675.00	738,675.00	18,487,137.50
2031	-	-	-	300,000.00	24,000.00	324,000.00	13,885,300.00
2032	-	-	-	300,000.00	12,000.00	312,000.00	13,697,650.00
2033	-	-	-	-	-	-	7,612,000.00
2034	-	-	-	-	-	-	7,266,000.00
	<u>\$16,830,000.00</u>	<u>\$2,180,925.00</u>	<u>\$19,010,925.00</u>	<u>\$14,735,000.00</u>	<u>\$2,808,850.00</u>	<u>\$17,543,850.00</u>	<u>\$477,954,878.75</u>

V. DEBT ANALYSIS

	December 31, <u>2016⁽¹⁾</u>	December 31, <u>2017⁽¹⁾</u>	December 31, <u>2018⁽¹⁾</u>	December 31, <u>2019⁽¹⁾</u>	December 31, <u>2020⁽¹⁾</u>
Full Valuation Per Capita	\$178,430.00	\$184,105.00	\$190,022.00	\$196,436.00	\$209,580.00
County Net Debt as a Percentage of Full Value	0.41%	0.40%	0.40%	0.41%	0.36%
County Net Debt Per Capita	\$723.88	\$733.43	\$769.56	\$812.46	\$763.41
Overlapping Net Debt as a Percentage of Full Value	1.63%	1.68%	1.69%	1.73%	1.64%
Overlapping Net Debt Per Capita	\$2,910.34	\$3,098.54	\$3,212.06	\$3,393.28	\$3,432.98

⁽¹⁾ Per capita figures for 2016 through 2020 utilizing 2010 Census Data.

COUNTY OF MONMOUTH
GROSS DEBT AND NET DEBT OF CONSTITUENT MUNICIPALITIES
December 31, 2020

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Aberdeen Township	\$20,112,920.00	\$25,111,758.00	\$34,786,335.00	\$20,112,920.00	\$20,395,706.00	\$483,366.00	\$39,019,021.00	\$2,395,637,880.00	1.6288%
Allenhurst Borough	0.00	44,000.00	7,647,439.00	0.00	44,000.00	1,165,000.00	6,482,439.00	738,286,610.00	.8780
Allentown Borough	6,096,017.00	9,292,480.00	3,536,883.00	6,096,017.00	9,292,480.00	0.00	3,536,883.00	198,140,160.00	1.7850
Asbury Park City	0.00	45,176,508.00	32,406,727.00	0.00	44,232,398.00	4,596,612.00	28,754,225.00	1,886,571,931.00	1.5242
Atlantic Highlands Borough	3,485,318.00	8,735,425.00	8,869,428.00	3,485,318.00	8,735,425.00	35,651.00	8,833,777.00	927,250,240.00	.9527
Avon-By-The-Sea Borough	5,005,000.00	2,894,826.00	4,022,700.00	5,005,000.00	2,894,826.00	0.00	4,022,700.00	1,115,293,209.00	0.3607
Belmar Borough	600,000.00	12,633,708.00	18,604,925.00	600,000.00	12,633,708.00	0.00	18,604,925.00	1,847,770,104.00	1.0069
Bradley Beach Borough	488,000.00	5,382,786.00	5,224,176.00	488,000.00	5,382,786.00	0.00	5,224,176.00	1,411,834,531.00	0.3700
Brielle Borough	400,000.00	10,281,749.00	4,125,999.00	400,000.00	10,281,749.00	0.00	4,125,999.00	1,578,991,589.00	0.2613
Colts Neck Township	10,080,000.00	0.00	41,840,119.00	10,080,000.00	0.00	13,683,825.00	28,156,294.00	3,074,453,390.00	0.9158
Deal Borough	0.00	0.00	595,000.00	0.00	0.00	0.00	595,000.00	2,766,722,630.00	0.0215
Eatontown Borough	25,609,622.00	0.00	16,744,173.00	25,609,622.00	0.00	2,273,020.00	14,471,153.00	2,397,329,829.00	0.6036
Englishtown Borough	27,650,000.00	320,000.00	2,001,911.00	27,650,000.00	320,000.00	10,782.00	1,991,129.00	260,046,918.00	0.7657
Fair Haven Borough	23,669,377.00	0.00	23,108,569.00	23,669,377.00	0.00	61,690.00	23,046,879.00	1,809,599,275.00	1.2736
Farmingdale Borough	4,470,000.00	929,736.00	1,041,727.00	4,470,000.00	929,736.00	274,752.00	766,975.00	168,800,924.00	0.4544
Freehold Borough	15,405,000.00	12,475,450.00	12,567,000.00	15,405,000.00	12,475,450.00	543,362.00	12,023,638.00	1,118,698,257.00	1.0748
Freehold Township	32,250,000.00	16,926,440.00	61,336,396.00	32,250,000.00	16,926,440.00	3,992,330.00	57,344,066.00	6,792,320,283.00	0.8442
Hazlet Township	41,130,000.00	0.00	16,743,491.00	41,130,000.00	0.00	165,300.00	16,578,191.00	2,620,146,660.00	0.6327
Highlands Borough	4,370,000.00	10,003,281.00	12,898,298.00	4,370,000.00	10,003,281.00	0.00	12,898,298.00	706,444,903.00	1.8258

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Holmdel Township	4,241,800.00	0.00	38,646,356.00	4,241,800.00	0.00	70,000.00	38,576,356.00	4,311,941,570.00	0.8946
Howell Township	29,030,454.00	7,504,557.00	71,071,749.00	29,030,454.00	7,504,557.00	5,336,000.00	65,735,749.00	7,630,909,495.00	0.8614
Interlaken Borough	0.00	0.00	1,436,765.00	0.00	0.00	0.00	1,436,765.00	306,667,545.00	0.4685
Keansburg Borough	0.00	3,529,746.00	11,477,230.00	0.00	3,529,746.00	0.00	11,477,230.00	587,395,365.00	1.9539
Keyport Borough	16,635,000.00	11,642,480.00	10,774,790.00	16,635,000.00	11,280,508.00	355,590.00	10,781,172.00	765,035,871.00	1.4092
Lake Como Borough	0.00	5,172,877.00	889,200.00	0.00	5,172,877.00	0.00	889,200.00	432,418,774.00	0.2056
Little Silver Borough	8,430,596.00	0.00	8,418,496.00	8,430,596.00	0.00	0.00	8,418,496.00	1,768,859,263.00	0.4759
Loch Arbour Village	0.00	0.00	1,287,600.00	0.00	0.00	0.00	1,287,600.00	160,677,083.00	0.8014
Long Branch City	13,095,000.00	0.00	94,952,159.00	13,095,000.00	0.00	0.00	94,952,159.00	5,62,090,577.00	1.8045
Manalapan Township	26,707,987.00	1,700,000.00	22,104,875.00	26,707,987.00	1,700,000.00	5,929,875.00	16,175,000.00	7,372,857,192.00	0.2194
Manasquan Borough	24,364,380.00	8,401,881.00	16,063,478.00	24,364,380.00	8,401,881.00	0.00	16,063,478.00	2,340,919,897.00	0.6862
Marlboro Township	14,716,000.00	34,265,625.00	56,574,454.00	14,716,000.00	34,265,625.00	90,727.00	56,483,727.00	8,116,203,264.00	0.6959
Matawan Borough	29,836,000.00	12,608,395.00	21,772,235.00	29,836,000.00	12,608,395.00	24,314.00	21,747,921.00	1,158,110,188.00	1.8779
Middletown Township	47,075,000.00	0.00	46,428,959.00	47,075,000.00	0.00	18,687.00	46,410,272.00	11,430,688,376.00	0.4060
Millstone Township	22,343,059.00	0.00	37,661,063.00	22,343,059.00	0.00	0.00	37,661,063.00	1,997,112,522.00	1.8858
Monmouth Beach Borough	3,550,845.00	0.00	15,811,941.00	3,550,845.00	0.00	1,199,596.00	14,612,345.00	1,595,107,309.00	0.9161
Neptune City Borough	3,595,000.00	0.00	1,223,537.00	3,595,000.00	0.00	0.00	1,223,537.00	650,235,017.00	0.1882
Neptune Township	0.00	13,217,690.00	32,604,230.00	0.00	13,217,690.00	256,177.00	32,348,053.00	4,252,324,064.00	0.7607
Ocean Township	27,040,000.00	0.00	34,140,213.00	27,040,000.00	0.00	1,068,372.00	33,071,841.00	5,445,380,804.00	0.6073
Oceanport Borough	40,264,890.00	0.00	32,270,447.00	40,264,890.00	0.00	15,980,864.00	16,289,583.00	1,334,678,871.00	1.2205
Red Bank Borough	16,637,142.00	19,794,106.00	16,493,841.00	16,637,142.00	19,794,106.00	0.00	16,493,841.00	2,381,707,653.00	0.6925

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Roosevelt Borough	286,000.00	5,000,149.00	857,250.00	286,000.00	5,000,149.00	0.00	857,250.00	89,068,968.00	0.9625
Rumson Borough	36,159,810.00	0.00	9,732,791.00	36,159,810.00	0.00	585.00	9,732,206.00	3,823,777,661.00	0.2545
Sea Bright Borough	1,277,391.00	6,266,841.00	13,349,761.00	1,277,391.00	6,266,841.00	396,677.00	12,953,084.00	866,741,945.00	1.4945
Sea Girt Borough	0.00	7,795,686.00	5,254,750.00	0.00	7,795,686.00	130,370.00	5,124,380.00	2,560,535,835.00	0.2001
Shrewsbury Borough	21,275,000.00	0.00	7,736,917.00	21,275,000.00	0.00	12,688.00	7,724,229.00	1,234,093,661.00	0.6259
Shrewsbury Township	691,919.00	0.00	1,258,744.00	691,919.00	0.00	184.00	1,258,560.00	53,727,645.00	2.3425
Spring Lake Borough	0.00	20,200,239.00	3,678,625.00	0.00	20,200,239.00	0.00	3,678,625.00	4,405,900,703.00	0.0835
Spring Lake Heights Borough	10,845,000.00	5,980,000.00	4,221,989.00	10,845,000.00	5,980,000.00	37,938.00	4,184,051.00	1,300,540,555.00	0.3217
Tinton Falls Borough	45,871,459.00	0.00	18,927,000.00	45,871,459.00	0.00	3,247,000.00	15,680,000.00	3,561,928,420.00	0.4402
Union Beach Borough	0.00	2,515,178.00	14,590,607.00	0.00	2,515,178.00	0.00	14,590,607.00	643,136,907.00	2.2687
Upper Freehold Township	41,702,983.00	0.00	17,865,266.00	41,702,983.00	0.00	2,976,250.00	14,889,016.00	1,355,480,968.00	1.0984
Wall Township	7,820,000.00	14,166,690.00	32,028,000.00	7,820,000.00	14,166,690.00	2,216,164.00	29,811,836.00	6,532,244,559.00	0.4564
West Long Branch Borough	9,353,735.00	0.00	10,523,470.00	9,353,735.00	0.00	441,366.00	10,082,104.00	1,441,686,117.00	0.6993
TOTAL	\$723,667,704.00	\$339,970,287.00	\$1,020,230,084.00	\$723,667,704.00	\$333,948,153.00	\$67,075,114.00	\$959,177,104.00	\$130,984,523,967.00	0.7323%

OTHER COUNTY OBLIGATIONS

Monmouth County Improvement Authority Capital Equipment Pooled Lease Revenue Bonds

The \$18,820,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2013, 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 and the \$17,140,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2021 (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 October 14, 2021, \$33,010,000 of the bonds were outstanding.

Maturities of Pooled Lease Bonds

Outstanding October 14, 2021

<u>Date</u>	<u>Amount</u>
10/1/22	\$7,215,000
10/1/23	6,305,000
10/1/24	5,965,000
10/1/25	4,025,000
10/1/26	3,915,000
10/1/27	1,570,000
10/1/28	1,245,000
10/1/29	1,275,000
10/1/30	730,000
10/1/31	765,000

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

The \$14,470,000 Governmental Loan Refunding Revenue Bonds, Series 2011, 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 “Pooled 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 Pooled Loan Refunding Bond is unconditionally and irrevocably guaranteed by the County. As of October 14, 2021, \$84,345,000 of the bonds were outstanding.

Maturities of Pooled Loan Refunding Bonds

<u>Outstanding October 14, 2021</u>			
<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
12/1/2021	\$11,975,000	8/1/2027	3,810,000
2/1/2022	1,430,000	12/1/2027	790,000
8/1/2022	3,900,000	2/1/2028	305,000
12/1/2022	12,090,000	8/1/2028	3,980,000
2/1/2023	255,000	12/1/2028	785,000
8/1/2023	3,900,000	2/1/2029	315,000
12/1/2023	7,875,000	8/1/2029	3,690,000
2/1/2024	265,000	2/1/2030	330,000
8/1/2024	4,055,000	8/1/2030	2,480,000
12/1/2024	4,960,000	2/1/2031	335,000
2/1/2025	275,000	8/1/2031	1,460,000
8/1/2025	3,665,000	2/1/2032	345,000
12/1/2025	3,950,000	2/1/2033	360,000
2/1/2026	285,000	2/1/2034	375,000
8/1/2026	3,660,000	2/1/2035	385,000*
12/1/2026	1,355,000	2/1/2036	405,000*
2/1/2027	300,000		

*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 and the \$32,985,000 Governmental Loan Revenue Bonds, Series 2021A (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 October 14, 2021, \$517,250,000 of the bonds is outstanding.

Maturities of Loan Revenue Bonds Outstanding October 14, 2021					
Date	Amount	Date	Amount	Date	Amount
12/1/21	\$19,155,000	12/1/27	\$22,480,000*	8/1/33	\$ 3,815,000*
1/15/22	1,360,000	1/15/28	1,185,000	12/1/33	10,335,000*
2/15/22	1,825,000	2/15/28	2,580,000	1/15/34	885,000
3/1/22	1,190,000	3/1/28	2,270,000	2/15/34	1,365,000
7/15/22	3,610,000	7/15/28	4,400,000	3/1/34	2,145,000
8/1/22	2,995,000	8/1/28	3,900,000	7/15/34	6,575,000
12/1/22	19,575,000	12/1/28	21,105,000*	8/1/34	3,085,000
1/15/23	1,415,000	1/15/29	1,220,000	12/1/34	8,530,000*
2/15/23	1,875,000	2/15/29	2,710,000	1/15/35	920,000
3/1/23	1,725,000	3/1/29	2,355,000	2/15/35	1,430,000
7/15/23	3,820,000	7/15/29	4,640,000	3/1/35	2,165,000
8/1/23	3,080,000	8/1/29	3,505,000	7/15/35	5,970,000
12/1/23	20,665,000	12/1/29	20,375,000*	8/1/35	3,175,000
1/15/24	1,510,000	1/15/30	755,000	12/1/35	8,225,000
2/15/24	1,910,000	2/15/30	2,850,000	1/15/36	925,000
3/1/24	1,895,000	3/1/30	2,435,000	2/15/36	1,055,000
7/15/24	3,870,000	7/15/30	5,450,000	3/1/36	2,185,000
8/1/24	3,435,000	8/1/30	3,575,000	7/15/36	6,070,000
12/1/24	21,095,000	12/1/30	17,570,000*	8/1/36	3,265,000
1/15/25	1,430,000	1/15/31	790,000	12/1/36	5,725,000
2/15/25	2,305,000	2/15/31	2,995,000	1/15/37	730,000
3/1/25	1,990,000	3/1/31	2,495,000	2/15/37	1,110,000
7/15/25	4,035,000	7/15/31	5,755,000	3/1/37	915,000
8/1/25	3,545,000	8/1/31	3,655,000	7/15/37	6,265,000
12/1/25	21,740,000	12/1/31	16,455,000*	8/1/37	2,190,000
1/15/26	1,495,000	1/15/32	820,000	12/1/37	5,840,000
2/15/26	2,420,000	2/15/32	3,070,000	1/15/38	730,000
3/1/26	2,055,000	3/1/32	2,565,000	3/1/38	365,000
7/15/26	4,260,000	7/15/32	5,995,000	7/15/38	5,390,000
8/1/26	3,660,000	8/1/32	3,730,000*	8/1/38	2,190,000
12/1/26	21,930,000*	12/1/32	15,250,000	12/1/38	5,895,000
1/15/27	1,400,000	1/15/33	850,000	8/1/39	2,190,000
2/15/27	2,545,000	2/15/33	1,300,000	12/1/39	4,320,000
3/1/27	2,110,000	3/1/33	2,125,000	12/1/40	815,000
7/15/27	4,500,000	7/15/33	6,135,000		
8/1/27	3,785,000				

*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 October 14, 2021, \$30,510,000 of the bonds were outstanding.

**Maturities of Brookdale Bonds
Outstanding October 14, 2021**

<u>Date</u>	<u>Amount</u>
08/1/22	\$1,800,000
08/1/23	1,875,000
08/1/24	1,950,000
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 Note
(Fort Monmouth Economic Revitalization Project)

The \$22,185,000 Governmental Loan Project Note, Series 2020 (Monmouth County Guaranteed) (Fort Monmouth Economic Revitalization Project) (the “FMERA Note”) is a limited obligation of the Authority secured by loan repayments made by Fort Monmouth Economic Revitalization Authority (“FMERA”) pursuant to a loan agreement, to provide funds for the purchase by FMERA of land and buildings thereon from the United States Army. Payment of principal and interest on the FMERA Note is unconditionally and irrevocably guaranteed by the County. As of October 14, 2021, \$22,185,000 of the notes was outstanding.

Maturities of FMERA Note	
<u>Outstanding October 14, 2021</u>	
<u>Date</u>	<u>Amount</u>
11/9/21	\$22,185,000

VI. ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

Since 1950, 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, have resulted in high population growth. 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) and 2.2% from 2000 to 2010 (630,461). The Census Bureau reported the 2019 single year Monmouth County's population at 618,795.

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>
2016	223,973	2.4%
2017	226,414	1.1
2018	228,987	1.1
2019	232,697	1.6
2020	210,919	-9.4

Source: Bureau of Labor Statistics.

The economy of Monmouth County, as reflected in the number of jobs/industrial sector, is well diversified. In 2020, the service industry sector employs the greatest portion of people in the County at 59.83%, with retail trade next at 15.93% and construction at 6.87%. A breakdown of the data follows:

EMPLOYMENT BY INDUSTRIAL SECTOR

<u>Sector</u>	<u>Number Employed 2019</u>	<u>Percentage of Total</u>	<u>Number Employed 2020</u>	<u>Percentage of Total</u>
Services*	142,074	61.24%	127,410	59.83%
Retail Trade	37,949	16.36	33,932	15.93
Manufacturing	9,393	4.05	8,187	3.84
Finance, Insurance and Real Estate	12,426	5.36	12,150	5.71
Construction	14,728	6.35	14,632	6.87
Wholesale Trade	7,436	3.21	7,784	3.66
Utilities	1,634	0.70	1,667	0.78
Transportation and Warehousing	4,849	2.09	5,103	2.40
Agriculture	760	0.33	875	0.41
Unclassified Entities	<u>752</u>	<u>0.32</u>	<u>1,217</u>	<u>0.57</u>
Total	232,001	100.00%	212,957	100.00%

Source: Yearly Annual Averages; 2020- 3rd quarter, 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 2019 are as follows:

<u>Employer</u>	<u>Municipality</u>	<u>Number Of Employees</u>
Hackensack Meridian Health (1)	Wall	11,560
Saker Shoprites Inc. (2)	Various Locations	3,327
Centra State Healthcare Inc.	Freehold Township	2,681
RWJ Barnabas-Monmouth Medical Center	Long Branch	1,932
Monmouth University	West Long Branch	1,525
Visiting Nurse Assn of Central NJ	Red Bank	1,099
CommVault	Tinton Falls	944
Renaissance Gardens-Seabrook Village	Tinton Falls	850
NJ Resources	Wall	834
Food Circus Supermarkets Inc.	Middletown	800

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

COUNTY OF MONMOUTH
LABOR FORCE DATA

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Labor Force	326,117	324,477	326,657	332,283	322,528
Employment	313,628	313,119	317,101	322,791	302,658
Unemployment	12,489	11,358	9,556	9,492	19,870
Unemployment Rate	3.8%	3.5%	2.9%	2.9%	6.2%
New Jersey					
Unemployment Rate	4.7%	4.5%	3.6%	3.6%	7.7%
United States					
Unemployment Rate	4.7%	4.1%	3.9%	3.6%	6.7%

Source: Bureau of Labor Statistics. Data extracted from December of each year.

Median Family Income

According to the U.S. Census Bureau, the median family income in the County was \$76,823 in 2000 and \$102,074 in 2010, as opposed to \$65,370 in 2000 and \$84,904 in 2010 for New Jersey and \$50,046 in 2000 and \$62,982 in 2010 for the nation.

Average Per Capita Personal Income

<u>Year</u>	<u>Monmouth</u> <u>County</u>	<u>Percentage of</u> <u>United States</u>	<u>New Jersey</u>	<u>Percentage of</u> <u>United States</u>	<u>U.S.A.</u>
2015	\$43,469	150.3%	\$36,582	126.5%	\$28,930
2016	44,504	149.2	37,538	125.8	29,829
2017	46,736	149.9	39,069	125.3	31,177
2018	48,959	150.1	40,895	125.4	32,621
2019	51,700	151.6	42,745	125.3	34,103

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

Housing and Construction Values

The U.S. Census Bureau estimates 2010 census housing units in the County at 258,410, compared to the 2000 census housing units of 240,884, an increase of 7.3%. 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>
2015	1,176	19,503	6.0%
2016	1,901	24,170	7.9
2017	1,729	25,961	6.7
2018	1,828	26,048	7.0
2019	1,262	30,770	4.1

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>
2015	\$289,034	\$3,555,847	8.1%
2016	322,696	4,801,009	6.7
2017	406,935	4,878,653	8.3
2018	476,596	4,345,475	11.0
2019	352,052	5,115,371	6.9

Sources: Zillow.com

New Jersey Department of Community Affairs Construction Cost Viewer.

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

NON-RESIDENTIAL CONSTRUCTION VALUES

<u>Year</u>	<u>New Construction</u>	<u>Additions & Alterations</u>	<u>Total</u>
2015	\$ 73,860,504	\$369,648,984	\$443,509,488
2016	158,974,272	342,551,757	501,526,029
2017	115,733,022	344,608,544	460,341,566
2018	157,042,005	324,680,006	481,722,011
2019	139,332,768	322,083,538	461,416,306

Source: New Jersey Department of Community Affairs Construction Cost Viewer.

VII. LEGAL MATTERS

Legality of the Series 2021 Obligations

The legality of the Series 2021 Obligations will be subject to the final approving opinions of Gibbons P.C., Bond Counsel to the County. Such opinions will be to the effect that the Series 2021 Obligations are valid and legally binding obligations of the County, and the County is authorized and required by law to levy *ad valorem* taxes upon all taxable property by said County for the payment of Series 2021 Obligations and the interest thereon without limitation as to rate or amount.

Tax Matters

Exclusion of Interest on the Series 2021 Obligations 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 2021 Obligations in order to assure that interest on the Series 2021 Obligations will be excluded from gross income for Federal income tax purposes under Section 103 of the Code. Failure of the County to comply with such requirements may cause interest on the Series 2021 Obligations to lose the exclusion from gross income for Federal income tax purposes, retroactive to the date of the issuance of the Series 2021 Obligations. The County will make certain representations in its Tax Certificates, which will be executed on the date of issuance of the Series 2021 Obligations, as to various tax requirements. The County has covenanted to comply with the provisions of the Code applicable to the Series 2021 Obligations and has covenanted not to take any action or fail to take any action that would cause the interest on the Series 2021 Obligations to lose the exclusion from gross income under Section 103 of the Code or cause interest on the Series 2021 Obligations to be treated as an item of tax preference under Section 57 of the Code. Gibbons P.C., Bond Counsel to the County, has relied upon the representations of the County made in the Tax Certificates and has assumed continuing compliance by the County with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Series 2021 Obligations from gross income for federal income tax purposes and with respect to the treatment of interest on the Series 2021 Obligations for the purposes of alternative minimum tax.

Assuming the County observes its covenants with respect to continuing compliance with the Code, Gibbons P.C., Bond Counsel to the County, is of the opinion that, under existing law, interest on the Series 2021 Obligations is excluded from the gross income of the owners of the Series 2021 Obligations for Federal income tax purposes pursuant to Section 103 of the Code and interest on the Series 2021 Obligations is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax.

Tax Treatment of Original Issue Premium. The initial public offering price of certain of the Series 2021 Obligations (the “Premium Obligations”) is greater than the principal amount of such Series 2021 Obligations payable at maturity. An amount equal to the excess of the purchase price of a Premium Obligation over its stated redemption price at maturity constitutes premium on such Premium Obligation. A purchaser of a Premium Obligation must amortize any premium over such Premium Obligation’s term using constant yield principles, based on the

Premium Obligation's yield to maturity. As premium is amortized, the purchaser's basis of such Premium Obligation 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 Obligation prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed.

Purchasers of any Premium Obligations, 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 Obligations.

Additional Federal Income Tax Consequences. Prospective purchasers of the Series 2021 Obligations should be aware that ownership of, accrual of, receipt of, interest on, or disposition of, tax-exempt obligations, such as the Series 2021 Obligations, 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 2021 Obligations 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 2021 Obligations from gross income pursuant to Section 103 of the Code and interest on the Series 2021 Obligations not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Series 2021 Obligations should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Series 2021 Obligations.

State Taxation. Bond Counsel to the County is of the opinion that, under existing law, interest on the Series 2021 Obligations and net gains from the sale of the Series 2021 Obligations 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 2021 Obligations, the exclusion of interest on the Series 2021 Obligations from gross income, alternative minimum taxable income, state taxable income, or any combination from the date of issuance of the Series 2021 Obligations or any other date, or that such changes will not result in other adverse federal or state tax consequences.

ALL POTENTIAL PURCHASERS OF THE SERIES 2021 OBLIGATIONS SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES (INCLUDING BUT NOT

LIMITED TO THOSE LISTED ABOVE) OF THE OWNERSHIP OF THE SERIES 2021 OBLIGATIONS.

Legality For Investment

The State and all public officers, municipalities, counties, political subdivisions and public bodies and agencies thereof, all banks, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies and other persons carrying on banking business, all insurance companies and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds of the County including the Series 2021 Obligations, and such Series 2021 Obligations are authorized security for any and all public deposits.

Litigation

In the opinion of the County Counsel, there is no litigation pending or threatened, restraining or enjoining the issuance or delivery of the Series 2021 Obligations offered for sale or the levy or collection of any taxes to pay interest or principal of the Series 2021 Obligations, or in any manner questioning the authority of proceedings for the issuance of the Series 2021 Obligations or for the levy or collection of said taxes or adversely affecting the financial position of the County.

VIII. OTHER INFORMATION

Report of Independent Public Accountants

The financial statements of the County included in Appendix A have been audited by Holman Frenia Allison, P.C., independent public accountants, as stated in its report appearing therein and are included in reliance upon the report of such firm and upon its authority as experts in accounting and auditing.

Ratings

Fitch Ratings, Moody's Investors Service, Inc., and S&P Global Ratings, acting through Standard & Poor's Financial Services LLC, have assigned the Series 2021 Bonds the ratings of AAA, Aaa and AAA, respectively, and have assigned the Series 2021 Note the ratings of F1+, MIG 1 and SP-1+, respectively. The ratings assigned reflect only the view of the organizations assigning such ratings, and an explanation of the significance of the ratings may be obtained only from those organizations. There can be no assurance that such ratings will be retained for any given period of time or that a particular rating will not be revised downward or withdrawn by the respective rating agency if in its judgment circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse impact on the market price of the Series 2021 Obligations.

Sale by Competitive Bidding

The Series 2021 Obligations were offered by the County at competitive bidding on October 21, 2021, in accordance with the respective Notices of Sale, the forms of which are attached to this Official Statement as Appendix C. The interest rates shown on the inside front cover of this Official Statement are the interest rates resulting from the award of the Series 2021 Obligations at competitive bidding.

The yields or prices shown on the inside front cover of this Official Statement are based on information supplied to the County by the successful bidders respecting the resale prices (not including concessions) of the Series 2021 Obligations established on the date hereof. Any other information concerning the terms of reoffering of the Series 2021 Obligations, if any, including yields or prices, should be obtained from the successful bidder therefor and not from the County.

The DTC Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2021 Obligations. The Series 2021 Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2021 Obligation certificate will be issued for each maturity for each series of the Series 2021 Obligations, each in the aggregate principal amount of such maturity, 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, 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 Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2021 Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Obligations on DTC’s records. The ownership interest of each actual purchaser of each Series 2021 Obligation (“Beneficial Owner”) is in turn to be recorded on the Direct 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 or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Obligations are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2021 Obligations, except in the event that use of the book-entry system for the Series 2021 Obligations is discontinued.

To facilitate subsequent transfers, all Series 2021 Obligations 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 the Series 2021 Obligations 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 2021 Obligations; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Obligations are credited, which may or may not be the Beneficial Owners. The Direct 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 2021 Obligations may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2021 Obligations, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2021 Obligations may wish to ascertain that the nominee holding the Series 2021 Obligations 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 Cede & Co. If less than all of the Series 2021 Obligations 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 2021 Obligations unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County 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 2021 Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Series 2021 Obligations 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 County, on payable date in accordance with their respective holdings shown on DTC's records. Payments by 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 Participant and not of DTC, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and 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 County, 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 the Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2021 Obligations at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, certificated bonds are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In such event, certificated bonds will be printed and delivered.

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

The principal of, redemption price, if any, and interest on the Series 2021 Obligations are payable to DTC by the County.

Secondary Market Disclosure

The Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the “Securities Exchange Act”) has adopted amendments to its Rule 15c2-12 (“Rule 15c2-12”) effective July 3, 1995 which generally prohibits a broker, dealer, or municipal securities dealer (“Participating Underwriter”) from purchasing or selling municipal securities, such as the Series 2021 Obligations, unless the Participating Underwriter has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and event notices to the Municipal Securities Rulemaking Board (the “MSRB”) (the “Continuing Disclosure Requirements”).

On the date of delivery of the Series 2021 Obligations, the County will enter into Continuing Disclosure Certificates (“the Continuing Disclosure Certificates”) containing the Continuing Disclosure Requirements for the benefit of the beneficial holders of the Series 2021 Obligations pursuant to which the County will agree to comply on a continuing basis with the Continuing Disclosure Requirements of Rule 15c2-12. Specifically, the County will covenant for the benefit of the holders and beneficial owners of the Series 2021 Bonds to provide certain financial information and operating data relating to the County by not later than the first day of the ninth month after the end of each Fiscal Year of the County, commencing with the first Fiscal Year of the County ending after January 1, 2022 (which ends on December 31, 2022) (the “Annual Report”), and will covenant for the benefit of the holders and beneficial owners of the Series 2021 Obligations to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the County with the MSRB. The notices of enumerated events will be filed by the County with the MSRB. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in “Appendix B - Forms of Continuing Disclosure Certificates”. These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5)

The County has executed continuing disclosure agreements in connection with certain of the Monmouth County Improvement 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.

COVID-19 Risk Factors

On March 11, 2020, the World Health Organization has declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, 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 of New Jersey (the "State") declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which has spread to the State and to all counties within the State. The Governor has also instituted mandatory measures via various executive orders to contain the spread of the virus. These measures, which alter the behaviors of businesses and people, have had and may continue to have negative impacts on regional, state and local economies. The public health emergency was terminated on June 4, 2021 but the state of emergency remains in effect as of the date hereof.

Throughout the COVID-19 pandemic, the Governor has signed multiple executive orders instituting mitigation protocols limiting certain activities as well as permitting the resumption of certain activities, based on the evolution of the COVID-19 pandemic within the State. Additional executive orders relating to the resumption of certain activities may be executed by the Governor in the future as part of the planned multi-stage approach to restart the State's economy. See <https://Covid19.nj.gov> for further detail regarding the impact of COVID-19 on the State and the Governor's various executive orders.

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 pandemic, the Governor signed into law P.L. 2020, c. 74 ("Chapter 74") on August 31, 2020. Chapter 74, which took effect immediately, adds two new purposes to the list of special emergency appropriations, which may be raised by municipalities or counties over a five year period (either through the issuance of special emergency notes or raised internally without borrowing), specifically, Chapter 74 authorizes special emergency appropriations for: (1) direct COVID-19 response expenses; and (2) deficits in prior year's operations attributable to COVID-19 (the beginning of the five year repayment schedule is delayed by one year for these new purposes). Upon approval by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, in cases of significant fiscal distress, the five year period may be extended to up to ten years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings related to the COVID-19 pandemic. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19. The County does not anticipate authorizing these special emergency appropriations or issuing special emergency notes in order to address any financial impact caused by the COVID-19 pandemic.

As of August 31, 2021, the County's finances and operations had certain reduced revenue streams due to the COVID-19 pandemic; however, the overall finances and operations of the County have not been materially and adversely affected due to the COVID-19 outbreak. The County's finances and operations may be materially and adversely affected going forward as a

result of the continuation of the COVID-19 pandemic through reduced or delayed revenue streams, which include the collection of property taxes, which is the County's primary revenue source for supporting its budget. The County cannot predict costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain its facilities, or costs to operate remotely and support County functions and critical government actions during an outbreak, or any resulting impact such costs could have on the operations of the County. The degree of such impact to the operations and finances of the County is extremely difficult to predict due to the dynamic nature of the COVID-19 pandemic, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what additional actions may be taken by governmental and other health care authorities to manage the COVID-19 pandemic. The County is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations, respectively.

On March 27, 2020, the Federal Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was signed into law by 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 August 31, 2021, the County committed \$41,714,092.88 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.

The Plan includes various forms of financial relief including up to \$1,400 increase in direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the County.

Based on available information as of August 31, 2021, the County is expected to receive \$120,193,675 from the Plan. Such funds are expected to be received in two equal payments, one within 60 days of enactment of the Plan (\$60,096,837.50 was received on May 19, 2021) and the balance no earlier than 12 months from the initial payment. The deadline to commit the funds is December 31, 2024 and 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.

As of the date hereof, the County is working on a planning document that will guide the use of these funds.

Independent Verification of Mathematical Accuracy

The arithmetical accuracy of certain computations included in the schedule provided by Public Resources Advisory Group, the municipal advisor on behalf of the County (the “Municipal Advisor”) relating to (a) the Escrow Amount and the anticipated payments of principal and interest to redeem the Refunded Bonds, and (b) computation of the yields on the Series 2021B Bonds and the Escrow Amount was examined by Robert Thomas CPA, LLC, certified public accountants. Such computations were based solely upon assumptions and information supplied by the Municipal Advisor on behalf of the County. Robert Thomas CPA, LLC has restricted its procedures to evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of future events.

Additional Information

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to the Director of Finance, Craig R. Marshall, County of Monmouth, Hall of Records, One East Main Street, Freehold, New Jersey 07728-1256 (Telephone: (732) 431-7391).

Miscellaneous

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2021 Obligations.

This Official Statement has been duly executed and delivered by the Director of Finance for and on behalf of the County.

THE COUNTY OF MONMOUTH

By: /s/ Craig R. Marshall
Craig R. Marshall
Director of Finance

Dated: October 21, 2021

APPENDIX A

COUNTY OF MONMOUTH

REPORT ON AUDITS OF FINANCIAL STATEMENTS

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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, 2020**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the County of Monmouth as of December 31, 2020 and 2019, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the County, as of December 31, 2020 and 2019, or the results of its operations and changes in fund balance for the years then ended.

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 various funds of the County, as of December 31, 2020 and 2019, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2020 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2021 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

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

Lakewood, New Jersey
September 28, 2021

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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, 2020, 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 28, 2021. 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free 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. Allison', with a stylized, flowing script.

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

Lakewood, New Jersey
September 28, 2021

MONMOUTH COUNTY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Regular Fund:		
Cash and Cash Equivalents	\$ 107,138,580.45	\$102,899,530.05
Investments	10,852,689.00	11,918,300.00
Change Funds	8,455.00	8,755.00
	<u>117,999,724.45</u>	<u>114,826,585.05</u>
Receivables and Other Assets With Full Reserves:		
Added and Omitted Taxes Receivable	1,810,024.46	1,898,143.27
Revenue Accounts Receivable	6,035,198.45	8,384,658.98
	<u>7,845,222.91</u>	<u>10,282,802.25</u>
Total Regular Fund	<u>125,844,947.36</u>	<u>125,109,387.30</u>
Federal and State Grant Fund:		
Cash and Cash Equivalents	22,362,882.73	2,072,079.40
Grants Receivable	111,659,008.29	104,844,135.72
Total Federal and State Grant Fund	<u>134,021,891.02</u>	<u>106,916,215.12</u>
Total Assets	<u><u>\$ 259,866,838.38</u></u>	<u><u>\$232,025,602.42</u></u>

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

MONMOUTH COUNTY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>Liabilities, Reserves and Fund Balance</u>		
Regular Fund:		
Appropriation Reserves	\$ 18,395,999.44	\$ 10,073,695.25
Reserve for Encumbrances	27,576,598.20	30,121,493.82
Accounts Payable	197,772.37	696,409.96
Due To State of New Jersey -		
Realty Transfer Fees	8,582,530.84	5,747,048.79
Reserve for Due to FEMA	129,172.35	129,172.35
	<u>54,882,073.20</u>	<u>46,767,820.17</u>
Reserve for Receivables	7,845,222.91	10,282,802.25
Fund Balance	<u>63,117,651.25</u>	<u>68,058,764.88</u>
Total Regular Fund	<u>125,844,947.36</u>	<u>125,109,387.30</u>
Federal and State Grant Fund:		
Reserve for Grants - Appropriated	65,800,829.60	75,794,642.34
Reserve for Encumbrances	68,221,031.32	21,121,572.78
Reserve for Grants - Unappropriated	30.10	-
Due To Trust Fund	<u>-</u>	<u>10,000,000.00</u>
Total Federal and State Grant Fund	<u>134,021,891.02</u>	<u>106,916,215.12</u>
Total Liabilities, Reserves and Fund Balance	<u><u>\$ 259,866,838.38</u></u>	<u><u>\$ 232,025,602.42</u></u>

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

MONMOUTH COUNTY
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 36,500,000.00	\$ 37,000,000.00
Miscellaneous Revenue Anticipated	263,382,810.90	181,339,235.50
Receipts From Current Taxes	311,500,000.00	305,500,000.00
Non-Budget Revenue	12,790,056.30	15,596,663.84
Other Credits To Income:		
Cancelled Budget Appropriations-Other Expense	0.09	-
Cancelled Voided Checks	429.00	-
Unexpended Balance of Appropriation Reserves	9,810,358.44	11,490,725.74
Cancelled Accounts Payable	212,579.53	27,455.29
	<u>634,196,234.26</u>	<u>550,954,080.37</u>
<u>Expenditures</u>		
Budget Appropriations:		
Operations:		
Salaries and Wages	169,146,476.02	171,006,309.33
Other Expenses	328,430,260.21	242,360,337.91
Capital Improvements	3,550,000.00	3,550,000.00
Debt Service	61,304,611.66	58,992,037.50
Deferred Charges and Statutory Expenditures	40,206,000.00	39,875,000.00
	<u>602,637,347.89</u>	<u>515,783,684.74</u>
Excess in Revenue	31,558,886.37	35,170,395.63
Fund Balance, January 1	<u>68,058,764.88</u>	<u>69,888,369.25</u>
	99,617,651.25	105,058,764.88
Decreased By:		
Utilized as Anticipated Revenue	<u>36,500,000.00</u>	<u>37,000,000.00</u>
Fund Balance, December 31	<u><u>\$ 63,117,651.25</u></u>	<u><u>\$ 68,058,764.88</u></u>

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

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Anticipated			
	Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 36,500,000.00	\$ -	\$ 36,500,000.00	\$ -
Miscellaneous Revenues - Local Revenues:				
County Clerk	12,000,000.00	-	13,773,745.94	1,773,745.94
Surrogate	465,275.00	-	487,946.32	22,671.32
Sheriff	3,500,000.00	-	1,263,446.13	(2,236,553.87)
Interest on Investments and Deposits	3,000,000.00	-	1,845,063.64	(1,154,936.36)
Parks and Recreation	7,480,773.91	-	10,469,336.16	2,988,562.25
Receipts, Rental of County Owned Properties	400,000.00	-	375,331.14	(24,668.86)
Indirect Cost Recovery	6,800,000.00	-	11,306,138.54	4,506,138.54
Recovery of Fringe Benefits	8,450,000.00	-	14,428,485.80	5,978,485.80
Intoxicated Driver Resource Center	250,000.00	-	159,434.95	(90,565.05)
Reimbursement - Federal Inmates at Correctional Institution	3,574,880.00	-	5,530,217.04	1,955,337.04
Communications (Police Radio) Municipal Receipts - 911 Service	4,360,776.00	-	4,968,183.15	607,407.15
MCDOT - Agency Receipts	675,000.00	-	498,022.69	(176,977.31)
Division of Social Services	3,100,000.00	-	4,024,881.70	924,881.70
Total Miscellaneous Revenues - Local Revenues	54,056,704.91	-	69,130,233.20	15,073,528.29
Miscellaneous Revenues - State Aid:				
State Aid - County College Bonds (N.J.S.A. 18A:64A-22.6)	2,083,291.67	-	2,083,291.66	(0.01)
Reimbursement - Mental Health Administrator's Salary	12,000.00	-	12,000.00	-
Reimbursement - State Inmates at Correctional Institution	25,000.00	-	741,375.76	716,375.76
Division of Economic Assistance - Earned Income Credit	17,620,000.00	-	16,677,663.88	(942,336.12)
Total Miscellaneous Revenues - State Aid	19,740,291.67	-	19,514,331.30	(225,960.37)
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	937,537.00	-	952,101.00	14,564.00
Division of Development Disabilities Assessment Program	74,000.00	-	67,224.12	(6,775.88)
Total Miscellaneous Revenues - State Assumption of Costs of County Social and Welfare Services and Psychiatric Facilities	1,011,537.00	-	1,019,325.12	7,788.12
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 - CY2020	-	70,554.00	70,554.00	-
Alliance Prevention - CY2021	-	211,662.00	211,662.00	-
State of New Jersey - Department of Community Affairs:				
DLGS - Local Efficiency Achievement Program Challenge Grant	-	125,000.00	125,000.00	-
Low Income Home Energy Assistance Program (LIHEAP) - CWA FY 2020	12,608.00	-	12,608.00	-
Universal Service Fund (USF) - CWA, FY 2020	8,405.00	-	8,405.00	-
State of New Jersey - New Jersey Transit Corporation:				
FTA:				
JARC Route 836 Shuttle, FFY 2021, Round 7	-	125,000.00	125,000.00	-
Section 5310-FY 2016	-	150,000.00	150,000.00	-
Section 5310-FY 2017	-	75,000.00	75,000.00	-
Section 5311-FY 2020	181,349.00	-	181,349.00	-
Section 5311-CARES Act	-	367,337.00	367,337.00	-
Senior Citizen and Disabled Resident Transportation Grant (CASINO) CY 2020	1,148,580.00	-	1,148,580.00	-
North Jersey Transportation Planning Authority:				
NJIT:				
Sub-Regional Transportation Planning Program - UPWP - FY2021	-	168,190.00	168,190.00	-
State of New Jersey - Department of Treasury:				
Sports Wagering Taxes for Economic Development Grant	-	115,046.80	115,046.80	-

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

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Anticipated			
	Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
State of New Jersey - Department of Transportation:				
Reconstruction of Bridge HL-18	-	1,000,000.00	1,000,000.00	-
Halls Mill Road, Townships of Freehold and Howell	-	1,924,373.17	1,924,373.17	-
Roadway Improvements to County Route 524, Millstone Township	-	1,739,595.00	1,739,595.00	-
Reconstruction of Bridge MS-48	-	4,228,808.00	4,228,808.00	-
Reconstruction of Bridge HL-20	-	1,499,998.00	1,499,998.00	-
Reconstruction of Bridge S-32	-	5,734,655.00	5,734,655.00	-
TTF - Annual Transportation Program - FY 2020	-	10,140,896.00	10,140,896.00	-
State of New Jersey - Department of Children and Families:				
DCP&P:				
Human Services Advisory Council - CY 2020, 20AVNC	69,373.00	-	69,373.00	-
Family Court, Grants-In-Aid - CY 2020, 20CNNC	7,870.00	-	7,870.00	-
CSOC:				
CIACC - CY 2020, 20CCNR	44,556.00	-	44,556.00	-
Child Advocacy Center Development - Capital - FY 2020	100,000.00	-	100,000.00	-
State of New Jersey - Department of Human Services:				
DOAS:				
Monmouth County Office on Aging Comprehensive Area Plan Grant - CY 2020	2,744,733.00	3,044,419.00	5,789,152.00	-
Families First Coronavirus Response Act	-	398,131.00	398,131.00	-
2020 CARES Act Title IIIB for Supportive Services	-	1,222,836.00	1,222,836.00	-
2020 Aging Disability Resource Center COVID-19	-	64,306.00	64,306.00	-
MCDOT:				
Donations - OOA Title III Transportation - CY 2020	100.00	-	100.00	-
DMHAS:				
County Innovation Project	-	226,366.00	226,366.00	-
Comprehensive Alcohol & Drug Abuse Services - CY 2020, 20-535-ADA-O	1,236,896.00	-	1,236,896.00	-
Social Security Assistance for Mental Illness (SSAMI) - CY 2020, 20203	195,502.00	-	195,502.00	-
DFD:				
Transportation, WFNJ - CY 2019	90,383.00	-	90,383.00	-
Social Services for the Homeless - CY 2019	-	71,928.00	71,928.00	-
State of New Jersey - Office of the Attorney General:				
DLPS:				
Overdose Data to Action - Operation Helping Hand (OHH) - FFY 2020	-	47,619.00	47,619.00	-
DLPS - DCJ:				
Victims of Crime Act (VOCA), Supplemental - FFY 2017	-	80,000.00	80,000.00	-
Victims of Crime Act (VOCA), FFY 2019	-	581,130.00	581,130.00	-
STOP Violence Against Women Act - FFY 2018	-	35,000.00	35,000.00	-
STOP Violence Against Women Act - FFY 2019	-	52,000.00	52,000.00	-
JAG, Gang, Gun and Narcotics Task Force - FFY 2017	-	84,728.00	84,728.00	-
JAG, Megan's Law & Local Law Enforcement Assistance - FY 2017	10,431.00	-	10,431.00	-
DLPS - DSP:				
OEM - HMGP - Monmouth County Clerk Generator Project	-	157,500.00	157,500.00	-
EMS - EMPG/EMAA Grant - FY 2019	55,000.00	-	55,000.00	-
EMS - EMPG/EMAA Grant - FY 2020	-	55,000.00	55,000.00	-
DLPS - DHTS:				
Drug Recognition Expert - FFY 2021	-	60,000.00	60,000.00	-
MCSO Waterways, 2020	-	20,000.00	20,000.00	-
Serious Collision Analysis Response Team (SCART) - FFY 2021	-	80,000.00	80,000.00	-
DWI Task Force - FFY 2021	-	80,000.00	80,000.00	-
DLPS - JJC:				
State/Community Partnership - CY 2020, SCP-20-PM13 & PS13	469,649.00	-	469,649.00	-
YSC Juvenile Detention Alternatives Initiative Innovations - CY 2020, 20-IF-13	120,000.00	-	120,000.00	-
Family Court - CY 2020, FC-20-13	386,754.00	-	386,754.00	-
State of New Jersey - Office of Homeland Security and Preparedness:				
State Homeland Security Grant Program (HSGP) - FFY 2020	-	265,211.14	265,211.14	-
Shared Services Agreements - Various Municipalities:				
MCOEM - Shrewsbury Flood Warning, FY 2020	12,000.00	-	12,000.00	-
United States Department of Homeland Security:				
FEMA - Port Security - FY 2020	-	447,015.00	447,015.00	-

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

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Anticipated			Excess or
	Budget	Special N.J.S. 40A:4-87	Realized	(Deficit)
State of New Jersey - Department of Environmental Protection:				
Clean Communities Program - FY 2020	-	121,118.84	121,118.84	-
State of New Jersey - Department of Labor and Workforce Development:				
Workforce Innovation Opportunity Act (WIOA):				
Adult & D/L Worker - PY 2020	-	1,799,804.00	1,799,804.00	-
Youth Program - PY 2020	-	694,143.00	694,143.00	-
Summer Youth Program - FY 2020	-	303,600.00	303,600.00	-
Work First New Jersey (WFNJ) - PY2020/SFY2021	-	1,150,888.00	1,150,888.00	-
Workforce Learning Link (WLL) - SFY 2021	-	21,000.00	21,000.00	-
State of New Jersey - Department of State:				
Destination Marketing Grant - FY 2021	-	157,500.00	157,500.00	-
Division of Elections (DOE) - Help America Vote Act (HAVA), Primary FY 2020	-	457,507.13	457,507.13	-
Division of Elections (DOE) - Help America Vote Act (HAVA), General FY 2020	-	812,475.15	812,475.15	-
United States Department of Housing and Urban Development:				
New York City (NYC) - HOPWA - FY 2021	-	398,464.00	398,464.00	-
United States Office of Economic Adjustment:				
DOD - Joint Land Use Study, Phase 3	-	231,500.00	231,500.00	-
United States Department of Justice:				
Office of Justice Programs (OJP):				
BJA - State Criminal Alien Assistance Program (SCAAP) - FFY 2019	670,546.00	-	670,546.00	-
BJA - Coronavirus Supplemental Funding Project - FY 2020	-	58,008.00	58,008.00	-
United States Department of the Treasury:				
CARES Act Coronavirus Relief Fund	-	107,974,955.70	107,974,955.70	-
The Grunin Foundation:				
Joint Public Benefit Offering	-	250,000.00	250,000.00	-
Naval Weapons Station Earle:				
M.C. Mosquito Extermination Commission, ISA - FY 2017-2020	-	25,625.00	25,625.00	-
County Clerks - Interlocal Service Agreements (ISA's):				
Document Summary Management System (DSMS), E-Recording - FY 2006-2021	213,726.00	-	213,726.00	-
Monmouth County Municipalities - Interlocal Service Agreements:				
Open Public Records Search, Records Information Mgmt. (RIM) Maintenance	-	65,553.00	65,553.00	-
Donations:				
Monmouth County Sheriff's Office K-9 Unit	-	2,314.08	2,314.08	-
Center For Tech Life (CTCL):				
2020 Covid-19 Response Grant, Board of Elections	-	238,767.38	238,767.38	-
2020 Covid-19 Response Grant, Superintendent of Elections	-	159,178.25	159,178.25	-
2020 Covid-19 Response Grant, County Clerk Elections	-	159,178.25	159,178.25	-
BRIT Safety Grant Committee (CELJIF):				
Brit Safety Grant, 2020	-	6,464.00	6,464.00	-
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	7,778,461.00	149,837,347.89	157,615,808.89	-
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	2,452,130.00	-	3,113,464.47	661,334.47
Surrogate	408,800.00	-	309,553.69	(99,246.31)
Sheriff	141,542.00	-	43,743.00	(97,799.00)
Capital Fund Surplus	5,000,000.00	-	-	(5,000,000.00)
Library Indirect Cost Recovery	3,400,000.00	-	3,618,854.00	218,854.00
IRS - Build America Bonds 45% Subsidy on Debt Service	454,847.42	-	27,769.15	(427,078.27)
Motor Vehicle Fines for Roads and Bridges Trust Fund	1,625,000.00	-	-	(1,625,000.00)
Weights and Measures Trust Fund	75,000.00	-	75,000.00	-
Open Space Trust Fund	8,157,686.00	-	8,416,728.08	259,042.08
Debt Service Reserve from Care Center Sale in 2015	498,000.00	-	498,000.00	-

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

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Total Special Items of General Revenue Anticipated With Prior Written Consent of the Director of Local Government Services - Other Special Items	22,213,005.42	-	16,103,112.39	(6,109,893.03)
Total Miscellaneous Revenues	104,800,000.00	149,837,347.89	263,382,810.90	8,745,463.01
Amount To Be Raised By Taxation - County Purpose Tax	311,500,000.00	-	311,500,000.00	-
Budget Totals	452,800,000.00	149,837,347.89	611,382,810.90	8,745,463.01
Non-Budget Revenues	-	-	12,790,056.30	12,790,056.30
Total General Revenues	<u>\$ 452,800,000.00</u>	<u>\$ 149,837,347.89</u>	<u>\$ 624,172,867.20</u>	<u>\$ 21,535,519.31</u>
		Fund Balance	36,500,000.00	
		Federal & State Grants	157,615,808.89	
		Cash Receipts	434,700,452.38	
		Cash Disbursements	(4,643,394.07)	
			<u>\$ 624,172,867.20</u>	

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

**MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:

Garnishment Service Charge	\$ 5,090.33
Mental Health Annual Conference	110.00
MCIA Guarantee Fees	195,793.93
Voter Registration - Labels and Tapes	575.90
Construction Board of Appeals	1,900.00
Added and Omitted Taxes	1,898,751.25
Engineers Plans and Specs	3,335.00
Vending Machine Commissions	8,589.00
Interest on Late Payment of Taxes	3,838.40
Miscellaneous Revenue Not Anticipated - MRNA	41,660.42
Judgements	357.75
Salary and Fringe Reimbursements	575,163.63
Interest - Parks Department	5,990.36
Interest - Sheriff's Account	27,847.82
Damages to County Property	42.18
Purchases of Lists and Records	15.00
Auction Sales	203,415.73
Inmate Transportation	173,468.92
Payment in Lieu of Taxes	721,715.10
Sale of County Merchandise and Property	20,386.00
Permit Fees	110,200.00
Appropriation Refunds	4,140,722.67
Appropriation Refunds- Grant Cancellation	6,277.77
Insurance Reimbursements	1,121,034.82
Copier Receipts	132.35
Uniform Fire Code Permit Fees	54.00
Fire Academy Course Reimbursements	11,150.00
Planning Board Site Plan Review Fees	25,550.00
Planning Board Site Plan Inspection Fees	17,831.06
Planning Board Subdivision Application Fees	127,586.30
Reimbursement for Single Audit Costs	29,184.03
Shared Services - Fleet Reimbursements	254,483.31
Juror Compensation Fund	1,020.00
Reimbursement for Fleet Services	1,898.80
Tax Board - Mod IV Tax System Reimbursement	189,462.10
Print Shop Reimbursement	100.00
Probation Fines	6,897.90
Interest on the County Clerk's Account	18,082.81
Bail Bond Forfeiture	4,150.00
Shared Services - Public Works Reimbursement	737,754.32
Shared Services - MCIA Accounting Fee	12,500.00
Shared Services - Municipal RIM Maintenance	12,320.00
Shared Services - Information Technology	8,400.00
Shared Services - MCSO Policing	86,586.55
Police Academy - Tuition	117,033.26
Police Academy - Trainee Ammunition	3,062.50
County Clerk Elections - Reimbursements	297,564.51

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Analysis of Non-Budget Revenue (continued)

Board of Elections - Township Reimbursements	24,500.59
Board of Elections - State Reimbursement	163,572.63
Voting Machine Rentals	2,413.30
MCPO - USDOJ - DEA Reimbursements	37,565.36
MCCI/Sheriff - USDOJ - DEA Reimbursements	30,740.06
MCPO - County Emergency Response Team	66,000.00
MCPO - Restitution Collections	2,626.43
MCCI - Inmate Charges	79,004.90
MCCI - SSA Reimbursement Contract #NJ0092	23,200.00
MCCI - Inmate Charges - Medical Co-Pays	10,384.05
MCCI - Western Union/Jpay Commissions	22,032.00
MC Sheriff - Attorney ID Cards	250.00
GIS Fees	106.00
License Agreement - Fiber Optic Cable	41,647.44
FEMA/State of NJ - Disaster Reimbursement	90,845.30
Bayshore Ferry - Rent	51,752.44
Bayshore Ferry Food/Beverage Concessions	258.93
UNA/Rx/Card - Commissions	4,933.75
Vehicle Wash	3,450.00
DSS - Miscellaneous Revenue Not Anticipated - MRNA	905,687.34
	<hr/>
Total Miscellaneous Revenue Not Anticipated	\$ 12,790,056.30
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Analysis of Miscellaneous Revenues Not Anticipated

Cash Receipts	\$ 10,891,305.05
County Added and Omitted Taxes	1,898,751.25
	<hr/>
	\$ 12,790,056.30
	<hr/> <hr/>

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>			<u>Cancelled</u>
				<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>	
GENERAL GOVERNMENT FUNCTIONS:							
Office of County Administrator:							
Salaries and Wages	\$ 759,483.00	\$ 206,483.00	\$ 181,247.75	\$ -	\$ 25,235.25	\$ -	-
Other Expenses	133,083.00	133,083.00	78,242.50	639.17	54,201.33	-	-
County Administrator- Building Security:							
Salaries and Wages	1,150,000.00	1,300,000.00	1,222,046.63	-	77,953.37	-	-
Other Expenses	12,000.00	12,000.00	5,352.21	4,758.75	1,889.04	-	-
Administration of Shared Service							
Salaries and Wages	97,975.00	99,975.00	92,701.58	-	7,273.42	-	-
Other Expenses	5,000.00	5,000.00	-	105.45	4,894.55	-	-
Research, Technical and Consulting Services:							
Other Expenses	1,040,000.00	1,040,000.00	475,023.32	456,787.64	108,189.04	-	-
Purchasing Department:							
Salaries and Wages	798,824.00	648,824.00	635,694.81	-	13,129.19	-	-
Other Expenses	28,190.00	28,190.00	9,288.41	273.71	18,627.88	-	-
Public Information:							
Salaries and Wages	656,090.00	456,090.00	429,960.76	-	26,129.24	-	-
Other Expenses	89,505.00	89,505.00	70,702.02	1,337.49	17,465.49	-	-
Human Resources Department:							
Salaries and Wages	1,470,379.00	1,470,379.00	1,385,702.97	-	84,676.03	-	-
Other Expenses	177,400.00	177,400.00	55,199.97	40,516.08	81,683.95	-	-
Board of County Commissioners:							
Salaries and Wages	179,845.00	179,845.00	162,006.14	-	17,838.86	-	-
Other Expenses	2,344.00	2,344.00	397.43	-	1,946.57	-	-
Clerk of the Board:							
Salaries and Wages	512,004.00	512,004.00	493,098.70	-	18,905.30	-	-
Other Expenses	53,250.00	53,250.00	31,002.95	572.88	21,674.17	-	-
County Clerk - Elections:							
Salaries and Wages	251,485.00	251,485.00	199,567.66	-	51,917.34	-	-
Other Expenses	114,810.00	114,810.00	87,853.94	10,212.39	16,743.67	-	-
Office of the County Clerk:							
Salaries and Wages	2,672,792.00	2,672,792.00	2,265,501.49	-	407,290.51	-	-
Other Expenses	247,170.00	247,170.00	164,233.34	31,618.03	51,318.63	-	-
Superintendent of Elections:							
Salaries and Wages	1,408,179.00	1,408,179.00	1,167,257.28	-	240,921.72	-	-
Other Expenses	401,825.00	401,825.00	14,172.88	299,159.29	88,492.83	-	-
Board of Elections:							
Salaries and Wages	1,296,000.00	1,296,000.00	677,530.99	-	618,469.01	-	-
Other Expenses	168,110.00	168,110.00	70,814.88	16,183.65	81,111.47	-	-
Finance Department:							
Salaries and Wages	1,729,387.00	1,579,387.00	1,548,740.05	-	30,646.95	-	-
Other Expenses	290,000.00	390,000.00	244,116.62	91,092.67	54,790.71	-	-
Office of Records Management:							
Salaries and Wages	135,618.00	135,618.00	107,495.26	-	28,122.74	-	-
Other Expenses	50,317.00	50,317.00	48,847.33	829.52	640.15	-	-

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

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>			<u>Cancelled</u>
				<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>	
Audit Services:							
Other Expenses	181,300.00	185,300.00	-	185,300.00	-	-	-
Department of Information Technology:							
Salaries and Wages	2,938,481.00	2,713,481.00	2,691,621.28	-	21,859.72	-	-
Other Expenses	1,050,777.00	1,050,777.00	757,979.18	250,273.72	42,524.10	-	-
Board of Taxation:							
Salaries and Wages	438,684.00	438,684.00	394,070.71	-	44,613.29	-	-
Other Expenses	5,049.00	5,049.00	2,606.19	2,244.46	198.35	-	-
Office of the County Counsel:							
Salaries and Wages	505,783.00	505,783.00	406,301.02	-	99,481.98	-	-
Other Expenses	1,058,479.00	1,058,479.00	875,257.81	2,930.76	180,290.43	-	-
Office of County Adjuster:							
Salaries and Wages	138,999.00	141,999.00	139,242.82	-	2,756.18	-	-
Other Expenses	111,625.00	111,625.00	77,887.56	234.40	33,503.04	-	-
County Surrogate:							
Salaries and Wages	953,653.00	953,653.00	861,609.30	-	92,043.70	-	-
Other Expenses	12,850.00	12,850.00	6,570.14	2,025.00	4,254.86	-	-
County Engineer:							
Salaries and Wages	5,745,999.00	5,570,999.00	5,558,104.47	-	12,894.53	-	-
Other Expenses	276,800.00	276,800.00	121,717.06	130,424.52	24,658.42	-	-
Economic Development :							
Salaries and Wages	282,520.00	207,520.00	197,282.06	-	10,237.94	-	-
Other Expenses	51,519.00	51,519.00	21,652.89	2,014.67	27,851.44	-	-
Historical Commission:							
Salaries and Wages	28,275.00	29,275.00	28,418.89	-	856.11	-	-
Other Expenses	220,918.00	220,918.00	196,603.78	-	24,314.22	-	-
LAND USE ADMINISTRATION:							
Planning Board (N.J.S.40A:27-3):							
Salaries and Wages	1,027,209.00	1,027,209.00	1,002,685.40	-	24,523.60	-	-
Other Expenses	238,057.00	238,057.00	144,221.43	4,557.82	89,277.75	-	-
Contribution To Soil Conservation							
District (N.J.S. 4:24(1)):							
Other Expenses	3,733.00	3,733.00	-	3,733.00	-	-	-
CODE ENFORCEMENT AND ADMINISTRATION:							
Weights and Measures:							
Salaries and Wages	311,437.00	311,437.00	297,486.75	-	13,950.25	-	-
Other Expenses	1,250.00	1,250.00	1,250.00	-	-	-	-

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		
				<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
INSURANCE:						
Other Insurance Premiums:						
Other Expenses	3,475,000.00	4,300,000.00	4,285,662.39	-	14,337.61	-
Worker's Compensation:						
Other Expenses	3,700,000.00	5,700,000.00	5,595,887.92	-	104,112.08	-
Group Insurance Plan:						
Other Expenses	49,965,000.00	53,465,000.00	51,884,020.32	48,221.69	1,532,757.99	-
Unemployment Compensation						
Insurance (N.J.S.A.43:21-3 et seq):						
Other Expenses	450,000.00	450,000.00	145,000.00	-	305,000.00	-
PUBLIC SAFETY FUNCTIONS:						
Sheriff's Office - Special Operations:						
Salaries and Wages	2,655,415.00	2,555,415.00	2,447,069.69	-	108,345.31	-
Other Expenses	93,970.00	93,970.00	49,789.19	27,801.58	16,379.23	-
Sheriff's Office - Communications Division:						
Salaries and Wages	9,321,506.00	9,651,506.00	9,625,456.07	-	26,049.93	-
Other Expenses	1,628,704.00	1,628,704.00	1,198,377.23	354,346.58	75,980.19	-
Office of Emergency Management:						
Salaries and Wages	273,329.00	273,329.00	208,056.39	-	65,272.61	-
Other Expenses	65,000.00	65,000.00	23,886.45	13,934.44	27,179.11	-
Department of Consumer Affairs:						
Salaries and Wages	362,383.00	362,383.00	318,501.63	-	43,881.37	-
Other Expenses	4,910.00	4,910.00	2,845.91	-	2,064.09	-
Medical Examiner:						
Other Expenses	1,625,000.00	1,625,000.00	1,445,584.00	6,916.00	172,500.00	-
Sheriff's Office:						
Salaries and Wages	14,048,983.00	14,048,983.00	13,743,791.06	-	305,191.94	-
Other Expenses	409,290.00	409,290.00	256,159.95	110,452.39	42,677.66	-
Office of the County Prosecutor:						
Salaries and Wages	24,306,009.00	24,306,009.00	22,580,327.02	-	1,725,681.98	-
Other Expenses	1,316,000.00	1,316,000.00	810,059.05	386,540.97	119,399.98	-
Correctional Institution:						
Salaries and Wages	34,543,467.00	34,313,467.00	33,009,621.59	-	1,303,845.41	-
Other Expenses	8,220,805.00	8,220,805.00	5,916,935.51	2,079,514.57	224,354.92	-
Fire Marshall (N.J.S. 40A:14-1):						
Salaries and Wages	677,035.00	677,035.00	500,265.26	-	176,769.74	-
Other Expenses	129,415.00	129,415.00	96,684.02	21,460.26	11,270.72	-
Police Academy and Firing Range:						
Salaries and Wages	520,385.00	520,385.00	426,284.85	-	94,100.15	-
Other Expenses	193,618.00	193,618.00	106,564.98	46,446.04	40,606.98	-

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		
				<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
PUBLIC WORKS FUNCTIONS:						
County Road Maintenance:						
Salaries and Wages	7,491,851.00	6,641,851.00	6,614,270.87	-	27,580.13	-
Other Expenses	1,551,183.00	1,551,183.00	1,240,591.63	277,298.44	33,292.93	-
County Bridge Maintenance:						
Salaries and Wages	1,422,634.00	1,247,634.00	1,230,351.37	-	17,282.63	-
Other Expenses	1,854,102.00	1,854,102.00	1,597,820.07	230,510.12	25,771.81	-
Director of Public Works and Engineering:						
Salaries and Wages	447,339.00	447,339.00	430,448.97	-	16,890.03	-
Other Expenses	164,181.00	164,181.00	159,434.39	995.14	3,751.47	-
Shade Tree Commission:						
Salaries and Wages	1,430,291.00	1,330,291.00	1,323,058.94	-	7,232.06	-
Other Expenses	109,962.00	109,962.00	43,366.75	36,966.93	29,628.32	-
Buildings and Grounds:						
Salaries and Wages	8,934,261.00	7,684,261.00	7,636,420.72	-	47,840.28	-
Other Expenses	6,302,159.00	6,302,159.00	4,800,170.73	1,131,071.47	370,916.80	-
Division of Fleet Services:						
Salaries and Wages	2,310,664.00	2,110,664.00	2,099,923.00	-	10,741.00	-
Other Expenses	2,608,209.00	2,608,209.00	1,829,369.70	687,750.77	91,088.53	-
Mosquito Extirmination Commission (N.J.S. 26:9-13 et seq):						
Salaries and Wages	939,941.00	889,941.00	865,357.55	-	24,583.45	-
Other Expenses	316,017.00	316,017.00	272,060.12	22,932.14	21,024.74	-
HUMAN SERVICES AND HEALTH FUNCTIONS:						
Division of Social Services Administration:						
Salaries and Wages	17,822,556.00	17,415,556.00	14,316,946.18	-	3,098,609.82	-
Other Expenses	14,832,630.00	15,239,630.00	12,246,568.46	166,411.31	2,826,650.23	-
Temporary Assistance for Needy Families - County Share:						
Other Expenses	93,950.00	93,950.00	25,000.00	-	68,950.00	-
Assistance for Social Security Recipients:						
Other Expenses	937,537.00	937,537.00	937,537.00	-	-	-
Division of Mental Health (N.J.S. 40A:5-29):						
Salaries and Wages	152,000.00	155,000.00	152,805.99	-	2,194.01	-
Other Expenses	985,416.00	985,416.00	384,637.86	595,405.95	5,372.19	-
Department of Human Services:						
Salaries and Wages	270,850.00	290,850.00	280,022.93	-	10,827.07	-
Other Expenses	4,075.00	4,075.00	211.51	-	3,863.49	-
Division of Planning and Contracting:						
Salaries and Wages	271,814.00	271,814.00	269,001.23	-	2,812.77	-
Other Expenses	2,949,425.00	2,949,425.00	1,963,513.88	962,414.10	23,497.02	-
Juvenile Detention Alternative Initiative:						
Salaries and Wages	214,209.00	218,209.00	216,168.25	-	2,040.75	-
Other Expenses	210,652.00	210,652.00	205,927.80	3,575.52	1,148.68	-
Public Health Service (N.J.S. 40A:13-1):						
Other Expenses	724,014.00	724,014.00	461,266.00	262,748.00	-	-

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

**MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		
				<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
Office of Disabilities:						
Salaries and Wages	62,922.00	63,922.00	63,509.38	-	412.62	-
Other Expenses	2,975.00	2,975.00	665.05	-	2,309.95	-
Office of Addiction Services (N.J.S. 40:9B-4):						
Salaries and Wages	84,792.00	73,792.00	69,758.69	-	4,033.31	-
Other Expenses	414,984.00	414,984.00	135,174.07	273,525.55	6,284.38	-
Intoxicated Driver Resource Center:						
Salaries and Wages	140,565.00	141,565.00	132,613.26	-	8,951.74	-
Other Expenses	65,358.00	65,358.00	22,451.87	41,559.42	1,346.71	-
Maintenance of Patients in State Institutions for Mental Diseases (N.J.S. 30:4 -79) County Share:						
Other Expenses	1,876,868.00	1,876,868.00	1,876,868.00	-	-	-
Veterans Services Office:						
Salaries and Wages	200,159.00	179,159.00	142,924.49	-	36,234.51	-
Other Expenses	25,060.00	25,060.00	22,880.84	-	2,179.16	-
Office on Aging:						
Salaries and Wages	235,130.00	235,130.00	200,312.52	-	34,817.48	-
Other Expenses	15,164.00	15,164.00	13,160.62	100.00	1,903.38	-
Division of Transportation:						
Salaries and Wages	290,452.00	15,452.00	14,145.75	-	1,306.25	-
Other Expenses	131,825.00	131,825.00	16,803.95	57,213.48	57,807.57	-
Environmental Health Act - Contractual (N.J.S. 26:3A2-21)						
Monmouth County Department of Health:						
Other Expenses	925,000.00	925,000.00	925,000.00	-	-	-
Aid To Legal Aid Society:						
Other Expenses	10,055.00	10,055.00	10,055.00	-	-	-
PARK AND RECREATION FUNCTIONS:						
Department of Parks and Recreation:						
Salaries and Wages	20,116,264.00	18,066,264.00	18,035,943.13	-	30,320.87	-
Other Expenses	1,890,688.00	1,890,688.00	1,354,057.79	446,991.52	89,638.69	-
EDUCATION FUNCTIONS:						
Mon. Cty. Community College Brookdale (N.J.S. 18A-64A):						
Other Expenses	20,027,019.00	20,027,019.00	11,682,427.75	8,344,591.25	-	-
Reimbursement for Residents Attending Out of County Two Year Colleges (N.J.S. 18A-64A):						
Other Expenses	161,500.00	161,500.00	72,481.15	835.98	88,182.87	-
Cooperative Extension Service:						
Salaries and Wages	310,916.00	310,916.00	288,858.78	-	22,057.22	-
Other Expenses	114,348.00	114,348.00	1,796.63	5.05	112,546.32	-
Vocational Schools:						
Other Expenses	16,662,178.00	16,662,178.00	9,719,603.85	6,942,574.15	-	-
Superintendent of Schools:						
Salaries and Wages	179,902.00	179,902.00	172,344.74	-	7,557.26	-
Other Expenses	3,025.00	3,025.00	1,168.32	585.31	1,271.37	-

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

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Cancelled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OTHER COMMON OPERATING FUNCTIONS (UNCLASSIFIED):						
Prior Years Bills:						
Middlesex County (2018)	160,900.00	160,900.00	160,900.00	-	-	-
Lenovo Inc. (2017)	3,049.62	3,049.62	3,049.62	-	-	-
Lenovo Inc. (2018)	10,413.03	10,413.03	10,413.03	-	-	-
Gannett NJ (2 Invoices-Board and County Clerk Elections (2017)	7,757.37	7,757.37	7,757.37	-	-	-
Ditto Copy Systems, Inc. (2015)	307.90	307.90	307.90	-	-	-
Cornerstone Behavioral Health (2017)	7,457.00	7,457.00	7,457.00	-	-	-
Carl Bacigalupi - Medicare Part B Reimbursement (2014)	1,296.00	1,296.00	1,296.00	-	-	-
Carl Bacigalupi - Medicare Part B Reimbursement (2015)	1,258.80	1,258.80	1,258.80	-	-	-
Carl Bacigalupi - Medicare Part B Reimbursement (2016)	1,258.80	1,258.80	1,258.80	-	-	-
Carl Bacigalupi - Medicare Part B Reimbursement (2017)	1,258.80	1,258.80	1,258.80	-	-	-
Township of Manalapan (2017)	450.00	450.00	450.00	-	-	-
Township of Neptune (2017)	250.00	250.00	250.00	-	-	-
Borough of Spring Lake Heights (2017)	200.00	200.00	200.00	-	-	-
Borough of Tinton Falls PD (2017)	250.00	250.00	250.00	-	-	-
Township of Wall PD (2017)	695.00	695.00	695.00	-	-	-
Cathy Mestman (2014)	17.00	17.00	17.00	-	-	-
Accumulated Leave Compensation:						
Salaries and Wages	350,000.00	350,000.00	350,000.00	-	-	-
Provision for Salary Adjustments and New Employees:						
Salaries and Wages	1,351.02	1,351.02	-	-	1,351.02	-
UTILITY EXPENSES AND BULK PURCHASES:						
Utilities:						
Other Expenses	9,300,000.00	9,300,000.00	6,621,012.42	2,365,968.49	313,019.09	-
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:						
State of New Jersey - Governor's Council on Alcohol and Drug Abuse:						
Alliance Prevention - CY 2020	-	70,554.00	70,554.00	-	-	-
Alliance Prevention - CY 2021	-	211,662.00	211,662.00	-	-	-
State of New Jersey - Department of Community Affairs:						
DLGS - Local Efficiency Achievement Program Challenge Grant	-	125,000.00	125,000.00	-	-	-
Low Income Home Energy Assistance Program (LIHEAP) - CWA FY 2020	12,608.00	12,608.00	12,608.00	-	-	-
Universal Service Fund (USF) - CWA FY 2020	8,405.00	8,405.00	8,405.00	-	-	-
State of New Jersey - New Jersey Transit Corporation:						
FTA:						
JARC Route 836 Shuttle FFY 2021, Round 7	-	250,000.00	250,000.00	-	-	-
Section 5310 FY 2016	-	150,000.00	150,000.00	-	-	-
Section 5310 FY 2017	-	75,000.00	75,000.00	-	-	-
Section 5311 FY 2020	241,798.00	241,798.00	241,798.00	-	-	-
Section 5311 - CARES Act	-	367,337.00	367,337.00	-	-	-
Senior Citizen and Disabled Resident Transportation Grant (CASINO) CY 2020	1,148,580.00	1,148,580.00	1,148,580.00	-	-	-

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		
				<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
North Jersey Transportation Planning Authority:						
NJIT:						
Sub-Regional Transportation Planning Program - UPWP FY 2021	-	206,487.50	206,487.50	-	-	-
State of New Jersey - Department of Treasury:						
Sports Wagering Taxes for Economic Development	-	115,046.80	115,046.80	-	-	-
State of New Jersey - Department of Transportation:						
Reconstruction of Bridge HL-18	-	1,000,000.00	1,000,000.00	-	-	-
Halls Mill Road, Townships of Freehold & Howell	-	1,924,373.17	1,924,373.17	-	-	-
Roadway Improvements to County Route 524, Millstone Township	-	1,739,595.00	1,739,595.00	-	-	-
Reconstruction of Bridge MS-48	-	4,228,808.00	4,228,808.00	-	-	-
Reconstruction of Bridge HL-20	-	1,499,998.00	1,499,998.00	-	-	-
Reconstruction of Bridge S-32	-	5,734,655.00	5,734,655.00	-	-	-
TTF - Annual Transportation Program FY 2020	-	10,140,896.00	10,140,896.00	-	-	-
State of New Jersey - Department of Children and Families:						
DCP&P:						
Human Services Advisory Council CY 2020, 20AVNC	85,249.00	85,249.00	85,249.00	-	-	-
Family Court, Grants-In-Aid CY2020, 20CNNC	7,870.00	7,870.00	7,870.00	-	-	-
CSOC:						
CIACC CY 2020, 20CCNR	44,556.00	44,556.00	44,556.00	-	-	-
Child Advocacy Center Development - Capital FY 2020	100,000.00	100,000.00	100,000.00	-	-	-
State of New Jersey - Department of Human Services:						
DOAS:						
Monmouth County Office on Aging Area Plan Grant CY 2020	2,790,605.00	5,835,024.00	5,835,024.00	-	-	-
Families First Coronavirus Response Act	-	398,131.00	398,131.00	-	-	-
2020 CARES Act Title IIIB for Supportive Services	-	1,222,836.00	1,222,836.00	-	-	-
2020 Aging Disability Resource Center COVID-19	-	64,306.00	64,306.00	-	-	-
MCDOT:						
Donations - OOA Title III Transportation CY 2020	100.00	100.00	100.00	-	-	-
DMHAS:						
County Innovation Project	-	226,366.00	226,366.00	-	-	-
Comprehensive Alcohol \$ Drug Abuse Services CY 2020, 20-535-ADA-O	1,236,896.00	1,236,896.00	1,236,896.00	-	-	-
Social Security Assistance for Mental Illness (SSAMI) CY 2020, 20203	195,502.00	195,502.00	195,502.00	-	-	-
DFD:						
Transportation, WFNU CY 2019	90,383.00	90,383.00	90,383.00	-	-	-
Social Services for the Homeless - CY 2019	-	71,928.00	71,928.00	-	-	-
State of New Jersey - Office of the Attorney General:						
DLPS:						
Overdose Data to Action - Operation Helping Hand (OHH) FFY 2020	-	47,619.00	47,619.00	-	-	-
DLPS - DCJ:						
Victims of Crime Act (VOCA), Supplemental FFY 2017	-	80,000.00	80,000.00	-	-	-
Victims of Crime Act (VOCA) FFY 2019	-	581,130.00	581,130.00	-	-	-
STOP Violence Against Women Act FFY 2018	-	35,000.00	35,000.00	-	-	-
STOP Violence Against Women Act FFY 2019	-	52,000.00	52,000.00	-	-	-
JAG, Gang, Gun, and Narcotics Task Force FFY 2017	-	84,728.00	84,728.00	-	-	-
JAG, Megan's Law & Local Law Enforcement Assistance FFY 2017	10,431.00	10,431.00	10,431.00	-	-	-

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

**MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Cancelled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
DLPS - DSP:						
OEM - HMPG - Monmouth County Clerk Generator Project	-	175,000.00	175,000.00	-	-	-
EMS - EMPG/EMAA Grant FY 2019	55,000.00	55,000.00	55,000.00	-	-	-
EMS - EMPG/EMAA Grant FY 2019	-	55,000.00	55,000.00	-	-	-
DLPS - DHTS:						
Drug Recognition Expert FFY 2021	-	60,000.00	60,000.00	-	-	-
MCSO Waterways, 2020	-	20,000.00	20,000.00	-	-	-
Serious Collision Analysis Response Team (SCART) FFY 2021	-	80,000.00	80,000.00	-	-	-
DWI Task Force FFY 2021	-	80,000.00	80,000.00	-	-	-
DLPS - JJC:						
State/Community Partnership CY 2020, SCP-20-PM13 & PS13	562,206.00	562,206.00	562,206.00	-	-	-
YSC Juvenile Detention Alternatives Initiative (JDAI) Innovations CY 2020, JDAI-20-IF-13	120,000.00	120,000.00	120,000.00	-	-	-
Family Court CY 2020, FC-20-13	386,754.00	386,754.00	386,754.00	-	-	-
State of New Jersey - Office of Homeland Security and Preparedness:	-	265,211.14	265,211.14	-	-	-
State Homeland Security Grant Program (HSGP) FFY 2020						
Shared Services Agreements - Various Municipalities:						
MCOEM - Shrewsbury Flood Warning FY 2020	13,500.00	13,500.00	13,500.00	-	-	-
United States Department of Homeland Security:						
FEMA - Port Security FY 2020	-	596,020.00	596,020.00	-	-	-
State of New Jersey - Department of Environmental Protection:						
Clean Communities Program FY 2020	-	121,118.84	121,118.84	-	-	-
State of New Jersey - Department of Labor and Workforce Development:						
Workforce Innovation Opportunity Act (WIOA):						
Adult and Dislocated Worker PY 2020	-	1,799,804.00	1,799,804.00	-	-	-
Youth Program PY 2020	-	694,143.00	694,143.00	-	-	-
Summer Youth Program FY 2020	-	303,600.00	303,600.00	-	-	-
Work First New Jersey (WFNJ) PY2020/SFY2021	-	1,150,888.00	1,150,888.00	-	-	-
Workforce Learning Link (WLL) SFY 2021	-	21,000.00	21,000.00	-	-	-
State of New Jersey - Department of State:						
Destination Marketing Grant FY 2021	-	196,875.00	196,875.00	-	-	-
Division of Elections (DOE) - Help America Vote Act (HAVA), Primary FY 2020	-	457,507.13	457,507.13	-	-	-
Division of Elections (DOE) - Help America Vote Act (HAVA), General FY 2020	-	812,475.15	812,475.15	-	-	-
United States Department of Housing and Urban Development:						
New York City (NYC) - HOPWA FY 2021	-	398,464.00	398,464.00	-	-	-
United States Office of Economic Adjustment:						
DOD- Joint Land Use Study, Phase 3	-	231,500.00	231,500.00	-	-	-
United States Department of Justice:						
Office of Justice Programs (OJP):						
BJA - State Criminal Alien Assistance Program (SCAAP) FFY 2019	670,546.00	670,546.00	670,546.00	-	-	-
BJA - Coronavirus Supplemental Funding Project FY 2020	-	58,008.00	58,008.00	-	-	-
United States Department of the Treasury:						
CARES Act Coronavirus Relief Fund	-	107,974,955.70	107,974,955.70	-	-	-
The Grunin Foundation:						
Joint Public Benefit Offering	-	250,000.00	250,000.00	-	-	-
Naval Weapons Station Earle:						
M.C. Mosquito Extermination Commission, ISA FY 2017-2020	-	25,625.00	25,625.00	-	-	-

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

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>			<u>Cancelled</u>
				<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>	
County Clerks - Interlocal Service Agreements (ISA's):							
Document Summary Management System (DSMS), E-Recording FY 2006-2020	213,726.00	213,726.00	213,726.00	-	-	-	-
Monmouth County Municipalities - Interlocal Service Agreements:							
Open Public Records Search, Records Information Management (RIM) Maintenance	-	111,553.00	111,553.00	-	-	-	-
Donations:							
Monmouth County Sheriff's Office K-9 Unit	-	2,314.08	2,314.08	-	-	-	-
Center for Tech Life (CTCL):							
2020 Covid-19 Response Grant, Board of Elections	-	238,767.38	238,767.38	-	-	-	-
2020 Covid-19 Response Grant, Superintendent of Elections	-	159,178.25	159,178.25	-	-	-	-
2020 Covid-19 Response Grant, County Clerk Elections	-	159,178.25	159,178.25	-	-	-	-
BRIT Safety Grant Committee (CELJIF):							
BRIT Safety Grant, 2020	-	6,464.00	6,464.00	-	-	-	-
Monmouth County:							
Matching Funds for Grants	833,746.00	418,568.50	-	-	418,568.50	-	-
Total Public and Private Programs Offset By Revenues	8,828,461.00	158,665,808.89	158,247,240.39	-	418,568.50	-	-
Total Operations	347,475,388.34	497,416,736.23	452,375,528.75	27,485,489.68	17,555,717.80	-	-
Contingent	160,000.00	160,000.00	87,222.28	-	72,777.72	-	-
Total Operations Including Contingent	347,635,388.34	497,576,736.23	452,462,751.03	27,485,489.68	17,628,495.52	-	-
Detail:							
Salaries and Wages	175,878,476.02	169,146,476.02	159,909,935.07	-	9,236,540.95	-	-
Other Expenses	171,756,912.32	328,430,260.21	292,552,815.96	27,485,489.68	8,391,954.57	-	-
CAPITAL IMPROVEMENTS:							
Capital Improvement Fund	3,000,000.00	3,000,000.00	3,000,000.00	-	-	-	-
Capital Improvements:							
Buildings and Grounds	550,000.00	550,000.00	265,096.10	91,108.52	193,795.38	-	-
Total Capital Improvements	3,550,000.00	3,550,000.00	3,265,096.10	91,108.52	193,795.38	-	-
COUNTY DEBT SERVICE:							
Payment of Bond Principal:							
State Aid - County College Bonds (N.J.S. 18A:64A-22.6)	3,275,000.00	3,275,000.00	3,275,000.00	-	-	-	-
Vocational School Bonds	1,780,000.00	1,780,000.00	1,780,000.00	-	-	-	-
Other Bonds	41,575,000.00	41,575,000.00	41,575,000.00	-	-	-	-
Interest on Bonds:							
State Aid - County College Bonds (N.J.S. 18A:64A-22.6)	823,406.67	823,406.67	823,406.67	-	-	-	-
Vocational School Bonds	756,089.59	756,089.59	756,089.58	-	-	-	0.01
Other Bonds	13,095,115.40	13,095,115.40	13,095,115.32	-	-	-	0.08
Total County Debt Service	61,304,611.66	61,304,611.66	61,304,611.57	-	-	-	0.09

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

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original Budget	Budget After Modification	Paid or Charged	Expended			Cancelled
				Encumbered	Reserved		
DEFERRED CHARGES AND STATUTORY EXPENDITURES - COUNTY:							
Statutory Expenditures - Contribution To:							
Public Employees' Retirement System	13,105,000.00	13,105,000.00	12,843,801.00	-	261,199.00		-
Social Security System (O.A.S.I.)	12,850,000.00	12,746,000.00	12,630,706.85	-	115,293.15		-
Police and Firemen's Retirement System	14,255,000.00	14,255,000.00	14,069,171.72	-	185,828.28		-
County Pension and Retirement Fund	32,000.00	32,000.00	32,000.00	-	-		-
Defined Contribution Retirement Plan ("DCRP")	68,000.00	68,000.00	56,611.89	-	11,388.11		-
Total Deferred Charges and Statutory Expenditures - County	40,310,000.00	40,206,000.00	39,632,291.46	-	573,708.54		-
Total General Appropriations	452,640,000.00	602,477,347.89	556,577,527.88	27,576,598.20	18,323,221.72		0.09
TOTAL GENERAL APPROPRIATIONS	\$ 452,800,000.00	\$ 602,637,347.89	\$ 556,664,750.16	\$ 27,576,598.20	\$ 18,395,999.44	\$	0.09
Analysis of Budget After Modification							
Original Budget	\$ 452,800,000.00						
Appropriation by N.J.S.A. 40A:4-87	149,837,347.89						
	<u>\$ 602,637,347.89</u>						
Analysis of Paid or Charged							
Cash Disbursements			\$ 399,156,165.65				
Accounts Payable			36,002.00				
Federal and State Grants			157,615,808.89				
Cash Receipts			<u>(143,226.38)</u>				
			<u>\$ 556,664,750.16</u>				

MONMOUTH COUNTY
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES AND RESERVES - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 141,891,780.37	\$ 110,597,663.89
U.S. HUD Receivables:		
Relocation Assistance Program	1,741,694.67	5,050,618.58
Community Development Block Grants	5,439,872.15	3,814,362.93
Home Investment Grant	3,393,742.49	3,316,441.57
Shelter Plus Care Grant	1,068,253.00	855,083.75
Emergency Shelter Grants	1,045,081.45	294,973.40
Receivables - Other:		
Health Grants	1,306,567.00	885,921.00
Environmental Health Grants	298,318.00	418,638.75
Library Grants	-	4,399.51
Taxes Receivable for Library, Health and Open Space Funds	311,935.97	319,567.74
Due From Grant Fund	-	10,000,000.00
	<u>\$ 156,497,245.10</u>	<u>\$ 135,557,671.12</u>
<u>Liabilities and Reserves</u>		
Reserve for Taxes Receivable for Library, Health and Open Space	\$ 311,935.97	\$ 319,567.74
Reserve for U.S. HUD Grants:		
Relocation Assistance Program	3,745,845.23	6,396,350.10
Community Development Block Grants	5,441,552.15	3,863,680.43
Home Investment Grants	3,545,492.63	3,436,944.97
Shelter Plus Care	824,238.00	855,083.75
Emergency Shelter	1,047,189.45	296,949.79
Reserve for:		
Retirees Health Benefits	46,014.84	27,978.28
Other Trust Funds	141,534,976.83	120,361,116.06
Total Liabilities and Reserves	<u>\$ 156,497,245.10</u>	<u>\$ 135,557,671.12</u>

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

**MONMOUTH COUNTY
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 16,465,858.80	\$ 98,806,101.91
Investments	2,026,968.12	1,787,830.33
Accounts Receivable:		
Open Space Trust Fund	616,671.00	756,739.00
State of New Jersey - County College:		
Capital Projects, Chapter 12, P.L. 1971	9,455,000.00	11,140,000.00
Deferred Charges To Future Taxation:		
Funded	369,275,000.00	419,795,000.00
Unfunded	133,115,000.00	118,615,000.00
	<u>\$ 530,954,497.92</u>	<u>\$ 650,900,671.24</u>
<u>Liabilities, Reserves and Fund Balance</u>		
General Serial Bonds	\$ 321,285,000.00	\$ 362,860,000.00
County College Serial Bonds - Chapter 12, P.L. 1971:		
State Share	9,455,000.00	11,140,000.00
County Share	10,190,000.00	11,780,000.00
Open Space Trust Fund Serial Bonds	16,830,000.00	22,405,000.00
New Jersey Economic Development Authority:		
Vocational School Bonds	18,315,000.00	20,095,000.00
IPA Note Payable	2,655,000.00	2,655,000.00
Reserve for Script Redemption	1,508.63	1,508.63
Improvement Authorizations:		
Funded	20,031,070.13	89,856,054.08
Unfunded	117,671,497.04	117,693,892.17
Interest Due State of New Jersey	242,322.06	206,186.09
Capital Improvement Fund	2,821,261.72	352,261.72
Reserve for:		
Installment Purchase Agreement	2,026,968.12	1,787,830.33
Open Space Receivable	616,671.00	756,739.00
Debt Service - Care Centers	1,560,000.00	2,058,000.00
	<u>523,701,298.70</u>	<u>643,647,472.02</u>
Fund Balance	<u>7,253,199.22</u>	<u>7,253,199.22</u>
	<u>\$ 530,954,497.92</u>	<u>\$ 650,900,671.24</u>

There were bonds and notes authorized but not issued on December 31, 2020 of \$133,115,000.00 and on December 31, 2019, of \$118,615,000.00

**MONMOUTH COUNTY
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2020 & 2019

\$ 7,253,199.22

MONMOUTH COUNTY
RECLAMATION CENTER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Operating Fund:		
Cash and Cash Equivalents	\$ 17,550,598.02	\$ 17,954,610.89
Cash - Change Fund	1,750.00	1,750.00
Investments	15,149,718.52	13,944,005.92
	<u>32,702,066.54</u>	<u>31,900,366.81</u>
Receivables with Full Reserves:		
Consumer Accounts Receivable	666,319.72	617,996.96
	<u>666,319.72</u>	<u>617,996.96</u>
Total Operating Fund	<u>33,368,386.26</u>	<u>32,518,363.77</u>
Capital Fund:		
Cash and Cash Equivalents	8,803,510.45	6,548,108.95
Fixed Capital	94,813,131.15	100,509,279.76
Fixed Capital Authorized and Uncompleted	29,076,473.90	21,097,223.90
	<u>132,693,115.50</u>	<u>128,154,612.61</u>
Utility Grant Fund:		
Cash and Cash Equivalents	465,781.73	466,330.99
	<u>465,781.73</u>	<u>466,330.99</u>
Total Utility Grant Fund	<u>465,781.73</u>	<u>466,330.99</u>
Total Assets	<u>\$ 166,527,283.49</u>	<u>\$ 161,139,307.37</u>

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

MONMOUTH COUNTY
RECLAMATION CENTER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>Liabilities, Reserves and Fund Balances</u>		
Operating Fund:		
Appropriation Reserves	\$ 589,640.42	\$ 459,164.37
Reserve for Encumbrances	5,448,137.46	4,646,456.98
Reserve for Landfill Closure Escrow	15,149,718.52	13,944,005.92
Host Community Benefit Tax Payable	473,332.77	483,756.31
Accrued Interest on Bonds and Notes	245,992.79	275,256.11
Reserve For Environmental Impairment Liability	7,000,000.00	7,000,000.00
Prepaid Utility Fees - Haulers	1,218,842.97	827,038.69
Prepaid Utility Fees - Governments	566.49	1,257.15
Accounts Payable	699,270.66	112,170.20
Landfill Contingency Taxes Payable	16,789.59	17,364.30
State of New Jersey Recycling Tax Payable	301,953.00	298,287.00
Landfill Closure Escrow Taxes Payable	33,579.16	34,728.59
	<hr/>	<hr/>
	31,177,823.83	28,099,485.62
Reserve for Receivables	666,319.72	617,996.96
Fund Balance	1,524,242.71	3,800,881.19
	<hr/>	<hr/>
Total Operating Fund	33,368,386.26	32,518,363.77
	<hr/>	<hr/>
Capital Fund:		
Serial Bonds	14,735,000.00	16,400,000.00
Bond Anticipation Notes Payable	19,500,000.00	11,500,000.00
Improvement Authorizations:		
Funded	564,215.92	6,208,471.54
Unfunded	7,999,657.12	100,000.00
Deferred Reserve for Amortization	4,069,121.38	3,437,903.57
Reserve for Amortization	85,585,483.67	90,268,600.09
Fund Balance	239,637.41	239,637.41
	<hr/>	<hr/>
Total Capital Fund	132,693,115.50	128,154,612.61
	<hr/>	<hr/>
Utility Grant Fund:		
Appropriated Reserves	264,147.41	263,473.46
Reserve for Encumbrances	201,634.32	202,857.53
	<hr/>	<hr/>
Total Utility Grant Fund	465,781.73	466,330.99
	<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balances	<u>\$ 166,527,283.49</u>	<u>\$ 161,139,307.37</u>

There was \$0.00 in bonds and notes authorized but not issued on December 31, 2020 and \$100,000 on December 31, 2019.

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

MONMOUTH COUNTY
RECLAMATION CENTER UTILITY FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 3,800,000.00	\$ 3,495,000.00
Reclamation Center Utility Fees	29,959,877.72	29,412,613.54
Reclamation Center Utility Fees - Projected Increase	-	1,045,000.00
Interest on Investments	444,520.40	528,669.63
Gas to Energy Receipts	-	681,099.26
NJDEP - Recycling Enhancement Act (N.J.S 40A:4-87)	523,118.00	472,956.00
Miscellaneous Revenue Not Anticipated	434,833.83	147,221.32
Unexpended Balance of Appropriation Reserves	1,583,782.21	2,361,505.69
Prepaid Utility Fees - Hauler Fees Cancelled	347.36	143.35
Accounts Payable Cancelled	-	2.50
	<u>36,746,479.52</u>	<u>38,144,211.29</u>
Expenditures:		
Operating	32,730,510.21	32,013,299.02
Debt Service	<u>2,492,607.79</u>	<u>2,334,656.98</u>
	<u>35,223,118.00</u>	<u>34,347,956.00</u>
Excess in Revenue	1,523,361.52	3,796,255.29
Fund Balance, January 1	<u>3,800,881.19</u>	<u>3,499,625.90</u>
	5,324,242.71	7,295,881.19
Decreased By:		
Utilized as Anticipated Revenue	<u>3,800,000.00</u>	<u>3,495,000.00</u>
Fund Balance, December 31	<u><u>\$ 1,524,242.71</u></u>	<u><u>\$ 3,800,881.19</u></u>

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

**MONMOUTH COUNTY
RECLAMATION CENTER UTILITY FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Balance, December 31, 2020 & 2019

\$ 239,637.41

MONMOUTH COUNTY
RECLAMATION CENTER UTILITY FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Anticipated</u>			
	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Fund Balance Anticipated	\$ 3,800,000.00	\$ -	\$ 3,800,000.00	\$ -
Reclamation Center Utility Fees	30,455,000.00	-	29,959,877.72	(495,122.28)
Interest on Investments	445,000.00	-	444,520.40	(479.60)
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)	-	523,118.00	523,118.00	-
Miscellaneous Revenue Not Anticipated	-	-	434,833.83	434,833.83
	<u>\$ 34,700,000.00</u>	<u>\$ 523,118.00</u>	<u>\$ 35,162,349.95</u>	<u>\$ (60,768.05)</u>

Analysis of Realized Utility Fee Revenue:

Utility Fees:

Levied		\$ 34,431,974.23
Decreased By:		
Change in Receivables	\$ 48,266.19	
Landfill Contingency Tax	199,271.69	
Host Community Benefits Tax	2,630,386.26	
Landfill Closure Escrow Tax	398,543.37	
Recycling Tax	<u>1,195,629.00</u>	
		<u>4,472,096.51</u>
		<u>\$ 29,959,877.72</u>

Miscellaneous Revenue Not Anticipated:

Grass Clippings	\$ 30,706.12
Recycling Composter Sales	5,915.00
Sale of Scrap Metal	426.80
Recycling Commissions	94,159.63
Cover Material	122,732.10
Vehicle Wash	7,920.00
Sale of Wood Chips	6,169.44
Miscellaneous - Other	<u>166,804.74</u>
	<u>\$ 434,833.83</u>

MONMOUTH COUNTY
RECLAMATION CENTER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Appropriations</u>		<u>Paid or</u>	<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
Operating:						
Salaries and Wages	\$ 5,100,000.00	\$ 5,100,000.00	\$ 4,840,534.91	\$ -	\$ 259,465.09	\$ -
Other Expenses	27,100,182.26	27,099,541.19	21,321,228.40	5,448,137.46	330,175.33	-
Prior Year Bills	7,851.02	7,851.02	7,851.02	-	-	-
NJDEP - Recycling Enhancement Act	-	523,118.00	523,118.00	-	-	-
Total Operating	32,208,033.28	32,730,510.21	26,692,732.33	5,448,137.46	589,640.42	-
Debt Service:						
Payment of Bond Principal	1,665,000.00	1,665,000.00	1,665,000.00	-	-	-
Interest on Bonds	826,966.72	827,607.79	827,607.79	-	-	-
Total Debt Service	2,491,966.72	2,492,607.79	2,492,607.79	-	-	-
	\$ 34,700,000.00	\$ 35,223,118.00	\$ 29,185,340.12	\$ 5,448,137.46	\$ 589,640.42	\$ -
<u>Analysis of Budget After Modification</u>						
Original Budget	\$ 34,700,000.00					
Appropriation by N.J.S.A. 40A:4-87		523,118.00				
	\$ 35,223,118.00					
<u>Analysis of Paid or Charged:</u>						
Accrued Interest on Bonds and Notes		\$ (29,263.32)				
Grants Appropriated		523,118.00				
Disbursed		28,691,485.44				
		\$ 29,185,340.12				

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

MONMOUTH COUNTY
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF ASSETS & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2020 AND 2019

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Land	\$ 989,772,766.00	\$ 998,396,287.00
Land Improvements	51,004,193.15	53,384,510.75
Buildings	334,127,332.68	344,216,625.47
Construction in Progress	20,535,496.08	-
Furniture, Fixtures and Equipment	74,935,231.00	88,826,108.50
Vehicles	<u>91,725,069.60</u>	<u>83,659,301.07</u>
Total Assets	<u>\$ 1,562,100,088.51</u>	<u>\$ 1,568,482,832.79</u>
 <u>Liabilities</u>		
Investment in General Fixed Assets	<u>\$ 1,562,100,088.51</u>	<u>\$ 1,568,482,832.79</u>
Total Liabilities	<u>\$ 1,562,100,088.51</u>	<u>\$ 1,568,482,832.79</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

YEAR ENDED DECEMBER 31, 2020

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 2010 Census, the population was 630,380, up from 615,301 at the 2000 Census, falling to the fifth-most populous county in the state, having been surpassed by Hudson County. As of the 2015 Census Estimate, the County's population was 628,715. Its county seat is in Freehold Borough. The most populous place was Middletown Township, with 66,522 residents at the time of the 2010 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

YEAR ENDED DECEMBER 31, 2020

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 cost in the basic financial statements. However, Governmental Accounting Standards Board Statement No. 72 requires certain disclosures be made for investments at fair value.

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

YEAR ENDED DECEMBER 31, 2020

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.

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.

Accounting for governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 85-2 as issued by the Division of Local Government Services, 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, except for land, which is valued at estimated market value. No depreciation of general fixed assets is recorded. Donated general fixed assets are valued at their estimated fair market value on the acquisition date.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

Note 1. Summary of Significant Accounting Policies (continued)

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, 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.

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Note 1. Summary of Significant Accounting Policies (continued)

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, 2020:

Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

Note 1. Summary of Significant Accounting Policies (continued)

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. Requirements of this pronouncement related to section 1, paragraph 4 are effective immediately. All other requirements will be effective for reporting periods beginning June 15, 2021. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the Borough's financial statements.

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

Accounting Pronouncements Effective in Future Reporting Periods

Statement No. 87, *Leases*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Statement No. 93, *Replacement of Interbank Offered Rates*. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021.

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, 2020, the County's bank balances of \$323,329,487.46 were exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	<u>\$ 323,329,487.50</u>
	<u>\$ 323,329,487.50</u>

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Note 2. Deposits and Investments (continued)

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 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, 2020, 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>	<u>Over 10 years</u>
Bond Anticipation Notes	\$ 10,852,689.00	\$ 10,852,689.00	\$ 10,852,689.00	\$ -	\$ -	\$ -
Cash/Money Markets	32,024.66	32,024.66	32,024.66	-	-	-
Taxable Bonds:						
Corporate Issues	279,274.23	286,426.02	-	200,363.75	-	86,062.27
U.S. Government Issues	15,730,310.34	16,858,235.96	1,621,104.55	11,267,767.57	3,969,363.84	-
	<u>\$ 26,894,298.23</u>	<u>\$ 28,029,375.64</u>	<u>\$ 12,505,818.21</u>	<u>\$ 11,468,131.32</u>	<u>\$ 3,969,363.84</u>	<u>\$ 86,062.27</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 \$28,029,375.64 investments listed above, \$28,029,375.64 is registered in the County's name.

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Note 2. Deposits and Investments (continued)

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.

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 bond anticipation notes and US Government Issues. These investments are 38.72% and 60.14%, respectively, of the County's total investments. These investments in bond anticipation notes are reported at face value in the County's current fund in the amount of \$10,852,689.00. The investments in US Governmental Issues are reported at fair value in the general capital and utility operating funds in the amount of \$2,026,247.70 and \$14,831,988.26, 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>2020</u>	<u>2019</u>	<u>2018</u>
County Tax Rate	\$ 0.236	\$ 0.239	\$ 0.248
County Library Tax Rate	0.017	0.017	0.018
County Health Tax Rate	0.005	0.005	0.005
County Open Space Tax Rate	<u>0.028</u>	<u>0.028</u>	<u>0.028</u>
	<u>\$ 0.286</u>	<u>\$ 0.289</u>	<u>\$ 0.299</u>

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2020	\$ 127,507,888,809
2019	123,829,470,638
2018	119,785,889,692

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

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>
2020	\$ 311,500,000.00	\$ 311,500,000.00	100.00%
2019	305,500,000.00	305,500,000.00	100.00%
2018	304,000,000.00	304,000,000.00	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>
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%
2018	584,160.95	28,740,521.51	29,324,682.46	28,651,991.60	97.71%
2017	418,126.10	26,218,328.46	26,636,454.56	26,052,293.61	97.81%
2016	699,106.69	25,539,415.29	26,238,521.98	25,820,395.88	98.41%

Note 5. Interfund Receivables and Payables

There were no interfund balances recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2020.

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
State and Federal Grant Fund	-	10,000,000.00
Trust Other Fund	10,000,000.00	-
	<u>\$ 10,000,000.00</u>	<u>\$ 10,000,000.00</u>

Transfers are 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.

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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:				
2020	\$	63,117,651.25	\$ 36,375,000.00	57.63%
2019		68,058,764.88	36,500,000.00	53.63%
2018		69,888,369.25	37,000,000.00	52.94%
2017		74,769,797.89	40,000,000.00	53.50%
2016		82,403,557.64	43,500,000.00	52.79%
Reclamation Utility Operating Fund:				
2020	\$	1,524,242.71	\$ 1,521,000.00	99.79%
2019		3,800,881.19	3,800,000.00	99.98%
2018		3,499,625.90	3,495,000.00	99.87%
2017		6,640,628.26	6,640,000.00	99.99%
2016		9,851,565.91	8,755,000.00	88.87%

Note 7. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2020:

	<u>Balance December 31, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustment Due To Fixed Asset Appraisal</u>	<u>Balance December 31, 2020</u>
Land	\$ 998,396,287.00	\$ 25,365,479.00	\$ -	\$ (33,989,000.00)	\$ 989,772,766.00
Land Improvements	53,384,510.75	2,277,464.45	-	(4,657,782.05)	51,004,193.15
Buildings	344,216,625.47	6,994,505.54	-	(17,083,798.33)	334,127,332.68
Construction in Progress	-	20,535,496.08	-	-	20,535,496.08
Furniture, Fixtures & Equipment	88,826,108.50	3,765,878.18	(414,952.96)	(17,241,802.72)	74,935,231.00
Vehicles	83,659,301.07	30,822,455.49	(895,243.00)	(21,861,443.96)	91,725,069.60
	<u>\$ 1,568,482,832.79</u>	<u>\$ 89,761,278.74</u>	<u>\$ (1,310,195.96)</u>	<u>\$ (94,833,827.06)</u>	<u>\$ 1,562,100,088.51</u>

During 2020, 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, 2020 as required by the New Jersey regulatory basis of accounting. Therefore, additions and retirements above may not reflect actual current year activity.

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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 Comprehensive Annual Financial Report (CAFR) 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 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 2020, 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

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

Note 8. Pension Obligations (continued)

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

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, 2020, the County's contractually required contribution to PERS plan was \$17,158,759.00.

Components of Net Pension Liability - At December 31, 2020, the County's proportionate share of the PERS net pension liability was \$255,783,718.00. The net pension liability was measured as of June 30, 2020. 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, 2019, which was rolled forward to June 30, 2020. 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, 2020. The County's proportion measured as of June 30, 2020, was 1.5685146355% which was a decrease of 0.0088859251% from its proportion measured as of June 30, 2019.

Balances at December 31, 2020 and December 31, 2019

	<u>12/31/2020</u>	<u>12/31/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 26,989,095	\$ 41,668,625
Deferred Inflows of Resources	122,710,298	125,609,143
Net Pension Liability	255,783,718	284,223,651
County's portion of the Plan's total Net Pension Liability	1.56851%	1.57740%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2020, the County's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2020 measurement date is \$1,489,552.00. This expense 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 \$17,158,759.00 to the plan in 2020.

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Note 8. Pension Obligations (continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 4,657,401	\$ 904,562
Changes of Assumptions	8,297,913	107,099,063
Net Difference between Projected and Actual Earnings on Pension Plan Investments	8,742,893	-
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions	<u>5,290,888</u>	<u>14,706,673</u>
	<u><u>\$ 26,989,095</u></u>	<u><u>\$ 122,710,298</u></u>

The County will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

Note 8. Pension Obligations (continued)

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

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 Dec 31,</u>	<u>Amount</u>
2021	\$ (29,110,967)
2022	(34,308,542)
2023	(20,795,844)
2024	(9,997,685)
2025	<u>(1,508,165)</u>
	<u>\$ (95,721,203)</u>

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**

YEAR ENDED DECEMBER 31, 2020

Note 8. Pension Obligations (continued)

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2014 - June 30, 2018

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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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, 2020) 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, 2020 are summarized in the following table:

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

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	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Credit	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 78% 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:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
County's Proportionate Share of the Net Pension Liability	<u>\$ 324,520,961</u>	<u>\$ 255,783,718</u>	<u>\$ 201,176,290</u>

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

Note 8. Pension Obligations (continued)

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

Special Funding Situation- In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, Chapter 366 P.L. 2010, legally obligated the State. This covers prosecutors as well as members employed in certain other related job titles. Chapter 1, P.L. 2010 closed the Prosecutors part to new members enrolled on or after May 22, 2010. The amounts contributed by the State on behalf of the County under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as non-employer contributing entity. Since the County does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is not net pension liability or deferred outflows or inflows to disclosed in the notes to the financial statement of the County related to this legislation.

At June 30, 2020 the State's proportionate share of the net pensions liability attributed to the County for the PERS special funding situation is \$9,127,819.00.

County's Proportionate Share of Net Pension Liability"	\$ 255,783,718
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State of New Jersey's Proportionate Share of Net Pension Liability Associated with the County	<u>9,127,819</u>
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	<u><u>\$ 264,911,537</u></u>
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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 Comprehensive Annual Financial Report (CAFR) 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

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Note 8. Pension Obligations (continued)

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

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.

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, 2020, the County's contractually required contributions to PFRS plan was \$15,559,079.00.

Net Pension Liability and Pension Expense - At December 31, 2020 the County's proportionate share of the PFRS net pension liability was \$179,957,990.00. The net pension liability was measured as of June 30, 2020. 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, 2019, to the measurement date of June 30, 2020. 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, 2020. The County's proportion measured as of June 30, 2020, was 1.3927215291%, which was an increase of 0.0057708273% from its proportion measured as of June 30, 2019.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

Note 8. Pension Obligations (continued)

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

Balances at December 31, 2020 and December 31, 2019

	<u>12/31/2020</u>	<u>12/31/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 14,265,243	\$ 8,362,297
Deferred Inflows of Resources	52,241,272	63,760,287
Net Pension Liability	179,957,990	169,732,514
County's portion of the Plan's total net pension Liability	1.39272%	1.38695%

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2020, the County's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2020 measurement date was \$8,653,730.00. This expense 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 \$15,559,079.00 to the plan in 2020.

At December 31, 2020, the County had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 1,814,282	\$ 645,847
Changes of Assumptions	452,863	48,245,661
Net Difference between Projected and Actual Earnings on Pension Plan Investments	10,551,779	-
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions	1,446,319	3,349,764
	<u>\$ 14,265,243</u>	<u>\$ 52,241,272</u>

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Note 8. Pension Obligations (continued)

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

The County will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	-
June 30, 2018	5.73	-
June 30, 2019	-	5.92
June 30, 2020	5.90	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
June 30, 2020	-	5.90
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58
June 30, 2017	5.59	5.59
June 30, 2018	5.73	5.73
June 30, 2019	5.92	5.92
June 30, 2020	5.90	5.90

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

Note 8. Pension Obligations (continued)

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

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:

Year Ending Dec 31,	<u>Amount</u>
2021	\$ (18,223,583)
2022	(12,168,843)
2023	(5,164,476)
2024	(1,097,532)
2025	<u>(1,321,595)</u>
	<u><u>\$ (37,976,029)</u></u>

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 to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the County is \$27,928,660.00 as of December 31, 2020. The net pension liability was measured as of June 30, 2020. 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, 2019, to the measurement date of June 30, 2020. 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, 2020 was 1.3927215291%, which was an increase of 0.0057708273% from its proportion measured as of June 30, 2019, which is the same proportion as the County's. At December 31, 2020, 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	\$ 179,957,990
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the County	<u>27,928,660</u>
	<u><u>\$ 207,886,650</u></u>

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

Note 8. Pension Obligations (continued)

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

At December 31, 2020, the State's proportionate share of the PFRS expense, associated with the County, calculated by the plan as of the June 30, 2020 measurement date was \$3,165,155.00.

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 - 15.25%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PFRS	Pub-2010 Safety Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2013 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

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, 2020) 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, 2020 are summarized in the following table:

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

Note 8. Pension Obligations (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Credit	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 78% 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	\$ 239,307,086	\$ 179,957,990	\$ 130,664,032
State of New Jersey's Proportionate Share of Net Pension Liability associated with the County	<u>37,139,369</u>	<u>27,928,660</u>	<u>20,278,462</u>
	<u>\$ 276,446,455</u>	<u>\$ 207,886,650</u>	<u>\$ 150,942,494</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**

YEAR ENDED DECEMBER 31, 2020

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 12/31/2019	Fiscal Year Ending 12/31/2020
(1) OPEB Liability		
(a) Retired Participants and Beneficiaries Receiving Payment	\$ 360,057,867	\$ 377,868,412
(b) Active Participants	<u>83,435,883</u>	<u>95,874,628</u>
(c) Total	\$ 443,493,750	\$ 473,743,040
(2) Plan Fiduciary Net Position	<u>0</u>	<u>0</u>
(3) Net OPEB Liability	\$ 443,493,750	\$ 473,743,040
(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 12/31/2019	Fiscal Year Ending 12/31/2020
(1) Service Cost	\$ 1,463,982	\$ 2,404,464
(2) Interest Cost	16,318,356	11,979,228
(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)	(7,532,867)
(b) Asset (Gain)/Loss	0	0
(c) Assumption Change (Gain)/Loss	<u>12,356,479</u>	<u>19,311,524</u>
(8) Total Expense	\$ 22,605,950	\$ 26,162,349

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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 12/31/2019	Fiscal Year Ending 12/31/2020
(1) Development of Service Cost:		
(a) Normal Cost at Beginning of Measurement Period	\$ 1,463,982	\$ 2,404,464
(2) Development of Interest Cost:		
(a) Total OPEB Liability at Beginning of Measurement Period	\$ 404,942,334	\$ 443,493,750
(b) Normal Cost at Beginning of Measurement Period	1,463,982	2,404,464
(c) Net Benefit Payments ¹	(16,795,273)	(17,518,620)
(d) Discount Rate	4.10%	2.74%
(e) Interest Cost	\$ 16,318,356	\$ 11,979,228
(3) Development of Expected Investment Return:		
(a) Plan Fiduciary Net Position at Beginning of Measurement Period	\$ 0	\$ 0
(b) Contributions—Employer	16,795,273	17,518,620
(c) Contributions—Employee	25,905	27,021
(d) Benefit Payments ¹	(16,821,178)	(17,545,641)
(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, 2019 to December 31, 2020:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) – (b)
Balance Recognized at 12/31/2019 (Based on 12/31/2019 Measurement Date)	\$ 443,493,750	\$ 0	\$ 443,493,750
Changes Recognized for the Fiscal Year:			
Service Cost	\$ 2,404,464	N/A	\$ 2,404,464
Interest on the Total OPEB Liability	11,979,228	N/A	11,979,228
Changes of Benefit Terms	0	N/A	0
Differences Between Expected and Actual Experience	0	N/A	0
Changes of Assumptions	33,384,218	N/A	33,384,218
Benefit Payments	(17,545,641)	(17,545,641)	0
Contributions From the Employer	N/A	17,518,620	(17,518,620)
Contributions From the Employee	27,021	27,021	0
Net Investment Income	N/A	0	0
Administrative Expense	N/A	0	0
Net Changes	\$ 30,249,290	0	\$ 30,249,290
Balance Recognized at 12/31/2020 (Based on 12/31/2020 Measurement Date)	\$ 473,743,040	\$ 0	\$ 473,743,040

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

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 12/31/2019	Fiscal Year Ending 12/31/2020
(1) OPEB Liability at Beginning of Measurement Period	\$ 404,942,334	\$ 443,493,750
(2) Service Cost	1,463,982	2,404,464
(3) Interest on the Total OPEB Liability	16,318,356	11,979,228
(4) Changes of Benefit Terms	0	0
(5) Changes of Assumptions	73,722,012	33,384,218
(6) Net Benefit Payments ¹	<u>(16,795,273)</u>	<u>(17,518,620)</u>
(7) Expected OPEB Liability at End of Measurement Period	\$ 479,651,411	\$ 473,743,040
(8) Actual OPEB Liability at End of Measurement Period	<u>443,493,750</u>	<u>473,743,040</u>
(9) OPEB Liability (Gain)/Loss	\$ (36,157,661)	\$ 0
(10) Average Future Working Life Expectancy	<u>4.80</u>	<u>4.80</u>
(11) OPEB Liability (Gain)/Loss Amortization	\$ (7,532,867)	\$ 0

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

	Fiscal Year Ending 12/31/2019	Fiscal Year Ending 12/31/2020
(1) OPEB Asset at Beginning of Measurement Period	\$ 0	\$ 0
(2) Contributions—Employer	16,795,273	17,518,620
(3) Contributions—Employee	25,905	27,021
(4) Expected Investment Income	0	0
(5) Benefit Payments ¹	(16,821,178)	(17,545,641)
(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**

YEAR ENDED DECEMBER 31, 2020

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, 2020 under GASB 75.

	Deferred Outflows	Deferred Inflows
(1) Difference Between Actual and Expected Experience	\$ 0	\$ 21,091,927
(2) Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	0	0
(3) Assumption Changes	<u>77,080,049</u>	<u>20,646,697</u>
(4) Sub Total	\$ 77,080,049	\$ 41,738,624
(5) Contributions Made in Fiscal Year Ending 12/31/2020 After Measurement Date	<u>0</u>	<u>N/A</u>
(6) Total	\$ 77,080,049	\$ 41,738,624

Amortization of Deferred Inflows/Outflows - The table below lists the amortization bases included in the deferred inflows/outflows as of December 31, 2020:

Date Established	Type of Base	Period		Balance		Annual Payment
		Original	Remaining	Original	Remaining	
1/1/2020	Assumptions	4.80	3.80	\$ 33,384,218	\$ 26,429,173	\$ 6,955,045
1/1/2019	Liability (Gain)/Loss	4.80	2.80	(36,157,661)	(21,091,927)	(7,532,867)
1/1/2019	Assumptions	4.80	2.80	73,722,012	43,004,466	15,358,773
1/1/2018	Assumptions	6.14	3.14	(40,372,840)	(20,646,697)	(6,575,381)
1/1/2017	Assumptions	6.14	2.14	21,938,758	<u>7,646,410</u>	<u>3,573,087</u>
	Total Charges				\$ 35,341,425	\$ 11,778,657

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:

2021	\$ 11,778,657
2022	\$ 11,778,657
2023	\$ 7,140,627
2024	\$ 4,643,484
2025	\$ 0
Total Thereafter	\$ 0

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

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, 2019:

	1% Decrease (1.74%)	Current Rate (2.74%)	1% Increase (3.74%)
(1) Total OPEB Liability	\$ 519,309,114	\$ 443,493,750	\$ 383,866,177
(2) Plan Fiduciary Net Position	<u>0</u>	<u>0</u>	<u>0</u>
(3) Net OPEB Liability	\$ 519,309,114	\$ 443,493,750	\$ 383,866,177

The following table illustrates the impact of interest rate sensitivity on the Net OPEB Liability for fiscal year ending December 31, 2020:

	1% Decrease (1.12%)	Current Rate (2.12%)	1% Increase (3.12%)
(1) Total OPEB Liability	\$ 555,948,888	\$ 473,743,040	\$ 409,506,415
(2) Plan Fiduciary Net Position	<u>0</u>	<u>0</u>	<u>0</u>
(3) Net OPEB Liability	\$ 555,948,888	\$ 473,743,040	\$ 409,506,415

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, 2019:

	1% Decrease	Trend Rate	1% Increase
(1) Total OPEB Liability	\$ 381,026,559	\$ 443,493,750	\$ 521,890,772
(2) Plan Fiduciary Net Position	<u>0</u>	<u>0</u>	<u>0</u>
(3) Net OPEB Liability	\$ 381,026,559	\$ 443,493,750	\$ 521,890,772

The following table illustrates the impact of healthcare cost trend sensitivity on the Net OPEB Liability for fiscal year ending December 31, 2020:

	1% Decrease	Trend Rate	1% Increase
(1) Total OPEB Liability	\$ 402,979,131	\$ 473,743,040	\$ 563,413,178
(2) Plan Fiduciary Net Position	<u>0</u>	<u>0</u>	<u>0</u>
(3) Net OPEB Liability	\$ 402,979,131	\$ 473,743,040	\$ 563,413,178

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

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

Changes in the Net OPEB Liability and Related Ratios

	Fiscal Year Ending	
	2019	2020
Total OPEB Liability		
Service Cost	\$ 1,463,982	\$ 2,404,464
Interest Cost	16,318,356	11,979,228
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experiences	(36,157,661)	-
Changes of Assumptions	73,722,012	33,384,218
Net Benefit Payments	(16,795,273)	(17,518,620)
Net Change in Total OPEB Liability	38,551,416	30,249,290
Total OPEB Liability (Beginning)	404,942,334	443,493,750
Total OPEB Liability (Ending)	\$ 443,493,750	\$ 473,743,040
Plan Fiduciary Net Position		
Contributions - Employer	\$ 16,795,273	\$ 17,518,620
Contributions - Member	25,905	27,021
Net Investment Income	-	-
Benefit Payments	(16,821,178)	(17,545,641)
Administrative Expense	-	-
Other	-	-
Net Change in Plan Fiduciary Net Position	\$ -	\$ -
Plan Fiduciary Net Position (Beginning)	-	-
Plan Fiduciary Net Position (Ending)	\$ -	\$ -
Net OPEB Liability (Ending)	\$ 443,493,750	473,743,040
Net Position as a Percentage of OPEB Liability	0.00%	0.00%
Covered-Employee Payroll	\$ 22,373,300	\$ 22,876,724
Net OPEB Liability as a Percentage of Payroll	1982.25%	2070.85%

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

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

Contribution Schedule

	Fiscal Year Ending	
	2019	2020
Actuarially Determined Contribution	N/A	TBD
Contributions Made in Relation to the Actuarially Determined Contribution	N/A	TBD
Contribution Deficiency (Excess)	N/A	TBD
Covered-Employee Payroll	\$ 22,373,300	\$ 22,876,724
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, 2020 GASB 75 valuation is January 1, 2019.

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, 2020 GASB 75 valuation is December 31, 2020.

The Total OPEB Liabilities and Service Costs for each fiscal year are based on valuation results as of the actuarial valuation date (January 1, 2019) 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 4.80 years for Fiscal Year 2020.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

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, 2019. 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, 2019. 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, the amount initially is at 5.90% for Pre 65 and 5.50% for Post 65 and decrease to a 5.00% long-term trend rate after seven and six years, respectively. For prescription drug benefits, the initial trend rate is 6.50% decreasing to a 5.00% long-term trend rate after eight years. For Medicare Part B benefits, the trend is 5.00% long term trend.

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.

Funding Policy

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

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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

Health Care Reform – Excise Tax

As of Friday, December 20, 2019, the excise tax was repealed.

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, 2020. 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, 2019.

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) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug 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 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.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

Note 9. Postemployment Benefits Other Than Pension Benefits (continued):

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

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, 2019 were \$5,637,151,775.00 and \$8,182,092,807.00, 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, 2018 through June 30, 2019. 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

YEAR ENDED DECEMBER 31, 2020

Note 9. Postemployment 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 \$92,305,419.00 as of December 31, 2019. The OPEB liability was measured as of June 30, 2019. 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, 2018, to the measurement date of June 30, 2019. 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, 2019 was 1.6704690079%, which was a decrease of 0.1313339845% from its proportion measured as of June 30, 2018, which is the same proportion as the County's. At December 31, 2019, 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	\$ 92,305,419.00

At December 31, 2019, the State's proportionate share of the OPEB expense, associated with the County, calculated by the plan as of the June 30, 2019 measurement date was \$1,223,532.00.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

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>2020</u>	<u>2019</u>	<u>2018</u>
Issued:			
Debt Guaranteed by the County	\$ 735,760,000.00	\$ 672,040,000.00	\$ 526,245,000.00
General:			
Bonds, Notes and Loans	378,730,000.00	430,935,000.00	384,265,000.00
Reclamation Center Utility:			
Bonds, Notes and Loans	34,235,000.00	27,900,000.00	18,065,000.00
	<hr/>	<hr/>	<hr/>
Total Debt Issued	1,148,725,000.00	1,130,875,000.00	928,575,000.00
	<hr/>	<hr/>	<hr/>
Authorized but not issued:			
Debt Guaranteed by the County	1,475,000.00	1,475,000.00	1,475,000.00
General:			
Bonds and Notes	133,115,000.00	118,615,000.00	141,865,000.00
Reclamation Center Utility:			
Bonds and Notes	-	100,000.00	-
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	134,590,000.00	120,190,000.00	143,340,000.00
	<hr/>	<hr/>	<hr/>
Total Gross Debt	<u><u>\$ 1,283,315,000.00</u></u>	<u><u>\$ 1,251,065,000.00</u></u>	<u><u>\$ 1,071,915,000.00</u></u>
Deductions:			
Bonds Authorized by another Public			
Body to be guaranteed by County	\$ 737,235,000.00	\$ 673,515,000.00	\$ 527,720,000.00
General:			
Funds on Hand For Payment of Bonds and Notes:			
Installment Purchase Agreement	2,026,968.12	1,787,830.33	1,572,569.60
Reserve for Care Centers Debt Service	1,560,000.00	2,058,000.00	2,558,000.00
County College Bonds	11,405,000.00	11,140,000.00	9,476,500.00
Open Space Bonds	16,830,000.00	22,405,000.00	27,405,000.00
Reclamation Center Utility:			
Self Liquidating Debt	33,019,639.00	28,000,000.00	18,065,000.00
	<hr/>	<hr/>	<hr/>
Total Deductions	802,076,607.12	738,905,830.33	586,797,069.60
	<hr/>	<hr/>	<hr/>
Total Net Debt	<u><u>\$ 481,238,392.88</u></u>	<u><u>\$ 512,159,169.67</u></u>	<u><u>\$ 485,117,930.40</u></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**

YEAR ENDED DECEMBER 31, 2020

Note 10. Capital Debt (continued)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Debt Guaranteed by the County	\$ 737,235,000.00	\$ 737,235,000.00	\$ -
General Debt	511,845,000.00	31,821,968.12	480,023,031.88
Reclamation Center Utility	34,235,000.00	33,019,639.00	1,215,361.00
	<u>\$ 1,283,315,000.00</u>	<u>\$ 802,076,607.12</u>	<u>\$ 481,238,392.88</u>

The County's statutory net debt is the Net Debt, as calculated above, divided by the average Equalized Valuation Basis of \$130,984,523,966.33 which equals a statutory net debt at December 31, 2020 in the amount of .367%. 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, 2020 is calculated as follows:

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

2.0% of Equalized Valuation Basis (County)	\$ 2,619,690,479.33
Less: Net Debt	<u>481,238,392.88</u>
Remaining Borrowing Power	<u>\$ 2,138,452,086.45</u>

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	\$ 35,162,349.95
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Deductions:

Operating and Maintenance Costs	\$ 32,730,510.21
Debt Service	<u>2,492,607.79</u>

Total Deductions	<u>35,223,118.00</u>
------------------	----------------------

Excess/(Deficit) in Revenue	<u>\$ (60,768.05)</u>
-----------------------------	-----------------------

*If Excess in Revenues all Utility Debt is Deductible

Gross Solid Waste System Debt	34,235,000.00
Less: Deficit (Capitalized at 5%)	<u>(1,215,361.00)</u>
Deduction	<u>33,019,639.00</u>

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

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, 2020:

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	Balance December 31, <u>2020</u>
General Serial Bonds:					
Economic Development	Serial Bonds	12/16/2010	12/1/2025	4.300-4.800%	20,725,000.00
General Improvements	Serial Bonds	6/28/2012	1/15/2027	3.000-4.000%	39,900,000.00
General Improvements	Serial Bonds	3/27/2014	3/1/2029	3.000-4.000%	39,140,000.00
Refunding Bonds	Serial Bonds	6/25/2015	1/15/2023	4.000%	17,980,000.00
General Improvements	Serial Bonds	12/1/2015	7/15/2030	3.000-5.000%	50,900,000.00
General Improvements	Serial Bonds	12/28/2017	7/15/2032	4.000-5.000%	55,205,000.00
Refunding Bonds	Serial Bonds	9/25/2019	1/15/2024	5.000%	19,240,000.00
General Improvements	Serial Bonds	12/30/2019	7/15/2034	5.000%	78,195,000.00
					<u><u>\$ 321,285,000.00</u></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>2020</u>
**County College - State Share (Chapter 12):					
General Improvements	Serial Bonds	6/28/2012	1/15/2022	3.000-4.000%	\$ 850,000.00
General Improvements	Serial Bonds	3/27/2014	3/1/2024	4.000%	1,140,000.00
General Improvements	Serial Bonds	12/1/2015	7/15/2025	5.000%	800,000.00
General Improvements	Serial Bonds	12/28/2017	7/15/2027	5.000%	2,275,000.00
General Improvements	Serial Bonds	12/30/2019	7/15/2029	5.000%	4,390,000.00
					<u><u>\$ 9,455,000.00</u></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**

YEAR ENDED DECEMBER 31, 2020

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, <u>2020</u>
County College- County Share:					
General Improvements	Serial Bonds	6/28/2012	1/15/2022	3.000-4.000%	850,000.00
General Improvements	Serial Bonds	3/27/2014	3/1/2024	4.000%	1,140,000.00
General Improvements	Serial Bonds	12/1/2015	7/15/2025	5.000%	800,000.00
General Improvements	Serial Bonds	12/28/2017	7/15/2032	4.000-5.000%	3,075,000.00
General Improvements	Serial Bonds	12/30/2019	7/15/2034	5.000%	4,325,000.00
					<u>\$ 10,190,000.00</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>2020</u>
County Vocational School Bonds:					
General Improvements	Serial Bonds	6/28/2012	1/15/2022	3.000-4.000%	\$ 200,000.00
General Improvements	Serial Bonds	3/27/2014	3/1/2026	3.000-4.000%	2,610,000.00
General Improvements	Serial Bonds	12/1/2015	7/15/2027	3.000-5.000%	2,560,000.00
General Improvements	Serial Bonds	12/28/2017	7/15/2030	4.000-5.000%	6,020,000.00
General Improvements	Serial Bonds	12/30/2019	7/15/2034	5.000%	6,925,000.00
					<u>\$ 18,315,000.00</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>2020</u>
Open Space Bonds:					
Open Space Preservation	Serial Bonds	6/28/2012	1/15/2027	3.000-4.000%	\$ 2,800,000.00
Open Space Preservation	Serial Bonds	3/27/2014	3/1/2029	3.000-4.000%	7,200,000.00
Open Space Preservation	Serial Bonds	12/1/2015	7/15/2030	3.000-5.000%	3,350,000.00
Refunding Bonds	Serial Bonds	6/25/2015	1/15/2022	4.000%	3,480,000.00
					<u>\$ 16,830,000.00</u>

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

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>
2021	\$ 41,410,000.00	\$ 13,382,502.50	\$ 54,792,502.50
2022	39,195,000.00	11,616,642.50	50,811,642.50
2023	37,300,000.00	9,990,690.00	47,290,690.00
2024	35,115,000.00	8,369,390.00	43,484,390.00
2025	30,325,000.00	6,927,147.50	37,252,147.50
2026-2030	103,945,000.00	18,766,031.25	122,711,031.25
2031-2034	33,995,000.00	3,594,100.00	37,589,100.00
	<u>\$ 321,285,000.00</u>	<u>\$ 72,646,503.75</u>	<u>\$ 393,931,503.75</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,680,000.00	\$ 434,400.00	\$ 2,114,400.00
2022	1,680,000.00	359,625.00	2,039,625.00
2023	1,255,000.00	293,350.00	1,548,350.00
2024	1,260,000.00	233,450.00	1,493,450.00
2025	975,000.00	179,000.00	1,154,000.00
2026-2029	2,605,000.00	292,750.00	2,897,750.00
	<u>\$ 9,455,000.00</u>	<u>\$ 1,792,575.00</u>	<u>\$ 11,247,575.00</u>

County College- County Share:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,340,000.00	\$ 463,150.00	\$ 1,803,150.00
2022	1,365,000.00	405,375.00	1,770,375.00
2023	1,090,000.00	354,850.00	1,444,850.00
2024	1,090,000.00	303,200.00	1,393,200.00
2025	805,000.00	257,250.00	1,062,250.00
2026-2030	2,705,000.00	786,750.00	3,491,750.00
2031-2034	1,795,000.00	201,600.00	1,996,600.00
	<u>\$ 10,190,000.00</u>	<u>\$ 2,772,175.00</u>	<u>\$ 12,962,175.00</u>

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

Note 10. Capital Debt (continued)

County Vocational School Bonds:

<u>Year</u>		<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2021	\$	1,800,000.00	\$	846,550.00	\$	2,646,550.00
2022		1,845,000.00		762,400.00		2,607,400.00
2023		1,980,000.00		678,000.00		2,658,000.00
2024		1,980,000.00		583,350.00		2,563,350.00
2025		1,975,000.00		490,875.00		2,465,875.00
2026-2030		6,765,000.00		1,313,425.00		8,078,425.00
2031-2034		1,970,000.00		269,250.00		2,239,250.00
<hr/>						
	\$	18,315,000.00	\$	4,943,850.00	\$	23,258,850.00

Open Space Bonds:

<u>Year</u>		<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2021	\$	3,235,000.00	\$	559,037.50	\$	3,794,037.50
2022		3,315,000.00		426,687.50		3,741,687.50
2023		1,535,000.00		330,337.50		1,865,337.50
2024		1,535,000.00		269,587.50		1,804,587.50
2025		1,535,000.00		212,837.50		1,747,837.50
2026-2030		5,675,000.00		382,437.50		6,057,437.50
<hr/>						
	\$	16,830,000.00	\$	2,180,925.00	\$	19,010,925.00

**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, 2020:

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

Note 10. Capital Debt (continued)

Ordinance Number	Improvement Description	Balance December 31, 2020
08-03	Various Capital Improvements	\$ 510,000.00
10-02	Various Capital Improvements	630,000.00
12-05	Various Capital Improvements	100,000.00
13-01	Various Capital Improvements	1,940,000.00
14-02	Various Capital Improvements	60,000.00
14-03	Various Capital Improvements (Amending Ordinance)	445,000.00
15-05	Various Capital Improvements	870,000.00
16-01	Various Capital Improvements	6,275,000.00
17-02	Various Capital Improvements	8,610,000.00
17-04	Bridge and Road Improvements (Amending Ordinance)	8,000,000.00
18-03	Various Capital Improvements	23,754,550.00
18-05	Equipment and Infrastructure Improvements - Vo Tech	1,570,000.00
18-06	Fallen Law Enforcement Memorial (Amending Ordinance)	100,000.00
18-07	Various Capital Improvements	1,955,000.00
19-02	Various Capital Improvements	34,495,450.00
19-04	Equipment and Infrastructure Improvements - VoTech	16,075,000.00
20-01	Window Replacement Project - MCPO Building	4,285,000.00
20-03	Amending Ord. Clubhouse Renovations Hominy Hill G.C.	7,910,000.00
20-04	Amending Ord. Various Capital Improvements	5,315,000.00
20-06	Various Roadway Resurfacing Improvements & Purposes	6,315,000.00
20-07	Improvements to Brookdale Community College Facilities Ch. 12	3,900,000.00
		<u>\$ 133,115,000.00</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	267,691.20
	<u>\$ 663,127.45</u>

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

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>	
2021	\$ -	\$ 36,617.50	\$ -	\$ 72,200.00	\$ 108,817.50
2022	-	36,617.50	-	72,200.00	108,817.50
2023	-	36,617.50	-	72,200.00	108,817.50
2024	-	36,617.50	1,900,000.00	36,100.00	1,972,717.50
2025	-	36,617.50	-	-	36,617.50
2026-2029	755,000.00	146,470.00	-	-	901,470.00
	<u>\$ 755,000.00</u>	<u>\$ 329,557.50</u>	<u>\$ 1,900,000.00</u>	<u>\$ 252,700.00</u>	<u>\$ 3,237,257.50</u>

Utility Debt – Serial Bonds

The following is a summary of the County's Utility Debt outstanding as of December 31, 2020:

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

Note 10. Capital Debt (continued)

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, <u>2020</u>
Reclamation Utility Bonds	Serial Bonds	6/28/2012	1/15/2027	3.000-4.000%	2,940,000.00
Reclamation Utility Bonds	Serial Bonds	3/27/2014	3/1/2029	3.000-4.000%	4,300,000.00
Reclamation Utility Bonds	Serial Bonds	12/1/2015	7/15/2030	3.000-5.000%	3,880,000.00
Reclamation Utility Bonds	Serial Bonds	12/28/2017	7/15/2032	4.000-5.000%	<u>3,615,000.00</u>
					<u>\$ 14,735,000.00</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>
2021	\$ 1,585,000.00	\$ 556,225.00	\$ 2,141,225.00
2022	1,585,000.00	488,025.00	2,073,025.00
2023	1,585,000.00	421,925.00	2,006,925.00
2024	1,580,000.00	355,825.00	1,935,825.00
2025	1,590,000.00	292,275.00	1,882,275.00
2026-2030	6,210,000.00	658,575.00	6,868,575.00
2031-2032	600,000.00	36,000.00	636,000.00
		<u>\$ 14,735,000.00</u>	<u>\$ 2,808,850.00</u>
		<u>\$ 17,543,850.00</u>	

Utility Debt – Bond Anticipation Notes

The following is a summary of the County's Utility Fund bond anticipation notes as of December 31, 2020:

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Principal</u>	<u>Interest</u>
19-01	Facility Improvements	\$ 7,485,000.00	\$ 22,392.63
19-05	Facility Improvements & Equipment	4,015,000.00	12,011.54
20-02	Various Improvements for Rec. Center	<u>8,000,000.00</u>	<u>23,933.33</u>
		<u>\$ 19,500,000.00</u>	<u>\$ 58,337.50</u>

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Note 10. Capital Debt (continued)

Utility Debt – Bonds authorized but not issued

As of December 31, 2020, the County's Utility Fund did not have any bonds authorized but not issued.

Summary of Principal Debt

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

	Balance December 31, <u>2019</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2020</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 362,860,000.00	\$ -	\$ 41,575,000.00	\$ 321,285,000.00	\$ 41,410,000.00
County College Bonds-State	11,140,000.00	-	1,685,000.00	9,455,000.00	1,680,000.00
County College Bonds-County	11,780,000.00	-	1,590,000.00	10,190,000.00	1,340,000.00
Vocational School Bonds	20,095,000.00	-	1,780,000.00	18,315,000.00	1,800,000.00
Open Space Bonds	22,405,000.00	-	5,575,000.00	16,830,000.00	3,235,000.00
Installment Purchase Agreement	2,655,000.00	-	-	2,655,000.00	-
Authorized But Not Issued	118,615,000.00	14,500,000.00	-	133,115,000.00	-
	<u>\$ 549,550,000.00</u>	<u>\$ 14,500,000.00</u>	<u>\$ 52,205,000.00</u>	<u>\$ 511,845,000.00</u>	<u>\$ 49,465,000.00</u>
Utility Capital:					
Utility Bonds	\$ 16,400,000.00	\$ -	\$ 1,665,000.00	\$ 14,735,000.00	\$ 1,585,000.00
Bond Anticipation Notes	11,500,000.00	19,500,000.00	11,500,000.00	19,500,000.00	19,500,000.00
Authorized But Not Issued	100,000.00	8,000,000.00	8,100,000.00	-	-
	<u>\$ 28,000,000.00</u>	<u>\$ 27,500,000.00</u>	<u>\$ 21,265,000.00</u>	<u>\$ 34,235,000.00</u>	<u>\$ 21,085,000.00</u>

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, 2020, that are guaranteed by the County:

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Note 11. Debt Guaranteed by the County (continued):

<u>Type of Obligations Guaranteed</u>	Balance December 31, <u>2020</u>
2011 Capital Equipment Lease Revenue Bonds	\$ 360,000.00
2013 Capital Equipment Lease Revenue Bonds	1,745,000.00
2015 Capital Equipment Lease Revenue Bonds	1,345,000.00
2017 Capital Equipment Lease Revenue Bonds	4,970,000.00
2019 Capital Equipment Lease Revenue Bonds	12,355,000.00
2011 Governmental Loan Refunding Bonds	180,000.00
2012 Governmental Loan Refunding Bonds	16,840,000.00
2014 Governmental Loan Refunding Bonds	3,725,000.00
2015 Governmental Loan Refunding Bonds	7,400,000.00
2016 Governmental Loan Refunding Bonds (March)	23,035,000.00
2016 Governmental Loan Refunding Bonds (October)	37,220,000.00
2011 Governmental Pooled Loan Revenue Bonds (Jan.)	7,200,000.00
2011 Governmental Pooled Loan Revenue Bonds (Dec.)	4,910,000.00
2012 Governmental Pooled Loan Revenue Bonds	5,405,000.00
2013 Governmental Pooled Loan Revenue Bonds (June)	13,800,000.00
2013B Governmental Pooled Loan Revenue Bonds (Dec.)	20,490,000.00
2014 Governmental Pooled Loan Revenue Bonds	26,745,000.00
2015 Governmental Pooled Loan Revenue Bonds	15,650,000.00
2017A Governmental Pooled Loan Revenue Bonds (Feb.)	35,070,000.00
2017B Governmental Pooled Loan Revenue Bonds (Sept.)	23,045,000.00
2018A Governmental Pooled Loan Revenue Bonds	18,815,000.00
2018B Governmental Pooled Loan Revenue Bonds	67,070,000.00
2018C Governmental Pooled Loan Revenue Bonds	41,840,000.00
2019A Governmental Pooled Loan Revenue Bonds	47,825,000.00
2019B Governmental Pooled Loan Revenue Bonds	123,385,000.00
2020 Governmental Pooled Loan Revenue Bonds	48,655,000.00
2012 Brookdale Lease Revenue Refunding Bonds	3,495,000.00
2015 Brookdale Lease Revenue Refunding Bonds	22,590,000.00
2019 Brookdale Lease Revenue Refunding Bonds	6,140,000.00
2020 Governmental Loan Project Notes - FMERA	22,185,000.00
Governmental Loan Project Notes - FMERA - NOT SOLD	1,475,000.00
2020A Pooled Project Notes	28,120,000.00
2020B Pooled Project Notes	44,150,000.00
	<hr/>
	\$ 737,235,000.00

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

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, 2020, 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, 2020 is estimated to be \$6,991,725.02 based on the total individuals eligible for the County's sick leave policy, vacation leave policy, and compensatory time policy of 667, 103, and 706 individuals, respectively. Total gross hours of accumulated absences totaled 186,760.70 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 2020, the County appropriated \$350,000 and the balance of the Trust Fund Reserve at December 31, 2020 was \$73,668.08.

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**

YEAR ENDED DECEMBER 31, 2020

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. A penalty in-lieu of arbitrage rebate is set-up to be paid every six months instead of the five year requirement. The County has several issues of bonds outstanding, which are subject to arbitrage calculations. As of December 31, 2020, 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
Public Employee Dishonesty	10,000.00	1,000,000.00
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

* \$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.

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, 2020, the amount on deposit in the Trust Fund was \$4,883,612.61.

The County also maintains a Trust Fund for workers compensation claims. At December 31, 2020, the amount on deposit in the Trust Fund for Workers Compensation coverage was \$4,000,000.

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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 40CFR 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 4,563,227 cubic yards remained available as of January 9, 2021. As such, approximately 83.25% of the landfill capacity was used as of January 9, 2021.

Based on the January 9, 2021 topographic survey and in accordance with the currently approved design, the estimated remaining landfill operational life is approximately seven (7) 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.

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

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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

of Environmental Protection, Office of Special Funds Administration. The balance of the Escrow Account at December 31, 2020 and 2019 is \$15,149,718.52 and \$13,944,005.92 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, 2020, 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, 2020, 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

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

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Note 20. Division of Social Services (continued)

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. Prior to 2017, the threshold was \$1,000. The change in threshold caused a significant decrease in the Social Services fixed assets. The increase in threshold is a result of the County wide fixed asset and inventory project completed during 2017. During 2020, 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, 2020	\$ 563,188.36
December 31, 2019	564,691.36
December 31, 2018	407,938.00
December 31, 2017	477,929.93
December 31, 2016	1,367,332.81

Note 21. Annie Parker Trust

The Annie Parker trust added a codicil to her will to include \$50,000 dedicated for the Greenlawn Cemetery and \$50,000 dedicated to the Monmouth County Tuberculosis Hospital. The trust is administered by Wells Fargo, the trustee under will. At December 31st, 2020 the balance in the account for the Annie Parker Trust was \$130,305.45. Of the \$130,305.45 balance, \$65,152.73 or 50% is dedicated to the Monmouth County Tuberculosis Hospital. The interest earnings are distributed quarterly to the Monmouth County Health Department and deposited in the County's TB clinic trust fund.

Note 22. Frances Fleck Charitable Remainder Trust

The Frances Fleck Charitable Remainder Trust was created by a codicil to the will of Frances Fleck to leave 25% of the remainder of the trust to the Monmouth County Division of Social Services upon the death of the last current income beneficiaries. The trust is administered by PNC Bank N.A. as successor to Midlantic Bank, N.A., which is the trustee named in the will. At December 31, 2020 the balance in the account for the Frances Fleck Charitable Remainder Trust was \$718,735.19.

Note 23. Subsequent Events

The County has evaluated subsequent events through September 28, 2021, the date the financial statements were available to be issued. The County noted the following:

The County adopted a bond ordinance on June 10, 2021 to provide for the acquisition of information technology equipment – digital tax maps, appropriating the sum of \$800,000, and authorizing the issuance of \$760,000 bonds or notes to finance a portion of the ordinance.

The County adopted a bond ordinance on July 22, 2021 to provide for the improvements of the Brookdale Community College Facilities, appropriating the sum of \$5,870,000, and authorizing the issuance of \$2,935,000 bonds or notes of the county and \$2,935,000 bonds or notes of the county entitled to the benefits of Chapter 12 to finance the ordinance.

COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Note 23. Subsequent Events (continued)

The County adopted a bond ordinance on July 22, 2021 to provide for various improvements and purposes, appropriating the sum \$38,625,000, and authorizing the issuance of \$36,780,000 bonds or notes to finance a portion of the ordinance.

The County adopted a bond ordinance on August 12, 2021 to provide for infrastructure improvements for the County Vocational School, appropriating the sum of \$8,250,000, and authorizing the issuance of \$8,250,000 bonds or notes to finance the ordinance.

The County adopted a bond ordinance on August 26, 2021 to provide for the acquisition of voting machines, e-poll books and scanners, appropriating the sum of \$12,000,000, and authorizing the issuance of \$11,425,000 bonds or notes to finance a portion of the ordinance.

The Monmouth County Reclamation Center has instituted a number of changes in the past year in order to reduce operational costs and extend the life of the landfill. The most significant of which is the contracting of Waste Management of NJ, Inc. to operate the landfill and maintain the property. Through their extensive experience in operating landfills, they are expected to provide the County with significant savings. This original contract has a term of five (5) years and began on March 26, 2021, but will be renegotiated once the landfill expansion is approved. A significant operational change instituted by Waste Management was the closure of the Materials Processing and Recycling Facility effective May 3, 2021 and the directing of commercial and municipal landfill customers to tip their waste directly on the landfill. This eliminates the double handling of the waste, reduces site litter, and reduces facility maintenance requirements. All of which are expected to reduce the operational costs of by over \$4,191,000 per year. An additional benefit of this is that it allows the County and Waste Management to explore new revenue generating operations in the facility, such as food waste processing or bio-solids digestion.

The Monmouth County Reclamation Center also began a major capital improvement project at the Leachate Pre-Treatment Facility. This facility which originally went on-line in late 2015 was unfortunately shuttered in late 2019 due to a number of factors including a major change to the discharge limits. The improvement project included the construction of additional tankage, pumps and piping. Once complete this will allow the facility to treat the majority of the leachate on-site for discharge to the local sanitary sewer, providing a significant saving per gallon over the current hauling off-site for treatment. Savings are estimated to be in excess of \$2,000,000 per year.

The County received \$60,096,837.50 from the American Rescue Plan Act (ARPA) on May 19, 2021. The Board of County Commissioners are evaluating how to best utilize the funds ahead of our strategic planning submission due August 31, 2021.

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APPENDIX B

FORMS OF CONTINUING DISCLOSURE CERTIFICATES

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CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE is made as of November 1, 2021 by the County of Monmouth, New Jersey, a political subdivision duly organized under the laws of the State of New Jersey (the “Issuer”).

WITNESSETH:

WHEREAS, the Issuer is issuing its General Obligation Bonds, Series 2021A, consisting of \$90,990,000 General Improvement Bonds, Series 2021A, \$6,265,000 County Vocational School Bonds, Series 2021A (New Jersey School Bond Reserve Act, P.L. 1980, c. 72), \$3,955,000 County College Bonds, Series 2021A and \$4,140,000 County College Bonds, Series 2021A (County College Bond Act, P.L. 1971, c. 12) (collectively, the “Bonds”), dated November 18, 2021, in the aggregate principal amount of \$105,350,000 on the date hereof; and

WHEREAS, the Bonds are being issued pursuant to bond ordinances adopted by the Issuer, a resolution duly adopted by the Issuer on September 23, 2021 and a certificate signed by the Issuer on October 21, 2021; and

WHEREAS, the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended and supplemented (codified on the date hereof at 15 U.S.C. 77 et seq.) (the “Securities Exchange Act”) has adopted amendments to its Rule 15c2-12 (codified at 17 C.F.R. § 240.15c2-12) effective July 3, 1995 which generally prohibit a broker, dealer, or municipal securities dealer from purchasing or selling municipal securities, such as the Bonds, unless such broker, dealer or municipal securities dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and event notices to the Municipal Securities Rulemaking Board, as the same may be amended or officially interpreted from time to time (“Rule 15c2-12”); and

WHEREAS, the Issuer represented in its Notice of Sale dated October 14, 2021 (the “Notice of Sale”) that it would deliver on the closing date for the Bonds a “Continuing Disclosure Certificate” pursuant to which the Issuer will agree to provide at the times and to the persons described in Rule 15c2-12 the annual financial information and event notices required to be disclosed on a continual basis pursuant to Rule 15c2-12; and

WHEREAS, on October 21, 2021, the Issuer accepted the bid of Mesirow Financial, Inc., with respect to the Bonds on behalf of themselves and each of the original underwriters for the Bonds (each, a “Participating Underwriter”) for the purchase of the Bonds; and

WHEREAS, the execution and delivery of this Certificate has been duly authorized by the Issuer and all conditions, acts and things necessary and required to exist, to have happened, or to have been performed precedent to and in the execution and delivery of this Certificate, do exist, have happened and have been performed in regular form, time and manner; and

WHEREAS, the Issuer is executing this Certificate for the benefit of the Holders of the Bonds.

NOW, THEREFORE, for and in consideration of the premises and of the mutual representations, covenants and agreements herein set forth, the Issuer, its successors and assigns, do mutually promise, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Terms Defined in Recitals. The following terms shall have the meanings set forth in the recitals hereto:

Bonds	Rule 15c2-12
Issuer	SEC
Notice of Sale	Securities and Exchange Act
Participating Underwriter	

Section 1.2 Additional Definitions. The following additional terms shall have the meanings specified below:

“Annual Report” means Financial Statements and Operating Data provided at least annually, in the word-searchable .pdf format and with the accompanying indentifying information, as required by the MSRB.

“Bondholder” or “holder” or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any outstanding Bond, including holders of beneficial interests in the Bonds.

“Business Day” means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York or in Newark, New Jersey are authorized or required by law to close or (c) a day on which the New York Stock Exchange is closed.

“Disclosure Event” means any event described in subsection 2.1(d) of this Certificate.

“Disclosure Event Notice” means the notice to the MSRB as provided in subsection 2.4(a).

“Disclosure Representative” means the Director of Finance of the Issuer or his or her designee, or such other officer or employee as the Issuer shall designate from time to time.

“Dissemination Agent” means an entity acting in such capacity under this Certificate or any other successor entity designated in writing by the Issuer and which has filed a written acceptance of such designation.

“Final Official Statement” means the final Official Statement of the Issuer dated October 21, 2021 pertaining to the Bonds.

“Financial Statements” means the audited financial statements of the Issuer for each Fiscal Year and includes balance sheets, statements of changes in fund balances and statements of current funds, revenues, expenditures and other charges or statements which convey similar information.

“Fiscal Year” means the fiscal year of the Issuer. As of the date of this Certificate, the Fiscal Year of the Issuer begins on January 1 and closes on December 31 of each calendar year.

“GAAS” means generally accepted auditing standards as in effect from time to time, consistently applied.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Operating Data” means the financial and statistical information of the Issuer of the type included in the Final Official Statement under the headings “Assessed Valuation of Real Property and Equalized Valuations Taxable and Tax Rates”, “Distribution of Assessed Valuation,” “List of Monmouth County Twelve Largest Taxpayers”, “Comparative County Budgets as Approved and Adopted”, “Statement of Statutory Net Debt,” “Schedule of Bonded Debt Service,” “Debt Analysis” and “Other County Obligations”.

“State” means the State of New Jersey.

Section 1.3 Interpretation. Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Certificate. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Certificate, refer to this Certificate as a whole unless otherwise expressly stated.

As the context shall require, the disjunctive term “or” shall be interpreted conjunctively as required to insure that the Issuer performs any obligations, mentioned in the passage in which such term appears.

The headings of this Certificate are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II

CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

Section 2.1 Continuing Disclosure Covenants of the Issuer. The Issuer agrees that it will provide, or shall cause the Dissemination Agent to provide:

(a) Not later than the first day of the ninth month after the end of each Fiscal Year of the Issuer, commencing with the first Fiscal Year of the Issuer ending after January 1, 2022 (which ends on December 31, 2022), an Annual Report to the MSRB;

(b) Not later than fifteen (15) days prior to the date of each year specified in subsection 2.1(a), a copy of the Annual Report to the Dissemination Agent, if the Issuer has appointed or engaged a Dissemination Agent;

(c) If audited Financial Statements are not submitted as part of the filing as set forth in subsection 2.1(a), the Issuer will submit unaudited financial statements with such filing, and will subsequently submit audited Financial Statements when and if available, to the MSRB;

(d) In a timely manner not in excess of ten business days following the occurrence of any of the Disclosure Events (hereinafter defined), to the MSRB, notice of any of the following events with respect to the Bonds (each, a “Disclosure Event”);

- (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 Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders; if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;

- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (xv) incurrence of a “financial obligation” (as defined in Rule 15c2-12) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

(e) In a timely manner, to the MSRB, notice of a failure by the Issuer to provide the Annual Report within the period described in subsection 2.1(a) hereof.

Section 2.2 Continuing Disclosure Representations. The Issuer represents and warrants that:

(a) Financial Statements shall be prepared according to principles prescribed by the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey pursuant to chapter 5 of Title 40A of the New Jersey Statutes as in effect from time to time.

(b) Financial Statements prepared annually shall be audited in accordance with GAAS.

Section 2.3 Form of Annual Report.

(a) The Annual Report may be submitted as a single document or as separate documents comprising a package.

(b) Any or all of the items which must be included in the Annual Report may be incorporated by reference from other documents, including official statements of the Issuer or related public entities which have been submitted to the MSRB or filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(c) The audited Financial Statements of the Issuer, if any, may be submitted separately from the balance of the Annual Report.

Section 2.4 Responsibilities, Duties, Immunities and Liabilities of the Dissemination Agent.

(a) If the Issuer or the Dissemination Agent (if one has been appointed or engaged by the Issuer) has determined it necessary to report the occurrence of a Disclosure Event, the Issuer or Dissemination Agent (if one has been appointed or engaged by the Issuer) shall file a notice of such occurrence with the MSRB (the “Disclosure Event Notice”) in the form provided by the Issuer.

(b) The Issuer and/or the Dissemination Agent (if one has been appointed or engaged by the Issuer) shall file a written report with the Issuer (if a Dissemination Agent has been appointed or engaged by the Issuer) certifying that the Annual Report has been provided pursuant to this Certificate, stating the date it was provided.

Section 2.5 Appointment, Removal and Resignation of the Dissemination Agent.

(a) The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent.

(b) The Dissemination Agent shall have only such duties as are specifically set forth in this Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents harmless against any loss, expense and liability which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s negligence or willful misconduct. The obligations of the Issuer under this subsection shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(c) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the Issuer. Such resignation shall take effect on the date specified in such notice.

ARTICLE III

DISCLOSURE DEFAULT AND REMEDIES

Section 3.1 Disclosure Default. The occurrence and continuation of a failure or refusal by the Issuer to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Certificate and such failure or refusal shall remain uncured for a period of thirty (30) days shall constitute a Disclosure Default hereunder.

Section 3.2 Remedies on Default.

(a) Any Bondholder, for the equal benefit and protection of all Bondholders similarly situated, may take whatever action at law or in equity against the Issuer and of the officers, agents and employees of the Issuer which is necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the Issuer under this Certificate and may compel the Issuer or any such officers, agents, or employees, except of the Dissemination Agent, to perform and carry out their duties under this Certificate; provided, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(b) In case any Bondholder shall have proceeded to enforce its rights under this Certificate and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to any Bondholder, then and in every such case the Issuer and any Bondholder shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Issuer and any Bondholder shall continue as though no such proceeding had been taken.

(c) A default under this Certificate shall not be deemed a default under the Bonds, and the sole remedy under this Certificate in the event of any failure or refusal by the Issuer to comply with this Certificate shall be as set forth in subsection 3.2(a) of this Certificate.

ARTICLE IV

MISCELLANEOUS

Section 4.1 Purposes of the Continuing Disclosure Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to assist the Participating Underwriters in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2 Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from (a) disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or (b) including any other information in any Annual Report or any Disclosure Event Notice, in addition to that which is required by this Certificate. If the Issuer chooses to include information in any Annual Report or any Disclosure Event Notice in addition to that which is specifically required by this Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or any future Disclosure Event Notice.

Section 4.3 Notices. All notices required to be given or authorized shall be in writing and shall be sent by registered or certified mail to the Issuer, Hall of Records, One East Main Street, Finance Department, Freehold, New Jersey 07728-1256, Attention: Craig R. Marshall.

Section 4.4 Severability. If any provision of this Certificate shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 4.5 Amendments, Changes and Modifications.

(a) Without the consent of any Bondholders, the Issuer at any time and from time to time may enter into any amendments or modifications to this Certificate for any of the following purposes:

- (i) to add to covenants and agreements of the Issuer hereunder for the benefit of the Bondholders, or to surrender any right or power conferred upon the Issuer by this Certificate;
- (ii) to modify the contents, presentation and format of the Annual Report from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting the Issuer; provided that any such modification shall comply with the requirements of Rule 15c2-12 as then in effect at the time of such modification; or
- (iii) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to include any other provisions with respect to matters or questions arising under this Certificate which, in each case, comply with Rule 15c2-12 as then in effect at the time of such modification.

provided, that prior to approving any such amendment or modification, the Issuer determines that such amendment or modifications does not adversely affect the interests of the Holders of the Bonds in any material respect.

(b) Upon entering into any amendment or modification required or permitted by this Certificate, the Issuer shall deliver, or cause the dissemination Agent to deliver, to the MSRB written notice of any such amendment or modification.

(c) The Issuer shall be entitled to rely exclusively upon an opinion of counsel nationally recognized as expert in federal securities law acceptable to the Issuer to the effect that such amendments or modifications comply with the conditions and provisions of this Section 4.5.

Section 4.6 Amendments Required by Rule 15c2-12. The Issuer recognizes that the provisions of this Certificate are intended to enable the Participating Underwriters to comply with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof, a change in this Certificate shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery by any Participating Underwriter of an opinion of counsel nationally recognized as expert in federal securities law acceptable to the Issuer to the effect that such amendment shall be permitted or necessary to assure continued compliance by the Participating Underwriter with Rule 15c2-12 as so amended or interpreted, then the Issuer shall amend this Certificate to comply with and be bound by any such amendment to this Certificate to

the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and provide the written notice of such amendment as required by subsection 4.5(b) hereof.

Section 4.7 Governing Law. This Certificate shall be governed exclusively by and construed in accordance with the applicable laws of the State of New Jersey.

Section 4.8 Termination of Issuer's Continuing Disclosure Obligations. The continuing obligation of the Issuer under Section 2.1 hereof to provide the Annual Report and any Disclosure Event Notice and to comply with the other requirements of said Section shall terminate if and when either (a) the Bonds are no longer outstanding or (b) the Issuer no longer remains an "obligated person" (as defined in Rule 15c2-12(f)(10) with respect to the Bonds in either event, only after the Issuer delivers, or causes the Dissemination Agent to deliver, to the MSRB written notice to such effect. This Certificate shall be in full force and effect from the date hereof and shall continue in effect so long as any Bonds are Outstanding.

Section 4.9 Binding Effect. This Certificate shall inure to the benefit of and shall be binding upon the Issuer and its successors and assigns.

IN WITNESS WHEREOF, THE COUNTY OF MONMOUTH, NEW JERSEY has caused this Certificate to be executed in its name and its corporate seal to be hereunto affixed, all as of the date first above written.

[SEAL]

THE COUNTY OF MONMOUTH, NEW JERSEY

By: _____
Craig R. Marshall, Director of Finance

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CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE is made as of November 1, 2021 by the County of Monmouth, New Jersey, a political subdivision duly organized under the laws of the State of New Jersey (the “Issuer”).

W I T N E S S E T H:

WHEREAS, the Issuer is issuing its General Obligation Refunding Bonds, Series 2021B, consisting of \$25,475,000 General Improvement Refunding Bonds, Series 2021B, \$1,790,000 Open Space Refunding Bonds, Series 2021B and \$1,880,000 Reclamation Center Utility Refunding Bonds, Series 2021B (collectively, the “Bonds”), dated November 18, 2021, in the aggregate principal amount of \$29,145,000 on the date hereof; and

WHEREAS, the Bonds are being issued pursuant to a refunding bond ordinance adopted by the Issuer, a resolution duly adopted by the Issuer on September 23, 2021 and a certificate signed by the Issuer on October 21, 2021; and

WHEREAS, the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended and supplemented (codified on the date hereof at 15 U.S.C. 77 et seq.) (the “Securities Exchange Act”) has adopted amendments to its Rule 15c2-12 (codified at 17 C.F.R. § 240.15c2-12) effective July 3, 1995 which generally prohibit a broker, dealer, or municipal securities dealer from purchasing or selling municipal securities, such as the Bonds, unless such broker, dealer or municipal securities dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and event notices to the Municipal Securities Rulemaking Board, as the same may be amended or officially interpreted from time to time (“Rule 15c2-12”); and

WHEREAS, the Issuer represented in its Notice of Sale dated October 14, 2021 (the “Notice of Sale”) that it would deliver on the closing date for the Bonds a “Continuing Disclosure Certificate” pursuant to which the Issuer will agree to provide at the times and to the persons described in Rule 15c2-12 the annual financial information and event notices required to be disclosed on a continual basis pursuant to Rule 15c2-12; and

WHEREAS, on October 21, 2021, the Issuer accepted the bid of J.P. Morgan Securities LLC, with respect to the Bonds on behalf of themselves and each of the original underwriters for the Bonds (each, a “Participating Underwriter”) for the purchase of the Bonds; and

WHEREAS, the execution and delivery of this Certificate has been duly authorized by the Issuer and all conditions, acts and things necessary and required to exist, to have happened, or to have been performed precedent to and in the execution and delivery of this Certificate, do exist, have happened and have been performed in regular form, time and manner; and

WHEREAS, the Issuer is executing this Certificate for the benefit of the Holders of the Bonds.

NOW, THEREFORE, for and in consideration of the premises and of the mutual representations, covenants and agreements herein set forth, the Issuer, its successors and assigns, do mutually promise, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Terms Defined in Recitals. The following terms shall have the meanings set forth in the recitals hereto:

Bonds	Rule 15c2-12
Issuer	SEC
Notice of Sale	Securities and Exchange Act
Participating Underwriter	

Section 1.2 Additional Definitions. The following additional terms shall have the meanings specified below:

“Annual Report” means Financial Statements and Operating Data provided at least annually, in the word-searchable .pdf format and with the accompanying indentifying information, as required by the MSRB.

“Bondholder” or “holder” or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any outstanding Bond, including holders of beneficial interests in the Bonds.

“Business Day” means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York or in Newark, New Jersey are authorized or required by law to close or (c) a day on which the New York Stock Exchange is closed.

“Disclosure Event” means any event described in subsection 2.1(d) of this Certificate.

“Disclosure Event Notice” means the notice to the MSRB as provided in subsection 2.4(a).

“Disclosure Representative” means the Director of Finance of the Issuer or his or her designee, or such other officer or employee as the Issuer shall designate from time to time.

“Dissemination Agent” means an entity acting in such capacity under this Certificate or any other successor entity designated in writing by the Issuer and which has filed a written acceptance of such designation.

“Final Official Statement” means the final Official Statement of the Issuer dated October 21, 2021 pertaining to the Bonds.

“Financial Statements” means the audited financial statements of the Issuer for each Fiscal Year and includes balance sheets, statements of changes in fund balances and statements of current funds, revenues, expenditures and other charges or statements which convey similar information.

“Fiscal Year” means the fiscal year of the Issuer. As of the date of this Certificate, the Fiscal Year of the Issuer begins on January 1 and closes on December 31 of each calendar year.

“GAAS” means generally accepted auditing standards as in effect from time to time, consistently applied.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Operating Data” means the financial and statistical information of the Issuer of the type included in the Final Official Statement under the headings “Assessed Valuation of Real Property and Equalized Valuations Taxable and Tax Rates”, “Distribution of Assessed Valuation,” “List of Monmouth County Twelve Largest Taxpayers”, “Comparative County Budgets as Approved and Adopted”, “Statement of Statutory Net Debt,” “Schedule of Bonded Debt Service,” “Debt Analysis” and “Other County Obligations”.

“State” means the State of New Jersey.

Section 1.3 Interpretation. Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Certificate. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Certificate, refer to this Certificate as a whole unless otherwise expressly stated.

As the context shall require, the disjunctive term “or” shall be interpreted conjunctively as required to insure that the Issuer performs any obligations, mentioned in the passage in which such term appears.

The headings of this Certificate are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II

CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

Section 2.1 Continuing Disclosure Covenants of the Issuer. The Issuer agrees that it will provide, or shall cause the Dissemination Agent to provide:

(a) Not later than the first day of the ninth month after the end of each Fiscal Year of the Issuer, commencing with the first Fiscal Year of the Issuer ending after January 1, 2022 (which ends on December 31, 2022), an Annual Report to the MSRB;

(b) Not later than fifteen (15) days prior to the date of each year specified in subsection 2.1(a), a copy of the Annual Report to the Dissemination Agent, if the Issuer has appointed or engaged a Dissemination Agent;

(c) If audited Financial Statements are not submitted as part of the filing as set forth in subsection 2.1(a), the Issuer will submit unaudited financial statements with such filing, and will subsequently submit audited Financial Statements when and if available, to the MSRB;

(d) In a timely manner not in excess of ten business days following the occurrence of any of the Disclosure Events (hereinafter defined), to the MSRB, notice of any of the following events with respect to the Bonds (each, a “Disclosure Event”);

- (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 Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders; if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;

- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (xv) incurrence of a “financial obligation” (as defined in Rule 15c2-12) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

(e) In a timely manner, to the MSRB, notice of a failure by the Issuer to provide the Annual Report within the period described in subsection 2.1(a) hereof.

Section 2.2 Continuing Disclosure Representations. The Issuer represents and warrants that:

(a) Financial Statements shall be prepared according to principles prescribed by the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey pursuant to chapter 5 of Title 40A of the New Jersey Statutes as in effect from time to time.

(b) Financial Statements prepared annually shall be audited in accordance with GAAS.

Section 2.3 Form of Annual Report.

(a) The Annual Report may be submitted as a single document or as separate documents comprising a package.

(b) Any or all of the items which must be included in the Annual Report may be incorporated by reference from other documents, including official statements of the Issuer or related public entities which have been submitted to the MSRB or filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(c) The audited Financial Statements of the Issuer, if any, may be submitted separately from the balance of the Annual Report.

Section 2.4 Responsibilities, Duties, Immunities and Liabilities of the Dissemination Agent.

(a) If the Issuer or the Dissemination Agent (if one has been appointed or engaged by the Issuer) has determined it necessary to report the occurrence of a Disclosure Event, the Issuer or Dissemination Agent (if one has been appointed or engaged by the Issuer) shall file a notice of such occurrence with the MSRB (the “Disclosure Event Notice”) in the form provided by the Issuer.

(b) The Issuer and/or the Dissemination Agent (if one has been appointed or engaged by the Issuer) shall file a written report with the Issuer (if a Dissemination Agent has been appointed or engaged by the Issuer) certifying that the Annual Report has been provided pursuant to this Certificate, stating the date it was provided.

Section 2.5 Appointment, Removal and Resignation of the Dissemination Agent.

(a) The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent.

(b) The Dissemination Agent shall have only such duties as are specifically set forth in this Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents harmless against any loss, expense and liability which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s negligence or willful misconduct. The obligations of the Issuer under this subsection shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(c) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the Issuer. Such resignation shall take effect on the date specified in such notice.

ARTICLE III

DISCLOSURE DEFAULT AND REMEDIES

Section 3.1 Disclosure Default. The occurrence and continuation of a failure or refusal by the Issuer to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Certificate and such failure or refusal shall remain uncured for a period of thirty (30) days shall constitute a Disclosure Default hereunder.

Section 3.2 Remedies on Default.

(a) Any Bondholder, for the equal benefit and protection of all Bondholders similarly situated, may take whatever action at law or in equity against the Issuer and of the officers, agents and employees of the Issuer which is necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the Issuer under this Certificate and may compel the Issuer or any such officers, agents, or employees, except of the Dissemination Agent, to perform and carry out their duties under this Certificate; provided, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(b) In case any Bondholder shall have proceeded to enforce its rights under this Certificate and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to any Bondholder, then and in every such case the Issuer and any Bondholder shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Issuer and any Bondholder shall continue as though no such proceeding had been taken.

(c) A default under this Certificate shall not be deemed a default under the Bonds, and the sole remedy under this Certificate in the event of any failure or refusal by the Issuer to comply with this Certificate shall be as set forth in subsection 3.2(a) of this Certificate.

ARTICLE IV

MISCELLANEOUS

Section 4.1 Purposes of the Continuing Disclosure Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to assist the Participating Underwriters in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2 Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from (a) disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or (b) including any other information in any Annual Report or any Disclosure Event Notice, in addition to that which is required by this Certificate. If the Issuer chooses to include information in any Annual Report or any Disclosure Event Notice in addition to that which is specifically required by this Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or any future Disclosure Event Notice.

Section 4.3 Notices. All notices required to be given or authorized shall be in writing and shall be sent by registered or certified mail to the Issuer, Hall of Records, One East Main Street, Finance Department, Freehold, New Jersey 07728-1256, Attention: Craig R. Marshall.

Section 4.4 Severability. If any provision of this Certificate shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 4.5 Amendments, Changes and Modifications.

(a) Without the consent of any Bondholders, the Issuer at any time and from time to time may enter into any amendments or modifications to this Certificate for any of the following purposes:

- (i) to add to covenants and agreements of the Issuer hereunder for the benefit of the Bondholders, or to surrender any right or power conferred upon the Issuer by this Certificate;
- (ii) to modify the contents, presentation and format of the Annual Report from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting the Issuer; provided that any such modification shall comply with the requirements of Rule 15c2-12 as then in effect at the time of such modification; or
- (iii) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to include any other provisions with respect to matters or questions arising under this Certificate which, in each case, comply with Rule 15c2-12 as then in effect at the time of such modification.

provided, that prior to approving any such amendment or modification, the Issuer determines that such amendment or modifications does not adversely affect the interests of the Holders of the Bonds in any material respect.

(b) Upon entering into any amendment or modification required or permitted by this Certificate, the Issuer shall deliver, or cause the dissemination Agent to deliver, to the MSRB written notice of any such amendment or modification.

(c) The Issuer shall be entitled to rely exclusively upon an opinion of counsel nationally recognized as expert in federal securities law acceptable to the Issuer to the effect that such amendments or modifications comply with the conditions and provisions of this Section 4.5.

Section 4.6 Amendments Required by Rule 15c2-12. The Issuer recognizes that the provisions of this Certificate are intended to enable the Participating Underwriters to comply with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof, a change in this Certificate shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery by any Participating Underwriter of an opinion of counsel nationally recognized as expert in federal securities law acceptable to the Issuer to the effect that such amendment shall be permitted or necessary to assure continued compliance by the Participating Underwriter with Rule 15c2-12 as so amended or interpreted, then the Issuer shall amend this Certificate to comply with and be bound by any such amendment to this Certificate to

the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and provide the written notice of such amendment as required by subsection 4.5(b) hereof.

Section 4.7 Governing Law. This Certificate shall be governed exclusively by and construed in accordance with the applicable laws of the State of New Jersey.

Section 4.8 Termination of Issuer's Continuing Disclosure Obligations. The continuing obligation of the Issuer under Section 2.1 hereof to provide the Annual Report and any Disclosure Event Notice and to comply with the other requirements of said Section shall terminate if and when either (a) the Bonds are no longer outstanding or (b) the Issuer no longer remains an "obligated person" (as defined in Rule 15c2-12(f)(10) with respect to the Bonds in either event, only after the Issuer delivers, or causes the Dissemination Agent to deliver, to the MSRB written notice to such effect. This Certificate shall be in full force and effect from the date hereof and shall continue in effect so long as any Bonds are Outstanding.

Section 4.9 Binding Effect. This Certificate shall inure to the benefit of and shall be binding upon the Issuer and its successors and assigns.

IN WITNESS WHEREOF, THE COUNTY OF MONMOUTH, NEW JERSEY has caused this Certificate to be executed in its name and its corporate seal to be hereunto affixed, all as of the date first above written.

[SEAL]

THE COUNTY OF MONMOUTH, NEW JERSEY

By: _____
Craig R. Marshall, Director of Finance

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CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Undertaking”) dated as of November 1, 2021 by the County of Monmouth, New Jersey, a public body corporate and politic of the State of New Jersey (the “Issuer”) is executed and delivered in connection with the issuance of the Issuer’s \$18,820,000 principal amount of Reclamation Center Utility Bond Anticipation Note, Series 2021 (the “Note”). Capitalized terms used in this Undertaking shall have the respective meanings specified above or in Article IV hereof.

ARTICLE I

THE UNDERTAKING

Section 1.1. Purpose. This Undertaking shall constitute a written undertaking for the benefit of the holders of the Note, and is being executed and delivered solely to assist the successful bidder in complying with subsection (b)(5) of the Rule.

Section 1.2. Disclosure Event Notices. If a Disclosure Event occurs, the Issuer shall provide, in a timely manner not in excess of ten business days following the occurrence of any of the Disclosure Events, a Disclosure Event Notice to the MSRB.

Section 1.3. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that under some circumstances compliance with this Undertaking, without additional disclosures or other action, may not fully discharge all duties and obligations of the Issuer under such laws.

Section 1.4. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Disclosure Event Notice, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Disclosure Event Notice in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future Disclosure Event Notice.

ARTICLE II

OPERATING RULES

Section 2.1. Disclosure Event Notices. Each Disclosure Event Notice shall be so captioned and shall prominently state the title, date and CUSIP number of the Note.

Section 2.2. Transmission of Notices. Unless otherwise required by law and, in the Issuer’s sole determination, subject to technical and economic feasibility, the Issuer shall employ

such methods of notice transmission as shall be requested or recommended by the herein-designated recipients of the Issuer's notices.

ARTICLE III

TERMINATION, AMENDMENT AND ENFORCEMENT

Section 3.1. Termination. (a) The Issuer's obligations under this Undertaking shall terminate upon a legal defeasance, prior redemption or payment in full of all of the Note.

(b) This Undertaking, or any provision hereof, shall be null and void in the event that the Issuer (1) receives an opinion of Counsel, addressed to the Issuer, to the effect that those portions of the Rule which require this Undertaking, or any of the provisions hereof, do not or no longer apply to the Note, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion and (2) delivers copies of such opinion to the MSRB.

Section 3.2. Amendment. (a) This Undertaking may be amended, in writing, without the consent of the holders of the Note (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Issuer or the type of business conducted thereby, (2) this Undertaking as so amended would have complied with the requirements of the Rule as of the date of this Undertaking, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Issuer shall have received an opinion of Counsel, addressed to the Issuer, to the same effect as set forth in clause (2) above, (4) either (i) the Issuer shall have received an opinion of Counsel or a determination by a person, in each case unaffiliated with the Issuer (such as bond counsel) and acceptable to the Issuer, addressed to the Issuer, to the effect that the amendment does not materially impair the interests of the holders of the Note or (ii) the holders of the Note consent to the amendment to this Undertaking and (5) the Issuer shall have delivered copies of such opinion(s) and amendment to the MSRB.

(b) In addition to subsection (a) above, this Undertaking may be amended and any provision of this Undertaking may be waived, in writing, without the consent of the holders of the Note, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Undertaking which is applicable to this Undertaking, (2) the Issuer shall have received an opinion of Counsel, addressed to the Issuer, to the effect that performance by the Issuer under this Undertaking as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule and (3) the Issuer shall have delivered copies of such opinion and amendment to the MSRB.

Section 3.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Undertaking shall inure solely to the benefit of the holders from time to time of the Note, except that beneficial owners of Note shall be third-party beneficiaries of this Undertaking.

(b) Except as provided in this subsection (b), the provisions of this Undertaking shall create no rights in any person or entity. The obligations of the Issuer to comply with the provisions of this Undertaking shall be enforceable (i) in the case of enforcement of obligations to provide notices, by any holder of outstanding Note, or (ii) in the case of challenges to the adequacy of the notices so provided, by the holders of not less than a majority in aggregate principal amount of the Note at the time outstanding. The holders' rights to enforce the provisions of this Undertaking shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Issuer's obligations under this Undertaking. In consideration of the third-party beneficiary status of beneficial owners of Note pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of Note for purposes of this subsection (b).

(c) Any failure by the Issuer to perform in accordance with this Undertaking shall not constitute a default with respect to the Note.

(d) This Undertaking shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Undertaking shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent this Undertaking addresses matters of federal securities laws, including the Rule, this Undertaking shall be construed in accordance with such federal securities laws and official interpretations thereof.

ARTICLE IV

DEFINITIONS

Section 4.1. Definitions. The following terms used in this Undertaking shall have the following respective meanings:

(1) "Counsel" means Gibbons P.C. or other nationally recognized bond counsel or counsel expert in federal securities laws.

(2) "Disclosure Event" means any of the following events with respect to the Note, whether relating to the Issuer or otherwise:

- (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 Note, or other material events affecting the tax status of the Note;
- (vii) modifications to rights of Noteholders; if material;
- (viii) Note calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Note, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (xv) incurrence of a “financial obligation” (as defined in the Rule) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

(3) “Disclosure Event Notice” means notice of a Disclosure Event.

(4) “MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to Rule 15c2-12. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

(5) “Official Statement” means the “final official statement”, as defined in paragraph (f)(3) of the Rule.

(6) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of this undertaking and as may be amended from time to time, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

(7) “SEC” means the United States Securities and Exchange Commission.

(8) “State” means the State of New Jersey.

IN WITNESS WHEREOF, THE COUNTY OF MONMOUTH, NEW JERSEY has caused this Undertaking to be executed in its name and its corporate seal to be hereunto affixed, all as of the date first above written.

[SEAL]

THE COUNTY OF MONMOUTH, NEW JERSEY

By: _____
Craig R. Marshall, Director of Finance

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APPENDIX C
NOTICES OF SALE

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NOTICE OF SALE

\$103,820,000*

**COUNTY OF MONMOUTH
NEW JERSEY**

GENERAL OBLIGATION BONDS, SERIES 2021A

Consisting of

**\$89,665,000* General Improvement Bonds, Series 2021A
\$6,170,000* County Vocational School Bonds, Series 2021A
(New Jersey School Bond Reserve Act, P.L. 1980, c.72)
\$3,895,000* County College Bonds, Series 2021A
and
\$4,090,000* County College Bonds, Series 2021A
(County College Bond Act, P.L. 1971, c. 12)
(BOOK-ENTRY BONDS) (CALLABLE)**

ELECTRONIC BIDS, via BiDCOMP/PARITY Competitive Bidding System (BiDCOMP/Parity) (the “Proposals”) only, will be received by the Director of Finance of the Board of County Commissioners of the County of Monmouth, New Jersey (the “County”), on October 21, 2021 until 10:15 a.m., New York City time, at which time they will be announced, for the purchase of all, but not less than all, of the County’s \$103,820,000* General Obligation Bonds, Series 2021A (the “Bonds”). Bidders are required to submit their Proposals for the purchase of the Bonds in accordance with the terms of the Notice of Sale.

Interest Payment Dates

The Bonds will be dated the date of delivery (which is expected to be November 18, 2021) and will bear interest at the rate per annum specified by the Successful Bidder (as hereinafter defined) therefor in accordance herewith, payable on January 15, 2022 and semi-annually thereafter on the fifteenth day of July and January in each year until maturity.

Principal Amortization

Principal of the Bonds will be paid annually, subject to prior redemption, on January 15 of each of the following years and in the following aggregate amounts:

\$89,665,000* General Improvement Bonds, Series 2021A, maturing in the principal amount of \$3,500,000* in each of the years 2022 and 2023; \$6,005,000* in the year 2024; \$6,960,000* in each of the years 2025 and 2026; \$6,955,000* in each of the years 2027 through 2031, inclusive; \$7,000,000* in each of the years 2032 and 2033; \$5,820,000* in the year 2034; \$4,070,000* in the year 2035; and \$4,075,000* in the year 2036.

\$6,170,000* County Vocational School Bonds, Series 2021A (New Jersey School Bond Reserve Act, P.L. 1980, c.72), maturing in the principal amount of \$250,000* in each of the years 2022 and 2023; \$375,000* in the year 2024; \$475,000* in each of the years 2025 through 2028, inclusive; \$480,000* in each of the years 2029 through 2031, inclusive; \$500,000* in each of the

years 2032 and 2033; \$420,000* in the year 2034; \$265,000* in the year 2035; and \$270,000* in the year 2036.

\$3,895,000* County College Bonds, Series 2021A, maturing in the principal amount of \$160,000* in each of the years 2022 and 2023; \$245,000* in the year 2024; \$295,000* in each of the years 2025 and 2026; \$300,000* in each of the years 2027 through 2031, inclusive; \$320,000* in each of the years 2032 and 2033; \$265,000* in the year 2034; \$165,000* in the year 2035; and \$170,000* in the year 2036.

\$4,090,000* County College Bonds, Series 2021A (County College Bond Act, P.L. 1971, c. 12), maturing in the principal amount of \$405,000* in each of the years 2022 and 2023; and \$410,000* in each of the years 2024 through 2031, inclusive.

* Preliminary, subject to adjustment.

Optional Redemption Provisions

The Bonds maturing on or prior to January 15, 2031 shall not be subject to redemption prior to their respective maturity dates. The Bonds maturing on or after January 15, 2032 shall be subject to redemption prior to their respective maturity dates, on or after July 15, 2031 at the option of the County, either in whole or in part at any time in any order of maturity at par (the “Redemption Price”) and accrued interest thereon to the date of redemption.

Notice of Redemption shall be given by mailing by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the County, at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. However, so long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notices of Redemption shall be sent to such depository and shall not be sent to the beneficial owners of the Bonds, and will be done in accordance with DTC procedures. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the County determines to redeem a portion of the Bonds of a maturity, such Bonds shall be selected by lot. If Notice of Redemption has been given as described herein, the Bonds, or the portion thereof called for redemption, shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Payment shall be made upon surrender of the Bonds redeemed.

County College Bond Act

The County College Bonds, Series 2021A (County College Bond Act, P.L. 1971, c. 12) are entitled to the benefits of the County College Bond Act (N.J.S.A. 18A:64A-22.1 et seq.). Under the provisions of the County College Bond Act, the State shall appropriate annually and pay an amount equal to the amount of principal and interest due on the bonds entitled to the provisions of the County College Bond Act. The amounts paid by the State pursuant to said Act are paid directly to the paying agent for the bonds and therefore must be used for the payment of the principal of and interest on said bonds. Any bonds or notes entitled to the benefits of the

County College Bond Act shall not be deemed to be a debt or liability of the State or a pledge of the faith and credit of the State, but are dependent for repayment upon appropriations provided by law from time to time.

New Jersey School Bond Reserve Act

The County Vocational School Bonds, Series 2021A (New Jersey School Bond Reserve Act, P.L. 1980, c.72) also will be secured by the School Bond Reserve (the "School Bond Reserve") established in the Fund for the Support of Free Public Schools of the State of New Jersey (the "Fund") and in accordance with the New Jersey School Bond Reserve Act, P.L. 1980 Ch. 72, approved July 16, 1980 (the "New Jersey School Bond Reserve Act").

Book-Entry-Only System

As long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly to Cede & Co., as nominee of DTC, which will credit payments of principal of and interest on the Bonds to the DTC participants as listed in the records of DTC as of each next preceding January 1 and July 1, respectively (the "Record Dates" for payment of interest on the Bonds), which participants will in turn credit such payments to the beneficial owners of the Bonds.

All bidders of the Bonds must be participants of The Depository Trust Company, New York, New York ("DTC") or affiliated with its participants. The Bonds will be issued in fully registered form, and when issued will be registered in the name of and held by Cede & Co., as the registered owner thereof and nominee for DTC, an automated depository for securities and clearinghouse for securities transactions.

Individual purchases of beneficial ownership interests in the Bonds will be made in book-entry form (without certificates) in the denomination of \$5,000 each or any integral multiple thereof. It shall be the obligation of the Successful Bidder to furnish to DTC an underwriter's questionnaire and the denomination of the Bonds not less than seventy-two (72) hours prior to the delivery of the Bonds.

In the event that either DTC determines not to continue to act as securities depository for the Bonds or the County determines that the beneficial owners of the Bonds be able to obtain bond certificates, the County will appoint a paying agent and will issue and deliver replacement Bonds in the form of fully registered certificates.

Adjustment to Principal Amounts

The preliminary aggregate principal amount of the Bonds and the preliminary principal amount of each annual payment on the Bonds as set forth in this Notice of Sale (the "Preliminary Aggregate Principal Amount" and the "Preliminary Annual Principal Amount" of each annual payment, respectively; collectively, the "Preliminary Amounts") may be revised before the receipt of electronic bids for their purchase. ANY SUCH REVISIONS made prior to the receipt of electronic bids (the "Revised Aggregate Principal Amount" and the "Revised Annual Principal Amount" of each annual payment, respectively; collectively, the "Revised Amounts") WILL BE

PUBLISHED ON THOMSON MUNICIPAL MARKET MONITOR (“TM3”) (www.TM3.com) NOT LATER THAN 10:15 A.M. (NEW YORK CITY TIME) ON THE LAST BUSINESS DAY PRIOR TO THE DATE OF SALE. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. Bidders shall submit bids based on the Revised Amounts and the Revised Amounts will be used to compare bids and select a winning bidder.

As promptly as reasonably possible after the bids are received, the County will notify the bidder to whom the Bonds will be awarded, if and when such award is made, and such bidder, upon such notice, shall advise the County of the initial reoffering prices to the public of each maturity of the Bonds (the “Initial Reoffering Prices”). Such Initial Reoffering Prices, among other things, will be used by the County to calculate the final principal amount of each annual payment on the Bonds (the “Final Aggregate Principal Amount” and the “Final Annual Principal Amount” of each annual payment, respectively; collectively, the “Final Amounts”) to accommodate the refunding objectives of the County. The Final Aggregate Principal Amount and the Final Annual Principal Amount of the Bonds will not be reduced or increased by more than 10% from the Revised Aggregate Principal Amount and the Revised Annual Principal Amount, respectively. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS. The dollar amount bid by the Successful Bidder for the Bonds will be adjusted to reflect changes in the dollar amount of the underwriter’s discount and the original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of Bonds from the selling compensation that would have been received based on the purchase price in the winning bid and the Initial Reoffering Prices. The Final Amounts will be communicated to the Successful Bidder as soon as possible, but not later than 10:15 a.m. the day after awarding the Bonds.

Electronic Bidding Procedures

Bids may be submitted electronically via PARITY in accordance with this Notice of Sale, until 10:15 a.m., New York City time, on October 21, 2021, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY, potential bidders may contact PARITY at (212) 849-5021. In the event that a bid for the Bonds is submitted via PARITY, the bidder further agrees that:

1. The County may regard the electronic transmission of the bid through PARITY (including information about the purchase price of the Bonds, the interest rate or rates to be borne by the various maturities of the Bonds, the initial public offering price of each maturity and any other information included in such transmission) as though the same information were submitted directly to the County and executed by a duly authorized signatory of the bidder. If a bid submitted electronically by PARITY is accepted by the County, the terms of the Proposal for Bonds and this Notice of Sale and the information that is electronically transmitted through PARITY shall form a contract, and the Successful Bidder shall be bound by the terms of such contract.

2. PARITY is not an agent of the County, and the County shall have no liability whatsoever based on any bidder's use of PARITY, including but not limited to any failure by PARITY to correctly or timely transmit information provided by the County or information provided by the bidder.

3. The County may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via TM3 News Services, or by other available means, no later than 3:00 p.m. (New York City Time) on the last business date prior to the bid date set forth above.

4. Once the bids are communicated electronically via PARITY to the County as described above, each bid will constitute a Proposal for Bonds and shall be deemed to be an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale. For purposes of submitting all Proposals for Bonds, the time as maintained on PARITY shall constitute the official time.

5. Each bidder choosing to bid electronically shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the County nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure access to any qualified prospective bidder, and neither the County nor Parity shall be responsible for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by PARITY. The County is using PARITY as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds. By using PARITY, each bidder agrees to hold the County harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

Bid Specifications

Each Proposal submitted must be for all of the Bonds and must comply with the following condition: Bonds in each maturity shall have a coupon of five percent (5.0%) per annum.

Award, Delivery and Payment

The Bonds will be awarded to the bidder on whose bid the total loan may be made at the lowest true interest cost. Such true interest cost shall be computed, as to each bid, by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds and the price bid, excluding accrued interest to the delivery date. No Proposal shall be considered that offers to pay an amount less than the principal amount of Bonds offered for sale or under which the total loan is made at an interest cost higher than the lowest true interest cost to the County under any legally acceptable proposal. If two or more such bidders offer to pay the lowest true interest cost, then the Bonds will be sold to one of such bidders selected by lot from among all such bidders. The bidder to which the Bonds are awarded (in the manner specified above) is herein referred to as the "Successful Bidder."

It is expected that delivery of the Bonds to DTC and payment for the Bonds will take place on or about, November 18, 2021 at the offices of Gibbons P.C., bond counsel to the County ("Bond Counsel"), in Newark, New Jersey or at such other place as may be agreed upon with the Successful Bidder. The Bonds will be delivered to DTC in single denominations for each maturity of each type of bond. PAYMENT FOR THE BONDS AT THE TIME OF ORIGINAL ISSUANCE AND DELIVERY SHALL BE IN IMMEDIATELY AVAILABLE FUNDS.

Change of Bid Date and Closing Date

The County reserves the right to postpone, from time to time, the date established for the receipt of bids and will undertake to notify registered prospective bidders via notification published on Thomson Municipal Market Monitor ("TM3") (www.tm3.com). Prospective bidders may request notification by facsimile transmission of any such changes in the date or time for the receipt of bids by so advising, and furnishing their telecopier numbers to Public Resources Advisory Group at (212) 566-7800 by 12:00 Noon, New York City time, on the day prior to the announced date for receipt of bids. In addition, the County reserves the right to make changes to this Notice of Sale. Such changes will be announced on the TM3.

A postponement of the bid date will be announced via TM3 not later than 10:15 a.m., New York City time, on the last business day prior to any announced date for receipt of bids, and an alternative sale date and time will be announced via TM3 by Noon, New York City time, not less than forty-eight (48) hours prior to such alternative date for receipt of bids.

On any such alternative date and time for receipt of bids, the County will accept electronic bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time for receipt of bids and any other changes announced via TM3 at the time the date and time for receipt of bids are announced.

Right To Reject Bids; Waive Irregularities

The right is reserved to reject all bids, and any bid not complying with the terms of this Notice of Sale will be rejected. The County reserves the right to reject any or all Proposals and so far as permitted by law, to waive any irregularity or informality in any or all Proposals.

Good Faith Deposit

A good faith deposit (the "Deposit"), in the form of an electronic transfer of immediately available federal funds in accordance with the wiring instructions contained in the immediately succeeding paragraph, in the amount of \$2,600,000 is required for each bid for the Bonds to be considered.

Bidders shall contact Ellyn Dinzey, Public Resources Advisory Group, at edinzey@pragadvisors.com or telephone (212) 566-7800, for wire instructions with respect to transmittal of such funds to the County.

Such funds must be received in the account identified immediately above no later than 10:15 a.m. New York City time on the date for receipt of bids, and must be accompanied by detailed wiring instructions for the return thereof in the event that such bidder is not the Successful Bidder. Please note that the contact information provided immediately above should be used by bidders for the purposes of confirming receipt of electronic transfer of funds and the transmittal of instructions for the return of such electronic transfers of funds in the event such bidder is not the Successful Bidder. Electronic transfers of funds of unsuccessful bidders for the Bonds will be returned upon award of the Bonds. It is the intent of the County that electronic transfers of funds will be returned via wire transfer to the unsuccessful bidders not later than 5:00 p.m. on the date for receipt of bids, provided that wiring instructions have been provided by such unsuccessful bidder at the time of transmission of the Deposit to the County. The County shall not bear any liability for any delay that may occur in the return of an electronic transfer of the Deposit to an unsuccessful bidder. Interest earned on the Deposit will be credited to the County and will not be available to the Successful Bidder for the Bonds.

The Deposit of the Successful Bidder will be collected and the proceeds thereof retained by the County to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the Successful Bidder shall fail to comply with the terms of its respective bid, the proceeds thereof will be retained as and for full liquidated damages. Award of the Bonds to the Successful Bidder or rejection of all bids is expected to be made within five hours after opening of the bids, but such Successful Bidder may not withdraw its Proposal for Bonds until after 5:00 p.m. of the day of such bid-opening and then only if such award has not been made prior to the withdrawal.

Bond Insurance

If the Bonds qualify for issuance of any policy of municipal bond insurance, any purchase of such policy shall be at the sole option and expense of the Successful Bidder. If the Bonds are to be insured, the Successful Bidder shall pay the premium therefor prior to the delivery of the Bonds. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the Successful Bidder of its contractual obligations arising from the acceptance of its Proposal for Bonds for the purchase of the Bonds.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for the failure or refusal of the Successful Bidder to accept delivery of and pay for the Bonds. The County's municipal advisor shall be responsible for making the application for the assignment of CUSIP identification numbers. The CUSIP Global Services charges for the assignment of CUSIP numbers on the Bonds shall be the responsibility of and shall be paid for by the Successful Bidder. **THREE SERIES OF CUSIP NUMBERS WILL BE ASSIGNED TO THE BONDS AS FOLLOWS: (1) ONE SERIES OF CUSIP NUMBERS WILL BE ASSIGNED TO THE COUNTY VOCATIONAL SCHOOL BONDS, SERIES 2021A (NEW JERSEY SCHOOL BOND RESERVE ACT, P.L. 1980, C.72); (2) A SEPARATE SERIES OF CUSIP NUMBERS WILL BE ASSIGNED TO THE COUNTY COLLEGE BONDS, SERIES 2021A (COUNTY COLLEGE BOND ACT, P.L. 1971, C.**

12); AND (3) A SEPARATE SERIES OF CUSIP NUMBERS WILL BE ASSIGNED TO THE GENERAL IMPROVEMENT BONDS, SERIES 2021A AND COUNTY COLLEGE BONDS, SERIES 2021A.

Establishment of Issue Price

The Successful Bidder shall assist the County in establishing the issue price of the Bonds and shall execute and deliver to the County at Closing an “issue price” or similar certificate, setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Bonds, together with supporting pricing wires or equivalent communications, substantially in the form prepared by and available from Bond Counsel, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Successful Bidder, the County and Bond Counsel. All actions to be taken by the County under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the County by the County’s municipal advisor identified herein and any notice or report to be provided to the County may be provided to the County’s municipal advisor.

The County intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because: (1) the County shall disseminate this Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters; (2) all bidders shall have an equal opportunity to bid; (3) the County may receive bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and (4) the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. By submitting a bid, bidders are deemed to have certified that they have an established industry reputation as a regular purchaser or Underwriter of tax-exempt obligations such as the Bonds.

In the event that the Competitive Sale Requirements are not satisfied, the County shall so advise the Successful Bidder. The County may determine to treat (i) the first price at which 10% of a Maturity of the Bonds (the “10% Test”) is sold to the Public as the issue price of that Maturity and/or (ii) the initial offering price to the Public as of the sale date of any Maturity of the Bonds as the issue price of that Maturity (the “hold-the-offering-price rule”), in each case applied on a Maturity-by-Maturity basis. Immediately following the award of the Bonds, the Successful Bidder shall advise the County if any maturity of the Bonds satisfies the 10% Test. Any Maturity of the Bonds as to which the Successful Bidder has not so advised the County that the 10% Test has been satisfied, shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the hold-the-offering-price rule applies to any Maturity of the Bonds.

By submitting a bid, the Successful Bidder shall (i) confirm that the Underwriters have offered or will offer the Bonds to the Public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid

submitted by the Successful Bidder and (ii) agree, on behalf of the Underwriters participating in the purchase of the Bonds, that the Underwriters will neither offer nor sell unsold Bonds of any Maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least 10% of that Maturity of the Bonds to the Public at a price that is no higher than the initial offering price to the Public.

The Successful Bidder will advise the County promptly after the close of the fifth (5th) business day after the Sale Date whether it has sold 10% of that Maturity of the Bonds to the Public at a price that is no higher than the initial offering price to the Public.

If the Competitive Sale Requirements are not satisfied and the 10% Test is applicable, then until the 10% test has been satisfied as to each Maturity of the Bonds, the Successful Bidder agrees to promptly report to the County the prices at which the unsold Bonds of that Maturity have been sold to the Public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Bonds of that Maturity have been sold or (ii) the 10% test has been satisfied as to the Bonds of that Maturity; provided that, the Successful Bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the County or Bond Counsel.

The County acknowledges that, in making the representations set forth above, the Successful Bidder will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The County further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement regarding the requirements for establishing the issue price of the Bonds,

including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

By submitting a bid, each bidder confirms that:

(i) any agreement among Underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable: (A)(i) to report the prices at which it sells to the Public the unsold Bonds of each Maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that Maturity allocated to it have been sold or it is notified by the Successful Bidder that the 10% test has been satisfied as to the Bonds of that Maturity; provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals upon request of the Successful Bidder and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Successful Bidder and as set forth in the related pricing wires, (B) to promptly notify the Successful Bidder of any sales of Bonds, that, to its knowledge are made to a purchaser who is a related party to an Underwriter participating in the initial sale of the Bonds to the Public, and (C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Successful Bidder shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the Public.

(ii) any agreement among Underwriters or selling group agreement relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that Maturity allocated to it have been sold or it is notified by the Successful Bidder or such Underwriter that the 10% test has been satisfied as to the Bonds of that Maturity; provided that the reporting obligation after the Closing Date may be at reasonable periodic intervals upon request of the Successful Bidder and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Successful Bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an Underwriter participating in the initial sale of the Bonds to the Public shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale: (a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different Maturity dates, or Bonds with the same Maturity date but different stated interest rates, are treated as separate Maturities; (b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly; (c) *Sale Date* means the first day on which the Bonds are awarded by the County to the Successful Bidder; (d) *Underwriter* means (i)

any person that agrees pursuant to a written contract with the County (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the Public).

Legal Opinions

The obligations hereunder to pay for and to accept delivery of the Bonds shall be conditioned on the availability and the delivery at the time of delivery of the Bonds of the approving opinion of the law firm of Gibbons P.C., Newark, New Jersey, bond counsel to the County, which will be furnished without cost to the Successful Bidder, substantially in the form set forth in the Official Statement distributed in preliminary form in connection with the sale of the Bonds. Such opinion shall state to the effect that the Bonds are valid and legally binding obligations of the County, and that all the taxable property therein will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, to pay the principal of the Bonds and the interest thereon; and will also state that under existing law, interest on the Bonds is excluded from gross income for purposes of Federal income taxation. The obligations hereunder to pay for and to accept delivery of the Bonds shall be further conditioned on the availability and delivery to the Successful Bidder, at the time of delivery of the Bonds, of (i) certificates from the County Finance Director in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds, the receipt of payment therefor and the fact the Bonds will not be arbitrage obligations within the meaning of the Code; (ii) a certificate from the County Attorney, in form and tenor satisfactory to Bond Counsel and dated as of the date of such delivery, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened affecting the validity of the Bonds; and (iii) a certificate from the County Finance Director, in form and tenor satisfactory to Bond Counsel and dated as of the date of such delivery, to the effect that to the best of his knowledge of such and belief, and after reasonable investigation: (1) neither the Official Statement relating to the Bonds nor any amendment, or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading; (2) since the date of the Official Statement (or the date of the most recent amendment or supplement thereto) no event has occurred which would make the statements therein untrue or, in the light of the circumstances in which they were made, misleading, and (3) there has not been any material adverse change in the operation or financial affairs of the County since the date of such Official Statement.

Preliminary Official Statement

The County has issued an Official Statement with respect to the sale of the Bonds in preliminary form (the "Preliminary Official Statement") which the County has deemed final as of its date for purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 ("Rule 15c2-12"), except for certain omissions permitted thereunder and except for changes permitted by other applicable law.

The Preliminary Official Statement may be accessed via the Internet at www.i-dealprospectus.com. A printed version is also available upon request made to the Director of Finance of the County at One East Main Street, Finance Department, Freehold, New Jersey 07728-1256 (telephone (732) 431-7391), or from the County's municipal advisor, Public Resources Advisory Group, 39 Broadway, Suite 1210, New York, New York 10006 (telephone (212) 566-7800).

Official Statement

The County agrees to provide the successful bidder with up to fifty (50) copies of the final Official Statement adopted by the County in relation to the sale by the County of the Bonds within the period of time allowed under Rule 15c2-12, at the sole cost and expense of the County, with any additional copies which the Successful Bidder shall reasonably request to be provided at the sole cost and expense of the Successful Bidder.

Continuing Disclosure

In order to assist the Successful Bidder in complying with Rule 15c2-12, the County agrees to deliver on the Closing Date a Continuing Disclosure Certificate to be dated as of the Closing Date pursuant to which the County shall agree to provide at the times and to the information repositories and other persons described in Rule 15c2-12 the financial or operating data required to be disclosed on a continuing basis pursuant to Rule 15c2-12.

Craig R. Marshall
Director of Finance
Dated: October 14, 2021

NOTICE OF SALE

\$29,095,000*

**COUNTY OF MONMOUTH
NEW JERSEY**

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021B

ELECTRONIC BIDS, via BiDCOMP/PARITY Competitive Bidding System (BiDCOMP/Parity) (the “Proposals”) only, will be received by the Director of Finance of the Board of County Commissioners of the County of Monmouth, New Jersey (the “County”), on October 21, 2021 until 10:45 a.m., New York City time, at which time they will be announced, for the purchase of all, but not less than all, of the County’s \$29,095,000* General Obligation Refunding Bonds, Series 2021B (the “Bonds”). Bidders are required to submit their Proposals for the purchase of the Bonds in accordance with the terms of the Notice of Sale.

Interest Payment Dates

The Bonds will be dated the date of delivery (which is expected to be November 18, 2021) and will bear interest at the rate per annum specified by the Successful Bidder (as hereinafter defined) therefor in accordance herewith, payable on January 15, 2022 and semi-annually thereafter on the fifteenth day of July and January in each year until maturity.

Principal Amortization

Principal of the Bonds will be paid annually on January 15 in each of the following years and in the following aggregate amounts:

\$25,435,000* General Improvement Refunding Bonds, Series 2021B, maturing in the principal amount of \$4,935,000* in the year 2023; \$5,015,000* in the year 2024; \$5,095,000* in the year 2025; \$5,180,000* in the year 2026; and \$5,210,000* in the year 2027.

\$1,785,000* Open Space Refunding Bonds, Series 2021B, maturing in the principal amount of \$345,000* in the year 2023; \$350,000* in the year 2024; \$360,000* in the year 2025; \$365,000* in the year 2026; and \$365,000* in the year 2027.

\$1,875,000* Reclamation Center Utility Refunding Bonds, Series 2021B, maturing in the principal amount of \$365,000* in the year 2023; \$370,000* in the year 2024; \$375,000* in the year 2025; \$380,000* in the year 2026; and \$385,000* in the year 2027.

The combined maturity schedule is as follows:

<u>Year</u>	<u>Principal Amount*</u>	<u>Year</u>	<u>Principal Amount*</u>
2023	\$5,645,000	2026	\$5,925,000
2024	5,735,000	2027	5,960,000
2025	5,830,000		

* Preliminary, subject to adjustment.

Redemption Provisions

The Bonds are not subject to redemption prior to their stated maturities.

Book-Entry-Only System

As long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly to Cede & Co., as nominee of DTC, which will credit payments of principal of and interest on the Bonds to the DTC participants as listed in the records of DTC as of each next preceding January 1 and July 1, respectively (the “Record Dates” for payment of interest on the Bonds), which participants will in turn credit such payments to the beneficial owners of the Bonds.

All bidders of the Bonds must be participants of The Depository Trust Company, New York, New York (“DTC”) or affiliated with its participants. The Bonds will be issued in fully registered form, and when issued will be registered in the name of and held by Cede & Co., as the registered owner thereof and nominee for DTC, an automated depository for securities and clearinghouse for securities transactions.

Individual purchases of beneficial ownership interests in the Bonds will be made in book-entry form (without certificates) in the denomination of \$5,000 each or any integral multiple thereof. It shall be the obligation of the Successful Bidder to furnish to DTC an underwriter’s questionnaire and the denomination of the Bonds not less than seventy-two (72) hours prior to the delivery of the Bonds.

In the event that either DTC determines not to continue to act as securities depository for the Bonds or the County determines that the beneficial owners of the Bonds be able to obtain bond certificates, the County will appoint a paying agent and will issue and deliver replacement Bonds in the form of fully registered certificates.

Adjustment to Principal Amounts

The preliminary aggregate principal amount of the Bonds and the preliminary principal amount of each annual payment on the Bonds as set forth in this Notice of Sale (the “Preliminary Aggregate Principal Amount” and the “Preliminary Annual Principal Amount” of each annual payment, respectively; collectively, the “Preliminary Amounts”) may be revised before the receipt of electronic bids for their purchase. ANY SUCH REVISIONS made prior to the receipt of electronic bids (the “Revised Aggregate Principal Amount” and the “Revised Annual

Principal Amount” of each annual payment, respectively; collectively, the “Revised Amounts”) WILL BE PUBLISHED ON THOMSON MUNICIPAL MARKET MONITOR (“TM3”) (www.TM3.com) NOT LATER THAN 10:45 A.M. (NEW YORK CITY TIME) ON THE LAST BUSINESS DAY PRIOR TO THE DATE OF SALE. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. Bidders shall submit bids based on the Revised Amounts and the Revised Amounts will be used to compare bids and select a winning bidder.

As promptly as reasonably possible after the bids are received, the County will notify the bidder to whom the Bonds will be awarded, if and when such award is made, and such bidder, upon such notice, shall advise the County of the initial reoffering prices to the public of each maturity of the Bonds (the “Initial Reoffering Prices”). Such Initial Reoffering Prices, among other things, will be used by the County to calculate the final principal amount of each annual payment on the Bonds (the “Final Aggregate Principal Amount” and the “Final Annual Principal Amount” of each annual payment, respectively; collectively, the “Final Amounts”) to accommodate the refunding objectives of the County. The Final Aggregate Principal Amount and the Final Annual Principal Amount of the Bonds will not be reduced or increased by more than 10% from the Revised Aggregate Principal Amount and the Revised Annual Principal Amount, respectively. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS. The dollar amount bid by the Successful Bidder for the Bonds will be adjusted to reflect changes in the dollar amount of the underwriter’s discount and the original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of Bonds from the selling compensation that would have been received based on the purchase price in the winning bid and the Initial Reoffering Prices. The Final Amounts will be communicated to the Successful Bidder as soon as possible, but not later than 10:45 a.m. the day after awarding the Bonds.

Electronic Bidding Procedures

Bids may be submitted electronically via PARITY in accordance with this Notice of Sale, until 10:45 a.m., New York City time, on October 21, 2021, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY, potential bidders may contact PARITY at (212) 849-5021. In the event that a bid for the Bonds is submitted via PARITY, the bidder further agrees that:

1. The County may regard the electronic transmission of the bid through PARITY (including information about the purchase price of the Bonds, the interest rate or rates to be borne by the various maturities of the Bonds, the initial public offering price of each maturity and any other information included in such transmission) as though the same information were submitted directly to the County and executed by a duly authorized signatory of the bidder. If a bid submitted electronically by PARITY is accepted by the County, the terms of the Proposal for Bonds and this Notice of Sale and the information that is electronically transmitted through PARITY shall form a contract, and the Successful Bidder shall be bound by the terms of such contract.

2. PARITY is not an agent of the County, and the County shall have no liability whatsoever based on any bidder's use of PARITY, including but not limited to any failure by PARITY to correctly or timely transmit information provided by the County or information provided by the bidder.

3. The County may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via TM3 News Services, or by other available means, no later than 3:00 p.m. (New York City Time) on the last business date prior to the bid date set forth above.

4. Once the bids are communicated electronically via PARITY to the County as described above, each bid will constitute a Proposal for Bonds and shall be deemed to be an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale. For purposes of submitting all Proposals for Bonds, the time as maintained on PARITY shall constitute the official time.

5. Each bidder choosing to bid electronically shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the County nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure access to any qualified prospective bidder, and neither the County nor Parity shall be responsible for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by PARITY. The County is using PARITY as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds. By using PARITY, each bidder agrees to hold the County harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

Bid Specifications

Each Proposal submitted must be for all of the Bonds and must comply with the following condition: Bonds in each maturity shall have a coupon of five percent (5.0%) per annum.

Award, Delivery and Payment

The Bonds will be awarded to the bidder on whose bid the total loan may be made at the lowest true interest cost. Such true interest cost shall be computed, as to each bid, by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds and the price bid, excluding accrued interest to the delivery date. No Proposal shall be considered that offers to pay an amount less than the principal amount of Bonds offered for sale or under which the total loan is made at an interest cost higher than the lowest true interest cost to the County under any legally acceptable proposal. If two or more such bidders offer to pay the lowest true interest cost, then the Bonds will be sold to one of such bidders selected by lot from among all such bidders. The bidder to

which the Bonds are awarded (in the manner specified above) is herein referred to as the "Successful Bidder."

It is expected that delivery of the Bonds to DTC and payment for the Bonds will take place on or about, November 18, 2021 at the offices of Gibbons P.C., bond counsel to the County ("Bond Counsel"), in Newark, New Jersey or at such other place as may be agreed upon with the Successful Bidder. The Bonds will be delivered to DTC in single denominations for each maturity of each type of bond. PAYMENT FOR THE BONDS AT THE TIME OF ORIGINAL ISSUANCE AND DELIVERY SHALL BE IN IMMEDIATELY AVAILABLE FUNDS.

Change of Bid Date and Closing Date

The County reserves the right to postpone, from time to time, the date established for the receipt of bids and will undertake to notify registered prospective bidders via notification published on Thomson Municipal Market Monitor ("TM3") (www.tm3.com). Prospective bidders may request notification by facsimile transmission of any such changes in the date or time for the receipt of bids by so advising, and furnishing their telecopier numbers to Public Resources Advisory Group at (212) 566-7800 by 12:00 Noon, New York City time, on the day prior to the announced date for receipt of bids. In addition, the County reserves the right to make changes to this Notice of Sale. Such changes will be announced on the TM3.

A postponement of the bid date will be announced via TM3 not later than 10:45 a.m., New York City time, on the last business day prior to any announced date for receipt of bids, and an alternative sale date and time will be announced via TM3 by Noon, New York City time, not less than forty-eight (48) hours prior to such alternative date for receipt of bids.

On any such alternative date and time for receipt of bids, the County will accept electronic bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time for receipt of bids and any other changes announced via TM3 at the time the date and time for receipt of bids are announced.

Right To Reject Bids; Waive Irregularities

The right is reserved to reject all bids, and any bid not complying with the terms of this Notice of Sale will be rejected. The County reserves the right to reject any or all Proposals and so far as permitted by law, to waive any irregularity or informality in any or all Proposals.

Good Faith Deposit

A good faith deposit (the "Deposit"), in the form of an electronic transfer of immediately available federal funds in accordance with the wiring instructions contained in the immediately succeeding paragraph, in the amount of \$700,000 is required for each bid for the Bonds to be considered.

Bidders shall contact Ellyn Dinzey, Public Resources Advisory Group, at edinzey@pragadvisors.com or telephone (212) 566-7800, for wire instructions with respect to transmittal of such funds to the County.

Such funds must be received in the account identified immediately above no later than 10:45 a.m. New York City time on the date for receipt of bids, and must be accompanied by detailed wiring instructions for the return thereof in the event that such bidder is not the Successful Bidder. Please note that the contact information provided immediately above should be used by bidders for the purposes of confirming receipt of electronic transfer of funds and the transmittal of instructions for the return of such electronic transfers of funds in the event such bidder is not the Successful Bidder. Electronic transfers of funds of unsuccessful bidders for the Bonds will be returned upon award of the Bonds. It is the intent of the County that electronic transfers of funds will be returned via wire transfer to the unsuccessful bidders not later than 5:00 p.m. on the date for receipt of bids, provided that wiring instructions have been provided by such unsuccessful bidder at the time of transmission of the Deposit to the County. The County shall not bear any liability for any delay that may occur in the return of an electronic transfer of the Deposit to an unsuccessful bidder. Interest earned on the Deposit will be credited to the County and will not be available to the Successful Bidder for the Bonds.

The Deposit of the Successful Bidder will be collected and the proceeds thereof retained by the County to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the Successful Bidder shall fail to comply with the terms of its respective bid, the proceeds thereof will be retained as and for full liquidated damages. Award of the Bonds to the Successful Bidder or rejection of all bids is expected to be made within five hours after opening of the bids, but such Successful Bidder may not withdraw its Proposal for Bonds until after 5:00 p.m. of the day of such bid-opening and then only if such award has not been made prior to the withdrawal.

Bond Insurance

If the Bonds qualify for issuance of any policy of municipal bond insurance, any purchase of such policy shall be at the sole option and expense of the Successful Bidder. If the Bonds are to be insured, the Successful Bidder shall pay the premium therefor prior to the delivery of the Bonds. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the Successful Bidder of its contractual obligations arising from the acceptance of its Proposal for Bonds for the purchase of the Bonds.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for the failure or refusal of the Successful Bidder to accept delivery of and pay for the Bonds. Public Resources Advisory Group, the County's municipal advisor, shall be responsible for making the application for the assignment of CUSIP identification numbers. The CUSIP Global Services charges for the assignment of CUSIP numbers on the Bonds shall be the responsibility of and shall be paid for by the Successful Bidder. **ONE SERIES OF CUSIP NUMBERS WILL BE ASSIGNED TO THE BONDS.**

Establishment of Issue Price

The Successful Bidder shall assist the County in establishing the issue price of the Bonds and shall execute and deliver to the County at Closing an “issue price” or similar certificate, setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Bonds, together with supporting pricing wires or equivalent communications, substantially in the form prepared by and available from Bond Counsel, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Successful Bidder, the County and Bond Counsel. All actions to be taken by the County under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the County by the County’s municipal advisor identified herein and any notice or report to be provided to the County may be provided to the County’s municipal advisor.

The County intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because: (1) the County shall disseminate this Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters; (2) all bidders shall have an equal opportunity to bid; (3) the County may receive bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and (4) the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. By submitting a bid, bidders are deemed to have certified that they have an established industry reputation as a regular purchaser or Underwriter of tax-exempt obligations such as the Bonds.

In the event that the Competitive Sale Requirements are not satisfied, the County shall so advise the Successful Bidder. The County may determine to treat (i) the first price at which 10% of a Maturity of the Bonds (the “10% Test”) is sold to the Public as the issue price of that Maturity and/or (ii) the initial offering price to the Public as of the sale date of any Maturity of the Bonds as the issue price of that Maturity (the “hold-the-offering-price rule”), in each case applied on a Maturity-by-Maturity basis. Immediately following the award of the Bonds, the Successful Bidder shall advise the County if any maturity of the Bonds satisfies the 10% Test. Any Maturity of the Bonds as to which the Successful Bidder has not so advised the County that the 10% Test has been satisfied, shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the hold-the-offering-price rule applies to any Maturity of the Bonds.

By submitting a bid, the Successful Bidder shall (i) confirm that the Underwriters have offered or will offer the Bonds to the Public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the Successful Bidder and (ii) agree, on behalf of the Underwriters participating in the purchase of the Bonds, that the Underwriters will neither offer nor sell unsold Bonds of any

Maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least 10% of that Maturity of the Bonds to the Public at a price that is no higher than the initial offering price to the Public.

The Successful Bidder will advise the County promptly after the close of the fifth (5th) business day after the Sale Date whether it has sold 10% of that Maturity of the Bonds to the Public at a price that is no higher than the initial offering price to the Public.

If the Competitive Sale Requirements are not satisfied and the 10% Test is applicable, then until the 10% test has been satisfied as to each Maturity of the Bonds, the Successful Bidder agrees to promptly report to the County the prices at which the unsold Bonds of that Maturity have been sold to the Public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Bonds of that Maturity have been sold or (ii) the 10% test has been satisfied as to the Bonds of that Maturity; provided that, the Successful Bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the County or Bond Counsel.

The County acknowledges that, in making the representations set forth above, the Successful Bidder will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The County further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement regarding the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

By submitting a bid, each bidder confirms that:

(i) any agreement among Underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable: (A)(i) to report the prices at which it sells to the Public the unsold Bonds of each Maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that Maturity allocated to it have been sold or it is notified by the Successful Bidder that the 10% test has been satisfied as to the Bonds of that Maturity; provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals upon request of the Successful Bidder and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Successful Bidder and as set forth in the related pricing wires, (B) to promptly notify the Successful Bidder of any sales of Bonds, that, to its knowledge are made to a purchaser who is a related party to an Underwriter participating in the initial sale of the Bonds to the Public, and (C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Successful Bidder shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the Public.

(ii) any agreement among Underwriters or selling group agreement relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that Maturity allocated to it have been sold or it is notified by the Successful Bidder or such Underwriter that the 10% test has been satisfied as to the Bonds of that Maturity; provided that the reporting obligation after the Closing Date may be at reasonable periodic intervals upon request of the Successful Bidder and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Successful Bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an Underwriter participating in the initial sale of the Bonds to the Public shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale: (a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different Maturity dates, or Bonds with the same Maturity date but different stated interest rates, are treated as separate Maturities; (b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly; (c) *Sale Date* means the first day on which the Bonds are awarded by the County to the Successful Bidder; (d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the County (or with the lead

Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the Public).

Legal Opinions

The obligations hereunder to pay for and to accept delivery of the Bonds shall be conditioned on the availability and the delivery at the time of delivery of the Bonds of the approving opinion of the law firm of Gibbons P.C., Newark, New Jersey, bond counsel to the County, which will be furnished without cost to the Successful Bidder, substantially in the form set forth in the Official Statement distributed in preliminary form in connection with the sale of the Bonds. Such opinion shall state to the effect that the Bonds are valid and legally binding obligations of the County, and that all the taxable property therein will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, to pay the principal of the Bonds and the interest thereon; and will also state that under existing law, interest on the Bonds is excluded from gross income for purposes of Federal income taxation. The obligations hereunder to pay for and to accept delivery of the Bonds shall be further conditioned on the availability and delivery to the Successful Bidder, at the time of delivery of the Bonds, of (i) certificates from the County Finance Director in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds, the receipt of payment therefor and the fact the Bonds will not be arbitrage obligations within the meaning of the Code; (ii) a certificate from the County Attorney, in form and tenor satisfactory to Bond Counsel and dated as of the date of such delivery, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened affecting the validity of the Bonds; and (iii) a certificate from the County Finance Director, in form and tenor satisfactory to Bond Counsel and dated as of the date of such delivery, to the effect that to the best of his knowledge of such and belief, and after reasonable investigation: (1) neither the Official Statement relating to the Bonds nor any amendment, or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading; (2) since the date of the Official Statement (or the date of the most recent amendment or supplement thereto) no event has occurred which would make the statements therein untrue or, in the light of the circumstances in which they were made, misleading, and (3) there has not been any material adverse change in the operation or financial affairs of the County since the date of such Official Statement.

Preliminary Official Statement

The County has issued an Official Statement with respect to the sale of the Bonds in preliminary form (the "Preliminary Official Statement") which the County has deemed final as of its date for purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 ("Rule 15c2-12"), except for certain omissions permitted thereunder and except for changes permitted by other applicable law.

The Preliminary Official Statement may be accessed via the Internet at www.i-dealprospectus.com. A printed version is also available upon request made to the Director of

Finance of the County at One East Main Street, Finance Department, Freehold, New Jersey 07728-1256 (telephone (732) 431-7391), or from the County's municipal advisor, Public Resources Advisory Group, 39 Broadway, Suite 1210, New York, New York 10006 (telephone (212) 566-7800).

Official Statement

The County agrees to provide the successful bidder with up to fifty (50) copies of the final Official Statement adopted by the County in relation to the sale by the County of the Bonds within the period of time allowed under Rule 15c2-12, at the sole cost and expense of the County, with any additional copies which the Successful Bidder shall reasonably request to be provided at the sole cost and expense of the Successful Bidder.

Continuing Disclosure

In order to assist the Successful Bidder in complying with Rule 15c2-12, the County agrees to deliver on the Closing Date a Continuing Disclosure Certificate to be dated as of the Closing Date pursuant to which the County shall agree to provide at the times and to the information repositories and other persons described in Rule 15c2-12 the financial or operating data required to be disclosed on a continuing basis pursuant to Rule 15c2-12.

Craig R. Marshall
Director of Finance

Dated: October 14, 2021

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NOTICE OF SALE
COUNTY OF MONMOUTH,
NEW JERSEY
\$19,215,000* RECLAMATION CENTER UTILITY BOND ANTICIPATION NOTE,
SERIES 2021
(NON-CALLABLE)

ELECTRONIC PROPOSALS via Grant Street Group's MuniAuction website will be received by the Director of Finance of the County of Monmouth, New Jersey (the "County"), on Thursday, October 21, 2021 from 11:00 a.m. New York City time until 11:15 a.m. New York City time (the "Bid Time"), at which time they will be publicly announced for the purchase of \$19,215,000* Reclamation Center Utility Bond Anticipation Note, Series 2021 (the "Note"), dated the date of delivery of the Note and maturing November 17, 2022. The Note shall bear interest at the rate of 4% per annum, payable at maturity. Information concerning the Note and the County is set forth in the Preliminary Official Statement of the County relating to the Note, dated October 14, 2021. The Note is expected to be issued and delivered on November 18, 2021. The Note shall be in book-entry-only form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, which will act as securities depository for the Note. The DTC Letter of Representations, if any, will be prepared by Bond Counsel. The DTC eligibility questionnaire is to be completed by the Successful Bidder for the Note.

The Note shall not be subject to redemption prior to maturity.

The preliminary aggregate principal amount of the Note as set forth in this Notice of Sale (the "Preliminary Amount") may be revised before the receipt of electronic bids for their purchase. ANY SUCH REVISIONS made prior to the receipt of electronic bids (the "Revised Amount") WILL BE PUBLISHED ON GRANT STREET GROUP'S MUNIAUCTION (www.GrantStreet.com) NOT LATER THAN 10:45 A.M. (NEW YORK CITY TIME) ON THE LAST BUSINESS DAY PRIOR TO THE DATE OF SALE. In the event that no such revisions are made, the Preliminary Amount will constitute the Revised Amount. Bidders shall submit bids based on the Revised Amount and the Revised Amount will be used to compare bids and select a winning bidder.

As promptly as reasonably possible after the bids are received, the County will notify the bidder to whom the Note will be awarded, if and when such award is made, and such bidder, upon such notice, shall advise the County of the initial reoffering price to the public (the "Initial Reoffering Price"). Such Initial Reoffering Price, among other things, will be used by the County to calculate the final principal amount of the Note (the "Final Amount") to accommodate the objectives of the County. The Final Amount of the Note will not be reduced or increased by more than 10% from the Revised Amount. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNT. The dollar amount bid by the Successful Bidder for the Note will be adjusted to reflect changes in the dollar amount of the underwriter's discount and the original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of Note from the selling compensation that would have been received based on the purchase price in the winning bid and the Initial Reoffering Price. The Final Amount will be communicated to the Successful Bidder as soon as possible, but not later than 10:45 a.m. the day after awarding the Note.

The Note will constitute a valid and binding general obligation of the County for the payment of which the County is obligated to levy *ad valorem* taxes without limitation.

Each proposal must specify the amount bid for the Note, which shall not be less than \$19,215,000*. Each proposal must be for all of the Note. The Note shall bear interest at the rate of 4% per annum, payable at maturity. As between legally acceptable proposals, the Note will be sold to the bidder offering the lowest true interest cost ("True Interest Cost") to the County. In the event two or more bids specify the same True Interest Cost for the Note, the bid that was submitted earlier, as determined by reference to the time stamp displayed on Grant Street Group's MuniAuction, will be the leading bid. Such True Interest Cost shall be computed, as to each bid, by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payment from the payment date to the date of the Note and the price bid. The County reserves the right to reject any or all proposals and, so far as permitted by law, waive any irregularity or informality in any or all proposals. The proposal must cover all expenses incurred by the bidder, including distribution costs.

The price formula, as defined in Municipal Securities Rulemaking Board (the "MSRB") Rule G-33, for securities paying interest solely at redemption applies to the Note.

Bids shall be submitted electronically via Grant Street Group's MuniAuction in accordance with this Notice of Sale, until 11:15 a.m., New York City time, on October 21, 2021, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in Grant Street Group's MuniAuction conflict with this Notice of Sale, the terms of this Notice of Sale shall control. **No award will be deemed to have been made without verbal confirmation from the County of its acceptance.** The County is not bound by any advice or determination of Grant Street Group's MuniAuction as to whether any bid complies with the terms of this Notice of Sale.

Electronic bidding will take place using Grant Street Group's "Closed Auction" format. Bidders may change and submit bids as many times as they wish prior to the Bid Time, but they may not withdraw a submitted bid. The last bid submitted by a bidder prior to the deadline for the receipt of bids will be compared to all other final bids to determine the winning bid. During the bidding, no bidder will see any other bidder's bid, nor will they see the status of their bid relative to other bids (e.g., whether their bid is a leading bid). The two minute rule under Grant Street Group's bidding procedures will not apply.

Bidders submitting electronic bids must be registered participants of Grant Street Group's MuniAuction and should promptly contact Grant Street Group's MuniAuction at (412) 246-1370 for information about Grant Street Group's MuniAuction, including its rules, and becoming a registered participant. Bidders must complete the registration form on Grant Street Group's MuniAuction website.

In order to ensure that there is sufficient time to verify their eligibility to bid, bidders must visit the Grant Street Group website on or before 1:00 p.m. New York time on Wednesday, October 20, 2021, where, if they have never registered with Grant Street Group, they can register and then request admission to bid. There is no charge for registration with Grant Street Group. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. (Only FINRA registered broker-dealers and dealer banks with DTC clearing arrangements shall be eligible to bid). Bidders who have already registered with Grant Street Group may call auction support at (412) 391-5555 ext. 5370 to confirm their ID number and password.

"Rules of MuniAuction" can be viewed on the Grant Street Group's MuniAuction website and, as amended and supplemented from time to time, are incorporated herein by reference. Bidders will be required to verify that they have read the "Rules of MuniAuction" prior to submitting bids. In the event of a conflict between the Rules of MuniAuction and this Notice of Sale, the provisions of this Notice of Sale shall prevail.

In the event that a bid for the Note is submitted via Grant Street Group's MuniAuction, the bidder further agrees that:

1. The County may regard the electronic transmission of the bid through Grant Street Group's MuniAuction (including information about the purchase price of the Note, the interest rate or rates to be borne by the Note, the initial public offering price and any other information included in such transmission) as though the same information were submitted directly to the County and executed by a duly authorized signatory of the bidder. If a bid submitted electronically by Grant Street Group's MuniAuction is accepted by the County, the terms of the Proposal for Note and this Notice of Sale and the information that is electronically transmitted through Grant Street Group's MuniAuction shall form a contract, and the Successful Bidder shall be bound by the terms of such contract.

2. Grant Street Group's MuniAuction is not an agent of the County, and the County shall have no liability whatsoever based on any bidder's use of Grant Street Group's MuniAuction, including but not limited to any failure by Grant Street Group's MuniAuction to correctly or timely transmit information provided by the County or information provided by the bidder.

3. The County may choose to discontinue use of electronic bidding via Grant Street Group's MuniAuction by issuing a notification to such effect via Grant Street Group's MuniAuction at the website address www.GrantStreet.com, or by other available means, no later than 3:00 p.m. (New York City Time) on the last business date prior to the bid date set forth above.

4. Once the bids are communicated electronically via Grant Street Group's MuniAuction to the County as described above, each bid will constitute a Proposal for Note and shall be deemed to be an irrevocable offer to purchase the Note on the terms provided in this Notice of Sale. For purposes of submitting all Proposal for Note, the time as maintained on Grant Street Group's MuniAuction shall constitute the official time.

5. Each bidder choosing to bid electronically shall be solely responsible to make necessary arrangements to access Grant Street Group's MuniAuction for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the County nor Grant Street Group's MuniAuction shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure access to any qualified prospective bidder, and neither the County nor Grant Street Group's MuniAuction shall be responsible for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by Grant Street Group's MuniAuction. The County is using Grant Street Group's MuniAuction as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Note. By using Grant Street Group's MuniAuction, each bidder agrees to hold the County harmless for any harm or damages caused to such bidder in connection with its use of Grant Street Group's MuniAuction for bidding on the Note.

The County reserves the right to postpone, from time to time, the date established for the receipt of bids and will undertake to notify registered prospective bidders via notification published on Grant Street Group's MuniAuction at the website address www.GrantStreet.com. Prospective bidders may request notification by facsimile transmission of any such changes in the date or time for the receipt of bids by so advising, and furnishing their telecopier numbers to the Director of Finance of the County at (732) 431-7391 by 12:00 Noon, New York City time, on the day prior to the announced date for receipt of bids. In addition, the County reserves the right to make changes to this Notice of Sale. Such changes will be announced on Grant Street Group's MuniAuction at the website address www.GrantStreet.com.

A postponement of the bid date will be announced via Grant Street Group's MuniAuction at the website address www.GrantStreet.com not later than 10:45 a.m., New York City time, on the last business

day prior to any announced date for receipt of bids, and an alternative sale date and time will be announced via Grant Street Group's MuniAuction at the website address www.GrantStreet.com by Noon, New York City time, not less than forty-eight (48) hours prior to such alternative date for receipt of bids.

On any such alternative date and time for receipt of bids, the County will accept electronic bids for the purchase of the Note, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time for receipt of bids and any other changes announced via Grant Street Group's MuniAuction at the website address www.GrantStreet.com at the time the date and time for receipt of bids are announced.

Award of the Note to the Successful Bidder, or rejection of all proposals, is expected to be made within one hour after the proposals are announced, but bidders may not withdraw their proposals before 4:00 p.m. on October 21, 2021 and then only if such award has not been made prior to the withdrawal. The Note will be delivered on or about November 18, 2021 at the offices of Gibbons P.C., Bond Counsel to the County, in Newark, New Jersey, or at such other place as may be agreed upon with the Successful Bidder. Payment for the Note at the time of their original issuance and delivery shall be in immediately available funds.

It shall be the responsibility of the County to have a CUSIP identification number, if required, issued for the Note. The request for the assignment of CUSIP identification number shall be the responsibility of the County's municipal advisor and the CUSIP Global Services charge therefor shall be the responsibility of and shall be paid for by the Successful Bidder. A CUSIP number must be communicated to Bond Counsel within 24 hours of the award of the Note in order to have the CUSIP number printed on the Note.

The Successful Bidder may at his option refuse to accept the Note if prior to delivery of the Note any income tax law of the United States of America shall provide that the interest thereon is includable in gross income, or shall be includable in gross income at a future date, for federal income tax purposes, and in such case such bidder will be relieved of its contractual obligations arising from the acceptance of its proposal.

The obligation hereunder to deliver and to accept the Note shall be conditioned on the availability and delivery at the time of delivery of the Note of the approving opinion of Bond Counsel, which will be furnished without cost to the Successful Bidder, in substantially the form set forth in the final Official Statement with respect to the Note (the "Official Statement"). Such opinion shall state that the Note is a valid and legally binding obligation of the County and that the County has the power and is obligated to levy ad valorem taxes upon all the taxable property within the County without limitation as to rate or amount for the payment of the Note and the interest thereon, and that under existing law, interest on the Note is excluded from the gross income of the owners of the Note for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended. The obligations hereunder to deliver or accept the Note shall be further conditioned on the availability to the Successful Bidder and delivery at the time of delivery of the Note of certificates in form and tenor satisfactory to Bond Counsel evidencing the proper execution and delivery of the Note and receipt of payment therefor and including a statement, dated as of the date of such delivery, to the effect that, except as set forth in the Official Statement, there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened relating to the Note.

Matters relating to the "issue price" of the Note, including the form of certificate to be delivered by the Successful Bidder to the County, shall be in the form acceptable to Gibbons P.C., Bond Counsel to the County.

The County, by accepting the proposal submitted by the Successful Bidder, (a) certifies to the Successful Bidder, as of the date of acceptance of such proposal, that the Preliminary Official Statement distributed in connection with the sale of the Note (the “Preliminary Official Statement”) has been “deemed final” as of its date by the County for purposes and within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”), except for certain omissions permitted thereunder, (b) agrees to provide the Successful Bidder, in order to permit the Successful Bidder to comply with Rule 15c2-12, with up to 50 copies in total of the Official Statement within the period of time allowed under Rule 15c2-12, at the sole cost and expense of the County, with any additional copies that the Successful Bidder shall reasonably request to be provided at the sole cost and expense of the Successful Bidder, and (c) in order to assist the Successful Bidder in complying with Rule 15c2-12, agrees to undertake to provide certain continuing disclosure as further described in the Preliminary Official Statement. The Successful Bidder, by executing the proposal, agrees to provide, upon receipt of the Official Statement from the County, a copy of the Official Statement (with any required forms) to the Municipal Securities Rulemaking Board (the “MSRB”) or its designee pursuant to MSRB Rule G-32 no later than ten business days following the-date of acceptance of its bid. The Successful Bidder shall notify the County of (a) the date which is the “end of the underwriting period” within the meaning of Rule 15c2-12 (which date shall be presumed by the County to be the date of delivery of and payment for the Note unless the County is notified otherwise) and (b) the date on which a copy of the Official Statement is filed with the MSRB or its designee.

Copies of the Preliminary Official Statement and the Notice of Sale may be accessed via the internet at www.GrantStreet.com. A printed version may also be obtained from the Director of Finance at One East Main Street, Finance Department, Freehold, New Jersey 07728-1256 (telephone (732) 431-7391), or from the County’s municipal advisor, Public Resources Advisory Group, 39 Broadway, Suite 1210, New York, New York 10006 (telephone (212) 566-7800).

CRAIG R. MARSHALL
Director of Finance

* Preliminary, subject to adjustment.

Dated: October 14, 2021

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APPENDIX D

**FORMS OF OPINIONS OF GIBBONS P.C., BOND COUNSEL
TO THE COUNTY OF MONMOUTH, NEW JERSEY**

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November __, 2021

Board of County Commissioners
County of Monmouth
Hall of Records
Freehold, New Jersey 07728-1256

Dear Board Members:

We have examined certified copies of the proceedings of the Board of County Commissioners of the County of Monmouth, State of New Jersey (the "County"), including ordinances, affidavits and certificates delivered by officials of the County, and other proofs submitted to us relative to the issuance and sale by the County of its \$105,350,000 aggregate principal amount of General Obligation Bonds, Series 2021A, consisting of \$90,990,000 General Improvement Bonds, Series 2021A (the "Series 2021A-1 Bonds"), \$6,265,000 County Vocational School Bonds, Series 2021A (New Jersey School Bond Reserve Act, P.L. 1980, c. 72) (the "Series 2021A-2 Bonds"), \$3,955,000 County College Bonds, Series 2021A (the "Series 2021A-3 Bonds") and \$4,140,000 County College Bonds, Series 2021A (County College Bond Act, P.L. 1971, c. 12) (the "Series 2021A-4 Bonds", and together with the Series 2021A-1 Bonds, the Series 2021A-2 Bonds and the Series 2021A-3 Bonds, the "Series 2021A Bonds"), dated the date of delivery.

The Series 2021A Bonds are issued pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the New Jersey Statutes (the "Local Bond Law"), and where appropriate, Title 18A, Education of the New Jersey Statutes, as amended (the "Education Law"), a resolution of the Board of County Commissioners adopted on September 23, 2021 and by virtue of various bond ordinances of the County.

The Series 2021A Bonds are dated the date of delivery, bear interest at the interest rates set forth on the inside front cover of the Official Statement relating to the Series 2021A Bonds and mature on January 15 in the principal amounts as set forth below:

<u>Year</u>	<u>Series 2021A-1 Bonds</u>	<u>Series 2021A-2 Bonds</u>	<u>Series 2021A-3 Bonds</u>	<u>Series 2021A-4 Bonds</u>
2022	\$3,500,000	\$250,000	\$160,000	\$410,000
2023	3,500,000	250,000	160,000	410,000
2024	6,105,000	385,000	250,000	415,000
2025	7,000,000	480,000	300,000	415,000
2026	7,000,000	480,000	300,000	415,000
2027	7,000,000	480,000	305,000	415,000
2028	7,000,000	480,000	305,000	415,000
2029	7,000,000	485,000	305,000	415,000
2030	7,000,000	485,000	305,000	415,000
2031	7,000,000	485,000	305,000	415,000
2032	7,000,000	500,000	320,000	
2033	7,000,000	500,000	320,000	
2034	6,160,000	440,000	270,000	
2035	4,360,000	280,000	175,000	
2036	4,365,000	285,000	175,000	

The Series 2021A Bonds are subject to redemption prior to maturity.

We have examined the Local Bond Law, the Education Law and such other laws and originals (or copies certified or otherwise identified to our satisfaction) of such instruments, certificates and documents as we deem necessary to render the opinions set forth herein. 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.

Based upon the foregoing and subject to the qualifications set forth herein, we are of the opinion that:

1. The aforementioned proceedings and proofs show lawful authority for the issuance and sale of the Series 2021A Bonds pursuant to the Local Bond Law, the Education Law and other applicable provisions of law, and that the Series 2021A Bonds have been duly authorized, executed and delivered and are valid and legally binding obligations of the County.

2. The County has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the County for the payment of the principal of and interest on the Series 2021A Bonds, without limitation as to rate or amount.

3. Under existing law, interest on the Series 2021A Bonds is excluded from the gross income of the owners of the Series 2021A Bonds 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 2021A Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax. We express no opinion regarding any other Federal income tax consequences arising with respect to the Series 2021A Bonds.

4. Under existing law, interest on the Series 2021A Bonds and net gains on the sale of the Series 2021A Bonds 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 Series 2021A Bonds in order for interest on the Series 2021A Bonds to be excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code. The County has made certain representations and covenants in its tax certificate, which is executed on the date of issuance of the Series 2021A Bonds, as to various tax requirements. In addition, the County has covenanted to comply with the provisions of the Code applicable to the Series 2021A Bonds and has covenanted not to take any action or fail to take any action to be taken which would cause the interest on the Series 2021A Bonds to lose the exclusion from gross income for Federal income tax purposes under Section 103 of the Code or cause interest on the Series 2021A Bonds 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 certificate and have assumed continuing compliance by the County with the above covenants in rendering our federal tax opinion with respect to the exclusion of interest on the Series 2021A Bonds from gross income for Federal income tax purposes and with respect to interest on the Series 2021A Bonds 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 County 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 Series 2021A Bonds.

Our opinion concerning the enforceability of the Series 2021A Bonds 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

Board of County Commissioners
County of Monmouth
November __, 2021
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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 County 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.

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,

November __, 2021

Board of County Commissioners
County of Monmouth
Hall of Records
Freehold, New Jersey 07728-1256

Dear Board Members:

We have examined certified copies of the proceedings of the Board of County Commissioners of the County of Monmouth, State of New Jersey (the "County"), including ordinances, affidavits and certificates delivered by officials of the County, and other proofs submitted to us relative to the issuance and sale by the County of its \$29,145,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2021B, consisting of \$25,475,000 General Improvement Refunding Bonds, Series 2021B (the "Series 2021B-1 Bonds"), \$1,790,000 Open Space Refunding Bonds, Series 2021B (the "Series 2021B-2 Bonds"), and \$1,880,000 Reclamation Center Utility Refunding Bonds, Series 2021B (the "Series 2021B-3 Bonds," and together with the Series 2021B-1 Bonds and the Series 2021B-2 Bonds, the "Series 2021B Bonds"), dated the date of delivery.

The Series 2021B Bonds are issued pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the New Jersey Statutes (the "Local Bond Law"), a resolution of the Board of County Commissioners adopted on September 23, 2021 and by virtue of a refunding bond ordinance of the County.

The Series 2021B Bonds are dated the date of delivery, bear interest at the interest rates set forth on the inside front cover of the Official Statement relating to the Series 2021B Bonds and mature on January 15 in the principal amounts as set forth below:

<u>Year</u>	<u>Series 2021B-1 Bonds</u>	<u>Series 2021B- 2 Bonds</u>	<u>Series 2021B- 3 Bonds</u>
2023	\$4,950,000	\$345,000	\$365,000
2024	5,025,000	355,000	370,000
2025	5,110,000	360,000	380,000
2026	5,165,000	365,000	380,000
2027	5,225,000	365,000	385,000

The Series 2021B Bonds are not subject to redemption prior to maturity.

We have examined the Local Bond Law and such other laws and originals (or copies certified or otherwise identified to our satisfaction) of such instruments, certificates and documents as we deem necessary to render the opinions set forth herein. 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.

Based upon the foregoing and subject to the qualifications set forth herein, we are of the opinion that:

1. The aforementioned proceedings and proofs show lawful authority for the issuance and sale of the Series 2021B Bonds pursuant to the Local Bond Law and other applicable provisions of law, and that the Series 2021B Bonds have been duly authorized, executed and delivered and are valid and legally binding obligations of the County.

2. The County has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the County for the payment of the principal of and interest on the Series 2021B Bonds, without limitation as to rate or amount.

3. Under existing law, interest on the Series 2021B Bonds is excluded from the gross income of the owners of the Series 2021B Bonds 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 2021B Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax. We express no opinion regarding any other Federal income tax consequences arising with respect to the Series 2021B Bonds.

4. Under existing law, interest on the Series 2021B Bonds and net gains on the sale of the Series 2021B Bonds 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 Series 2021B Bonds in order for interest on the Series 2021B Bonds to be excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code. The County has made certain representations and covenants in its tax certificate, which is executed on the date of issuance of the Series 2021B Bonds, as to various tax requirements. In addition, the County has covenanted to comply with the provisions of the Code applicable to the Series 2021B Bonds and has covenanted not to take any action or fail to take any action to be taken which would cause the interest on the Series 2021B Bonds to lose the exclusion from gross income for Federal income tax purposes under Section 103 of the Code or cause interest on the Series 2021B Bonds 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 certificate and have assumed continuing compliance by the County with the above covenants in rendering our federal tax opinion with respect to the exclusion of interest on the Series 2021B Bonds from gross income for Federal income tax purposes and with respect to interest on the Series 2021B Bonds 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 County 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 Series 2021B Bonds.

Our opinion concerning the enforceability of the Series 2021B Bonds 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 County 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.

Board of County Commissioners
County of Monmouth
November __, 2021
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letter or of laws or judicial decisions hereafter enacted or rendered which impact on this opinion letter.

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,

November __, 2021

Board of County Commissioners
County of Monmouth
Hall of Records
Freehold, New Jersey 07728-1256

Dear Board Members:

We have examined certified copies of the proceedings of the Board of County Commissioners of the County of Monmouth, State of New Jersey (the "County"), including ordinances, affidavits and certificates delivered by officials of the County, and other proofs submitted to us relative to the issuance and sale of \$18,820,000 aggregate principal amount of the County's Reclamation Center Utility Bond Anticipation Note, Series 2021 (the "Note"). The Note is issued in registered form without coupons, is dated the date of delivery, bears interest at the rate of Four and Zero Hundredths Percent (4.00%) per annum and is payable at maturity on November 17, 2022. The Note is issued pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the New Jersey Statutes (the "Local Bond Law"), the various bond ordinances referred to therein each in all respects duly approved and published as required by law, and an award certificate of the Director of Finance executed October 21, 2021.

The Note is a temporary obligation issued in anticipation of the issuance of bonds.

We have examined the Local Bond Law and such other laws and originals (or copies certified or otherwise identified to our satisfaction) of such instruments, certificates and documents as we deem necessary to render the opinions set forth herein. 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.

Based upon the foregoing and subject to the qualifications set forth herein, we are of the opinion that:

1. The aforementioned proceedings and proofs show lawful authority for the issuance and sale of the Note pursuant to the Local Bond Law and other applicable provisions of law, and that the Note has been duly authorized, executed and delivered and is a valid and legally binding obligation of the County.

2. The County has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the County for the payment of the principal of and interest on the Note, without limitation as to rate or amount.

3. Under existing law, interest on the Note is excluded from the gross income of the owners of the Note for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Note is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax. We express no opinion regarding any other Federal income tax consequences arising with respect to the Note.

4. Under existing law, interest on the Note and net gains on the sale of the Note 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 Note in order for interest on the Note to be excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code. The County has made certain representations and covenants in its tax certificate, which is executed on the date of issuance of the Note, as to various tax requirements. In addition, the County has covenanted to comply with the provisions of the Code applicable to the Note and has covenanted not to take any action or fail to take any action to be taken which would cause the interest on the Note to lose the exclusion from gross income for Federal income tax purposes under Section 103 of the Code or cause interest on the Note 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 certificate and have assumed continuing compliance by the County with the above covenants in rendering our federal tax opinion with respect to the exclusion of interest on the Note from gross income for Federal income tax purposes and with respect to interest on the Note 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 County 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 Note.

Our opinion concerning the enforceability of the Note 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 County 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.

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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