

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 2020 Note (as defined herein) is excluded from the gross income of the owners of the Series 2020 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 Series 2020 Note 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 2020 Note and net gains from the sale of the Series 2020 Note are exempt from the tax imposed by the New Jersey Gross Income Tax. See “TAX MATTERS” herein.

COUNTY OF MONMOUTH
New Jersey
\$19,500,000 Reclamation Center Utility Bond Anticipation Note, Series 2020
(Callable)
Interest Rate: 0.30%
Yield: 0.29%
CUSIP No.*: 609561JS5

Dated: Date of Delivery

Due: December 27, 2021

The \$19,500,000 Reclamation Center Utility Bond Anticipation Note, Series 2020 (the “Series 2020 Note”) is being issued by the County of Monmouth, New Jersey (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 The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2020 Note. Individual purchases will be made in book-entry form (without certificates) through DTC Participants (as defined herein) in the principal amount of \$5,000 each or any integral multiple thereof. The Series 2020 Note shall be dated and bear interest from its date of delivery, shall mature on December 27, 2021, shall bear interest at the rate of interest set forth above, 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 2020 Note, principal of and interest (payable on December 27, 2021 to the registered owners of the Series 2020 Note as of December 20, 2021), on the Series 2020 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 (as defined herein), will be responsible for remitting such payments to the Beneficial Owners (as defined herein) of the Series 2020 Note. See “OTHER INFORMATION - The DTC Book-Entry-Only System.”

The Series 2020 Note is 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 various ordinances of the County, to temporarily finance and refinance specified reclamation center utility improvements and to pay the costs of issuance with respect to the Series 2020 Note.

The Series 2020 Note is subject to redemption prior to maturity as set forth herein. See “DESCRIPTION OF THE SERIES 2020 NOTE – Optional Redemption Provisions.”

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 2020 Note. The Series 2020 Note will be a valid and binding general obligation of the County, payable as to principal of and interest from the levy of *ad valorem* taxes upon all taxable property within the County, without limitation as to rate or amount.

The issuance of the Series 2020 Note is subject to the approving legal opinion of Gibbons P.C., Newark, New Jersey, Bond Counsel to the County, and certain other conditions described herein. It is anticipated that the Series 2020 Note will be available for delivery through the facilities of DTC on or about December 28, 2020, in New York, New York, or at such other place and time as may be agreed to by the County.

Dated: December 17, 2020

* CUSIP is a registered trademark of American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by S&P Global Market Intelligence. The CUSIP number listed above are being provided solely for the convenience of holders of the Series 2020 Note only at the time of issuance of the Series 2020 Note and the County does not make any representation with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2020 Note as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to the Series 2020 Note.

COUNTY OF MONMOUTH
STATE OF NEW JERSEY

BOARD OF CHOSEN FREEHOLDERS

Thomas A. Arnone	Director of the Board
Susan M. Kiley	Deputy Director
Lillian G. Burry	Freeholder
Patrick Impreveduto	Freeholder
Nick DiRocco	Freeholder

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 Chosen Freeholders

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 2020 Note, other than those contained in this Official Statement, in connection with the offering of the Series 2020 Note. 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 2020 Note 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 2020 Note 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 purchaser or the holders of any of the Series 2020 Note. 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.

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COUNTY OF MONMOUTH, NEW JERSEY

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

Relating to its

\$19,500,000 Reclamation Center Utility Bond Anticipation Note, Series 2020

I. DESCRIPTION OF THE SERIES 2020 NOTE

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 \$19,500,000 aggregate principal amount of the County’s Reclamation Center Utility Bond Anticipation Note, Series 2020 (the “Series 2020 Note”), dated the date of delivery.

The Series 2020 Note is 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”). The Series 2020 Note has been authorized by various ordinances duly adopted by the County. The Series 2020 Note will be a general obligation of the County, whose full faith and credit are pledged to the payment of the principal of and interest on the Series 2020 Note, 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 2020 Note will be dated the date of delivery, and will mature on December 27, 2021 in the amount set forth on the front cover page hereof. The Series 2020 Note will bear interest, calculated on the basis of a 360-day year of twelve 30-day months, payable on the maturity date.

Denomination and Place of Payment

The Series 2020 Note 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 2020 Note under its book-entry-only system (the “DTC Book-Entry-Only System”). An individual purchaser (the “Beneficial Owner”) may purchase a Series 2020 Note 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 2020 Note, the principal of and interest on, the Series 2020 Note 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 December 20, 2021 (the “Record Date” for the payment of interest on the Series 2020 Note). See “OTHER INFORMATION - The DTC Book-Entry-Only System” herein.

Optional Redemption Provisions

The Series 2020 Note shall be subject to redemption prior to maturity, on or after July 1, 2021, at the option of the County, either in whole or in part, on any date, at a redemption price equal to 100% of the principal amount thereof (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 2020 Note 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 2020 Note, notices of redemption shall be sent to such depository and shall not be sent to the beneficial owners of the Series 2020 Note, 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 2020 Note of a maturity, such Series 2020 Note shall be selected by lot. If notice of redemption has been given as described herein, the Series 2020 Note, 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 2020 Note redeemed.

Authorization

The Series 2020 Note has been authorized and is to be issued in accordance with the Local Bond Law and various ordinances adopted by the Board of Chosen Freeholders of the County. The ordinances included in the sale of the Series 2020 Note 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 2020 Note by the County.

Security for the Series 2020 Note

The Series 2020 Note is a general obligation of the County whose full faith and credit are pledged to the payment of the principal of 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 2020 Note.

Purpose of the Issue

<u>Project</u>	<u>Amount of Series 2020 Note Originally Authorized</u>	<u>Amount of Series 2020 Note Issued</u>	<u>Adoption Dates</u>
Reclamation Center Utility Improvements (Ord. No. 19-01)	\$ 7,550,000	\$ 7,485,000	March 18, 2019
Reclamation Center Utility Improvements (Ord. No. 19-05)	4,050,000	4,015,000	July 11, 2019
Reclamation Center Utility Improvements (Ord. No. 20-02)	8,000,000	8,000,000	May 14, 2020
TOTAL	\$11,600,000	\$19,500,000	

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 Chosen Freeholders 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 Chosen Freeholders

		<u>Expiration of Term</u>
Thomas A. Arnone	Freeholder Director	January 2023
Susan M. Kiley	Freeholder Deputy Director	January 2022
Lillian G. Burry	Freeholder	January 2021
Patrick Impreveduto	Freeholder	January 2021
Nick DiRocco	Freeholder	January 2023

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 Chosen Freeholders

Reclamation Center Utility

On February 14, 1985, 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 (2013-2019)” 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 407,180.44 tons during 2019 and, at current monthly deliveries, is expected to accept a similar amount during 2020. 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.

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 dollar trucking contract with a net savings of about 2 million dollars 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. Currently, the County has 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.

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 submitted requests for financial assistance from FEMA in the amount of \$18,389,061.09 of which approximately 90% of such requests, \$16,470,896.75, will be reimbursed to the County. As of November 20, 2020, \$15,165,831.77 has been paid by FEMA and received by the County. Of the \$1,305,064.98 that has not been paid, \$484,171.57 is for three projects that have been set up as grants, of which two are going through the closeout process. The remaining \$820,893.41 is spread over eight open projects, of which six 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 Chosen Freeholders 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 2020 is 2.5%. 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>
2016	\$112,478,483,831	97.09	\$115,845,375,051	0.261089363
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

Source: Abstract of Ratables County of Monmouth

DISTRIBUTION OF ASSESSED VALUATION

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Vacant Land	\$ 1,656,038,100	\$ 1,704,290,300	\$ 1,826,612,900	\$ 1,815,041,000	\$ 1,824,482,600
Residential	93,584,519,380	96,796,150,985	99,989,649,035	103,536,016,545	106,658,071,249
Farm Regular	911,677,700	888,484,900	899,778,600	916,202,100	913,977,900
Farm Qualified	28,064,500	27,434,600	27,493,600	27,514,800	26,841,400
Commercial	12,886,553,850	13,075,752,350	13,345,094,550	13,690,626,721	14,105,100,171
Industrial	1,171,424,500	1,148,978,100	1,160,418,900	1,160,841,300	1,172,164,400
Apartments	<u>2,159,846,000</u>	<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>\$112,398,124,030</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>

Source: Abstract of Ratables, County of Monmouth.

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, 2019**

<u>Owner of Record</u>	<u>Property Location</u>	<u>2019 Total Assessed Value</u>	<u>2019 Tax Rate Per \$100</u>	<u>Total 2019 Taxes</u>
1 Freehold Mall	Freehold Township	\$512,853,400	2.139	\$10,969,934
2 Monmouth Mall	Eatontown	234,104,600	2.277	5,330,562
3 AT&T Corporate Park	Middletown	176,603,900	2.112	3,729,874
4 Assisted Living Facility	Tinton Falls	179,612,000	1.933	3,471,900
5 Jersey Shore Premium Outlets	Tinton Falls	175,000,000	1.933	3,382,750
6 Pier Village Urban Renewal Co	Long Branch	132,620,000	2.102	2,787,672
7 New Jersey Sports & Exposition Authority	Oceanport	109,907,700	1.801	1,979,438
8 Avalon Bay Apartments	Freehold Township	66,726,700	2.139	1,427,284
9 Shopping Center – Town Center	Holmdel	67,839,000	2.029	1,376,453
10 Woodshire Apartments	Ocean Township	68,408,100	1.986	1,358,585
11 Shopping Center – The Grove	Shrewsbury Boro	62,013,300	2.145	1,330,185
12 Seaview Square Mall	Ocean Township	66,120,300	1.986	1,313,149

Source: Monmouth County Board of Taxation (June 1, 2020).

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 Freeholders.

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 2019 independent auditor, for the calendar year ending December 31, 2019 appears in Appendix A to this Official Statement.

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues and Other Additions:					
Fund Balance Utilized	\$ 40,000,000	\$ 45,850,000	\$ 43,500,000	\$ 40,000,000	\$ 37,000,000
Miscellaneous Revenue					
Anticipated	195,744,029	146,081,882	151,046,425	148,373,068	181,339,235
Miscellaneous Revenue Not					
Anticipated	39,307,221	13,305,469	12,916,515	14,781,801	15,596,664
Receipts from Current Taxes	307,000,000	302,475,000	302,475,000	304,000,000	305,500,000
Other Credits to Revenue	580,491	41,386	14,714	42,324	27,455
Unexpended Balance of					
Appropriations Lapsed	<u>17,361,453</u>	<u>13,840,752</u>	<u>13,243,978</u>	<u>14,720,129</u>	<u>11,490,726</u>
 Total Revenues and Other Additions	 \$599,993,194	 \$521,594,489	 \$523,196,632	 \$521,917,322	 \$550,954,080
 Expenditures:					
Budget Appropriations*	\$534,259,845	\$485,502,487	\$487,330,392	\$486,798,751	\$515,783,684
Other Charges	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
 Total Expenditures	 \$534,259,845	 \$485,502,487	 \$487,330,392	 \$486,798,751	 \$515,783,684
 Excess in Revenue	 65,733,349	 36,092,002	 35,866,240	 35,118,571	 35,170,396
Adjustment to Income Before					
Surplus: Emergency	--	--	--	--	--
Authorization					
 Fund Balance, January 1	 <u>66,428,207</u>	 <u>92,161,556</u>	 <u>82,403,558</u>	 <u>74,769,798</u>	 <u>69,888,369</u>
	132,161,556	128,253,558	118,269,798	109,888,369	105,058,765
Decreased by:					
Utilized as Anticipated Revenue	<u>40,000,000</u>	<u>45,850,000</u>	<u>43,500,000</u>	<u>40,000,000</u>	<u>37,000,000</u>
 Fund Balance, December 31	 <u>\$92,161,556</u>	 <u>\$82,403,558</u>	 <u>\$74,769,798</u>	 <u>\$69,888,369</u>	 <u>\$68,058,765</u>
 Fund Balance, as a percentage of Total Expenditures	 17.25%	 16.97%	 15.34%	 14.36%	 13.20%
 * Paid or Charged	 \$518,982,046	 \$472,705,464	 \$472,710,920	 \$475,241,517	 \$505,709,989
Appropriation Reserves	15,013,215	12,797,023	14,619,472	11,557,234	10,073,695
Current Appropriations Cancelled	<u>264,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	\$534,259,845	\$485,502,487	\$487,330,392	\$486,798,751	\$515,783,684

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 13.20% in 2019 to a high of 17.25% in 2015, while the tax levy has remained stable.

FIVE YEAR SUMMARY OF CURRENT FUND BUDGET AND ACTUAL RESULTS

	2015		2016		2017		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:										
County Clerk	\$ 11,078,959	\$ 12,224,730	\$ 11,972,549	\$ 13,470,051	\$ 13,416,846	\$ 14,618,090	\$ 14,288,512	\$ 15,705,376	\$ 14,950,976	\$ 14,803,830
Interest on Investments	1,050,000	1,039,305	1,000,000	1,588,002	1,585,000	2,064,117	2,060,000	4,517,779	4,500,000	4,458,853
Parks & Recreation	6,989,167	7,537,165	7,277,604	7,434,300	7,392,254	7,395,928	7,384,897	6,708,967	6,670,325	7,867,355
Medical Homes	18,475,000	18,261,999	1,710,000	1,711,535	0	0	0	0	0	0
Division of Social Services	20,896,191	23,415,905	22,501,552	25,224,535	22,535,294	23,393,550	22,507,250	21,187,615	20,534,896	21,886,218
State of N.J. - Social Service Reimbursement	30,566,603	30,687,545	28,983,244	28,983,244	0	0	0	0	0	0
State of N.J. - Inmate Reimbursement	20,000	62,078	20,000	47,920	20,000	43,096	40,000	33,543	33,000	27,562
State of N.J. - Remaining Aid	2,242,519	2,447,794	2,013,840	2,152,797	2,036,498	2,111,197	1,913,044	1,833,876	1,676,168	1,730,311
State & Federal Grants	56,273,607	56,273,607	22,505,116	22,505,116	49,770,891	49,770,891	46,866,745	46,866,745	75,788,327	75,788,327
Miscellaneous Revenue	39,667,799	83,101,122	39,193,582	56,269,851	44,598,609	64,566,071	47,738,303	66,300,968	49,129,993	70,373,443
Fund Balance Utilized	40,000,000	40,000,000	45,850,000	45,850,000	43,500,000	43,500,000	40,000,000	40,000,000	37,000,000	37,000,000
County Tax Levy	<u>307,000,000</u>	<u>307,000,000</u>	<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>
TOTAL REVENUES	\$534,259,845	\$582,051,250	\$485,502,487	\$507,712,351	\$487,330,392	\$509,937,940	\$486,798,751	\$507,154,869	\$515,783,685	\$539,435,899
Appropriations:										
General Government	\$ 27,456,375	\$ 26,280,330	\$ 30,056,715	\$ 28,290,314	\$ 29,922,184	\$ 28,533,466	\$ 30,153,402	\$ 29,122,935	\$ 28,632,571	\$ 27,439,466
Land Use Administration	1,068,599	1,029,190	1,110,151	1,018,443	1,070,607	1,035,368	1,162,022	1,143,317	1,199,946	1,136,978
Code Enforcement	305,628	302,179	313,286	312,959	288,178	279,845	301,590	297,315	307,984	307,182
Insurance	62,200,000	58,744,029	61,735,504	59,729,706	61,562,000	58,578,409	58,873,000	56,636,217	58,714,700	56,989,141
Public Safety	93,066,685	91,659,817	95,268,800	92,216,083	96,944,567	94,755,215	97,869,315	95,542,923	98,543,015	96,983,600
Public Works & Engineering	35,151,256	34,392,266	32,850,403	31,842,707	33,550,494	32,853,545	37,998,055	37,426,352	35,955,096	35,317,499
Health & Human Services	96,991,651	91,099,514	75,155,450	73,139,492	46,522,038	41,953,169	43,762,063	41,000,113	44,527,007	42,039,223
Parks & Recreation	18,640,589	18,300,182	19,048,673	18,845,740	20,343,800	19,287,238	20,196,458	19,968,894	20,807,066	20,573,826
Education	37,552,595	37,465,762	37,541,193	37,460,442	37,547,918	37,450,011	37,555,887	37,480,414	37,481,565	37,407,652
Other Common Operating/Contingent	761,357	697,050	760,352	636,310	1,001,040	867,829	1,030,701	933,742	414,370	164,560
Utility Expenses	10,700,000	10,519,733	9,570,000	9,257,855	9,750,000	9,411,241	9,945,000	9,163,980	9,945,000	9,203,081
Statutory Expenditures	36,138,000	34,979,728	36,850,000	35,676,996	36,500,000	36,124,531	37,425,000	36,773,574	39,875,000	39,352,313
State & Federal Grants	57,323,607	57,007,412	23,555,116	22,817,392	50,820,891	50,208,511	47,916,745	47,325,030	76,838,327	76,386,535
Capital Improvements	2,250,000	2,115,935	3,550,000	3,324,181	3,550,000	3,415,867	3,550,000	3,367,198	3,550,000	3,416,895
Debt Service	54,653,503	54,388,919	58,136,844	58,136,844	57,956,675	57,956,675	59,059,513	59,059,513	58,992,038	58,992,038
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	\$534,259,845	\$518,982,046	\$485,502,487	\$472,705,464	\$487,330,392	\$472,710,920	\$486,798,751	\$475,241,517	\$515,783,685	\$505,709,989
Excess in Revenues										
Less Appropriation Reserve		\$63,069,204		\$35,006,887		\$37,227,020		\$31,913,352		\$33,725,910
Less Cancellation – Current Yr Approp		15,013,215		11,589,217		14,619,472		11,557,234		10,073,695
Excess in Revenues, Net		<u>264,584</u>		<u>-0-</u>		<u>-0-</u>		<u>-0-</u>		<u>-0-</u>
		\$47,791,405		\$23,417,670		\$22,607,548		\$20,356,118		\$23,652,215
Other Credits/(Debits) to Income:										
Unexpended Balance of Previous Year										
Appropriation Reserve		\$17,361,453		\$12,632,946		\$13,243,978		\$14,720,129		\$11,490,726
Emergency Authorization		-0-		-0-		-0-		-0-		-0-
Other		<u>580,491</u>		<u>41,386</u>		<u>14,714</u>		<u>42,324</u>		<u>27,455</u>
Total Excess in Revenues, Net + Other Credits to Income		\$65,733,349		\$36,092,002		\$35,866,240		\$35,118,571		\$35,170,396
Fund Balance, Beginning of Year		<u>\$26,428,207</u>		<u>\$46,311,556</u>		<u>\$38,903,558</u>		<u>\$34,769,798</u>		<u>\$32,888,369</u>
Fund Balance, End of Year		<u>\$92,161,556</u>		<u>\$82,403,558</u>		<u>\$74,769,798</u>		<u>\$69,888,369</u>		<u>\$68,058,765</u>

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

	<u>2019⁽¹⁾</u>	<u>2020⁽²⁾</u>
Anticipated Revenues:		
Fund Balance Utilized	\$ 37,000,000	\$ 36,500,000
State Aid	19,074,064	20,751,829
State and Federal Grants	9,604,642	7,778,461
Miscellaneous Revenue	78,421,294	76,269,710
County Tax Levy	<u>305,500,000</u>	<u>311,500,000</u>
Total Anticipated Revenues	<u>\$449,600,000</u>	<u>\$452,800,000</u>
Appropriations:		
Operations	\$347,232,962	\$347,635,388
Capital Improvements	3,550,000	3,550,000
Debt Service	58,992,038	61,304,612
Pension Contributions and Social Security Taxes	<u>39,825,000</u>	<u>40,310,000</u>
Total Appropriations	<u>\$449,600,000</u>	<u>\$452,800,000</u>

(1) The 2019 County Budget was adopted by the Board of Chosen Freeholders on March 18, 2019.

(2) The 2020 County Budget was adopted by the Board of Chosen Freeholders on April 7, 2020.

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUES					
Fund Balance	\$16,075,000	\$ 8,225,000	\$ 8,755,000	\$ 6,640,000	\$ 3,495,000
Grant	456,000	544,616	551,782	501,620	472,956
Utility Fees	25,033,765	25,820,396	26,052,294	28,651,992	30,457,614
Reclamation Center Capital					
Fund Balance	--	--	--	3,465,000	--
Gas to Energy Utility					
Receipts	--	--	--	--	681,099
Interest on Investments	--	--	--	--	528,670
Miscellaneous Revenue					
Not Anticipated	1,251,108	1,152,223	1,247,465	1,245,434	147,221
Other Income	4,315	--	57,113	--	146
Unexpended Appropriations	4,249,082	3,914,703	4,007,190	1,296,572	2,361,505
Total Revenue	<u>\$47,069,270</u>	<u>\$39,656,938</u>	<u>\$40,670,844</u>	<u>\$41,800,618</u>	<u>\$38,144,211</u>
EXPENDITURES					
Operations with Reserves	\$35,300,702	\$28,067,308	\$31,546,036	\$32,695,438	\$32,013,299
Other Expenditures and Commitments	--	--	--	3,200,000	--
Total Expenditures	<u>\$35,300,702</u>	<u>\$28,067,308</u>	<u>\$31,546,036</u>	<u>\$35,895,438</u>	<u>\$32,013,299</u>
Net Revenues	<u>\$11,768,568</u>	<u>\$11,589,630</u>	<u>\$9,124,808</u>	<u>\$5,905,180</u>	<u>\$6,130,912</u>
Debt Service	<u>3,155,298</u>	<u>3,702,308</u>	<u>3,580,746</u>	<u>2,406,182</u>	<u>2,334,657</u>
Change in Fund Balance	\$ 8,613,270	\$ 7,887,322	\$ 5,544,062	\$ 3,498,998	\$ 3,796,255
Fund Balance, January 1	<u>\$17,650,974</u>	<u>\$10,189,244</u>	<u>\$ 9,851,566</u>	<u>\$ 6,640,628</u>	<u>\$ 3,499,626</u>
	\$26,264,244	\$18,076,566	\$15,395,628	\$10,139,626	\$7,295,881
Utilized as Revenue	<u>16,075,000</u>	<u>8,225,000</u>	<u>8,755,000</u>	<u>6,640,000</u>	<u>3,495,000</u>
Fund Balance, December 31	<u><u>\$10,189,244</u></u>	<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>

Anticipated Capital Needs

The Board of Chosen Freeholders annually adopts a six-year capital improvement program setting forth its anticipated capital expenditures during that period. The program originally adopted on April 7, 2020, and subsequently amended, by the Board of Chosen Freeholders on April 21, 2020, July 9, 2020 and November 24, 2020, calls for expenditures of \$455,864,000 through the year 2025. Of this \$455,864,000 total, \$26,809,000 is anticipated to be paid from cash down payment and other funds; the remaining \$429,055,000 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 Chosen Freeholders 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 November 15, 2020, is presented in the table below:

<u>Type of Security</u>	<u>Amount</u>	<u>Percent</u>
Bank Money Market Accounts	\$352,138,692.09	98.6%
Taxable Bond/Tax Anticipation Notes ⁽¹⁾	4,877,475.00	1.4

(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 \$25,071,351 for 2018, \$27,247,808 for 2019, and \$26,995,566 for 2020 as of November 20, 2020.

Debt and Financial Management Policies

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 December 4, 2020 is 0.3794% 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 \$11,500,000 issued on December 30, 2019, bearing interest at 2.00% and maturing on December 29, 2020, which amount is expected to be refunded by the Series 2020 Note (the Series 2020 Note shall also provide for the financing of certain unfunded reclamation center improvements in the amount of \$8,000,000).

COUNTY OF MONMOUTH
STATEMENT OF STATUTORY NET DEBT AS OF DECEMBER 4, 2020
(Unaudited)

GROSS DEBT:		
General Bonds Issued and Outstanding		\$321,285,000.00
Open Space Bonds Issued and Outstanding		16,830,000.00
Self-Liquidating Utility		14,735,000.00
County College Bonds Issued and Outstanding		19,645,000.00
County Vocational Bonds/Notes Issued and Outstanding		18,315,000.00
Installment Purchase Agreement Notes Payable		<u>2,655,000.00</u>
		\$393,465,000.00

BONDS/NOTES AUTHORIZED:		
General Improvements:		
Notes Issued	-0-	
Authorized but not Issued	\$885,023,055.00	
Open Space:		
Notes Issued	-0-	
Authorized but not Issued	-0-	
Self-Liquidating Utility:		
Notes Issued	11,500,000.00	
Authorized but not Issued	8,100,000.00	<u>904,623,055.00</u>
TOTAL GROSS DEBT		\$1,298,088,055.00

LESS: STATUTORY DEDUCTIONS:		
Guaranteed Equipment Lease Program - M.C.I.A.	20,775,000.00 ⁽¹⁾	
Guaranteed Govt. Loan Refunding Rev. Bonds - M.C.I.A.	88,400,000.00 ⁽¹⁾	
Guaranteed Pooled Loan Program - M.C.I.A.	512,763,055.00 ⁽¹⁾	
Guaranteed Lease Revenue Bonds - BCC - M.C.I.A.	32,225,000.00 ⁽¹⁾	
Guaranteed Lease Rev. Refunding Bonds - Asbury Park - M.C.I.A.	1,815,000.00 ⁽¹⁾	
Guaranteed Govt. Loan Project Notes-FMERA - M.C.I.A.	23,660,000.00 ⁽¹⁾	
Guaranteed Govt. Pooled Loan Project Notes - M.C.I.A.	72,270,000.00 ⁽¹⁾	
County College Bonds (Issued and ABNI)	11,405,000.00 ⁽²⁾	
Self-Liquidating Utility (Issued and ABNI)	34,335,000.00 ⁽³⁾	
Open Space Acquisition Bonds	16,830,000.00 ⁽⁴⁾	
IPA Cash on Hand (as of October 31, 2020)	2,027,021.82 ⁽⁵⁾	
Reserve for Care Center Debt Service Cash on Hand	1,560,000.00 ⁽⁵⁾	
		<u>818,065,076.82</u>
STATUTORY NET DEBT		<u>\$480,022,978.18</u>

Three-Year Average (2017-2019)		
Equalized Valuation of Real Property (Pursuant to N.J.S.A. 15:1-35.1)		\$126,514,702,435.33
Net Debt Expressed as a Percentage of Average Equalized Valuation of Real Property		0.3794%
Debt Limitation Per N.J.S.A. 40A:2-6 (Counties) 2% of Three-Year Average Equalized Valuation		\$2,530,294,048.70
Total Net Debt		<u>480,022,978.18</u>
Remaining Net Debt Capacity		\$2,050,271,070.52

(1) The County has unconditionally guaranteed \$20,775,000 M.C.I.A. Capital Equipment Pooled Lease Revenue Bonds, \$88,400,000 M.C.I.A. Governmental Loan Refunding Revenue Bonds, \$451,250,000 M.C.I.A. Governmental Pooled Loan Revenue Bonds, \$32,225,000 M.C.I.A. Lease Revenue Bonds For Brookdale Community College, \$1,815,000 M.C.I.A. Lease Revenue Refunding Bonds For Asbury Park, \$22,185,000 M.C.I.A. Governmental Loan Project Notes – FMERA and \$72,270,000 M.C.I.A. Governmental Pooled Loan Project Notes which are outstanding. The County has also unconditionally guaranteed \$1,475,000 Government Loan Project Notes – FMERA, and \$61,513,055 M.C.I.A. Governmental Pooled Loan Revenue Bonds which have not yet been sold as of December 4, 2020. 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)).

**COUNTY OF MONMOUTH
SCHEDULE OF DEBT SERVICE**

DECEMBER 31, 2019

<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>
2020	\$41,575,000.00	\$13,095,115.40	\$3,275,000.00	\$823,406.64	\$1,780,000.00	\$756,089.59	\$46,630,000.00	\$14,674,611.63	\$61,304,611.63
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>\$362,860,000.00</u>	<u>\$85,741,619.15</u>	<u>\$22,920,000.00</u>	<u>\$5,388,156.64</u>	<u>\$20,095,000.00</u>	<u>\$5,699,939.59</u>	<u>\$405,875,000.00</u>	<u>\$96,829,715.38</u>	<u>\$502,704,715.38</u>

**COUNTY OF MONMOUTH
SCHEDULE OF DEBT SERVICE**

DECEMBER 31, 2019

<u>Year</u>	<u>Open Space</u>	<u>Open Space</u>	<u>Total Open</u>	<u>Reclamation</u>	<u>Reclamation</u>	<u>Total</u>	<u>Total Debt</u>
	<u>Principal</u>	<u>Interest</u>	<u>Space</u>	<u>Center</u>	<u>Center</u>	<u>Reclamation</u>	<u>Service Including</u>
				<u>Principal</u>	<u>Interest</u>	<u>Center</u>	<u>Open Space &</u>
							<u>Reclamation</u>
2020	\$5,575,000.00	\$734,437.50	\$6,309,437.50	\$1,665,000.00	\$627,510.00	\$2,292,510.00	\$69,906,559.13
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>\$22,405,000.00</u>	<u>\$2,915,362.50</u>	<u>\$25,320,362.50</u>	<u>\$16,400,000.00</u>	<u>\$3,436,360.00</u>	<u>\$19,836,360.00</u>	<u>\$547,861,437.88</u>

V. DEBT ANALYSIS

	December 31, <u>2015⁽¹⁾</u>	December 31, <u>2016⁽¹⁾</u>	December 31, <u>2017⁽¹⁾</u>	December 31, <u>2018⁽¹⁾</u>	December 31, <u>2019⁽¹⁾</u>
Full Valuation Per Capita	\$178,443.00	\$178,430.00	\$184,105.00	\$190,022.00	\$196,436.00
County Net Debt as a Percentage of Full Value	0.39%	0.41%	0.40%	0.40%	0.41%
County Net Debt Per Capita	\$693.54	\$723.88	\$733.43	\$769.56	\$812.46
Overlapping Net Debt as a Percentage of Full Value	1.67%	1.63%	1.68%	1.69%	1.73%
Overlapping Net Debt Per Capita	\$2,981.89	\$2,910.34	\$3,098.54	\$3,212.06	\$3,393.28

⁽¹⁾ Per capita figures for 2015 through 2019 utilizing 2010 Census Data.

COUNTY OF MONMOUTH
GROSS DEBT AND NET DEBT OF CONSTITUENT MUNICIPALITIES
December 31, 2019

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Aberdeen Township	\$21,424,090.00	\$18,910,535.00	\$52,678,704.00	\$21,424,090.00	\$18,910,535.00	\$21,757,007.00	\$30,921,697.00	\$2,322,385,402.00	1.3315%
Allenhurst Borough	0.00	548,000.00	6,566,251.00	0.00	548,000.00	0.00	6,566,251.00	6677,812,734.00	10.9687
Allentown Borough	56,687,253.00	89,523,684.00	2,794,383.00	56,687,253.00	89,523,684.00	80.00	2,794,383.00	2197,027,302.00	1.4183
Asbury Park City	0.00	238,733,094.00	337,467,146.00	0.00	236,801,734.00	65,170,298.00	334,228,208.00	1,730,850,083.00	21.9775
Atlantic Highlands Borough	4,059,734.00	19,299,085.00	10,193,864.00	4,059,734.00	16,933,419.00	0.00	112,559,530.00	8885,222,214.00	1.4188
Avon-By-The-Sea Borough	5,225,000.00	2,521,150.00	3,617,700.00	5,225,000.00	2,521,150.00	10.00	13,617,700.00	1,045,088,152.00	0.3462
Belmar Borough	1890,000.00	125,857,177.00	130,995,500.00	1890,000.00	125,857,177.00	0.00	130,995,500.00	1,771,111,165.00	1.7501
Bradley Beach Borough	7638,000.00	5,359,000.00	4,385,405.00	7638,000.00	5,359,000.00	0275,750.00	54,109,655.00	1,326,375,783.00	0.3098
Brielle Borough	1800,000.00	510,585,441.00	3,502,406.00	1800,000.00	510,585,441.00	0.00	3,502,406.00	1,543,850,526.00	0.2269
Colts Neck Township	111,722,930.00	0.00	116,829,120.00	111,722,930.00	0.00	1,116,983.00	115,712,137.00	3,055,169,137.00	0.5143
Deal Borough	0.00	60.00	21,252,642.00	0.00	60.00	0.00	21,252,642.00	2,541,631,394.00	0.0493
Eatontown Borough	127,144,891.00	0.00	116,783,850.00	127,144,891.00	0.00	2,068,850.00	14,715,000.00	2,315,083,524.00	0.6356
Englishtown Borough	1,053,862.00	4455,000.00	1,876,177.00	1,053,862.00	4455,000.00	0.00	1,876,177.00	2257,913,604.00	0.7274
Fair Haven Borough	824,132,592.00	0.00	814,749,478.00	824,132,592.00	0.00	164,190.00	814,685,288.00	1,745,678,446.00	0.8412
Farmingdale Borough	4,674,802.00	1979,072.00	51,174,159.00	4,674,802.00	1979,072.00	095,500.00	71,078,659.00	1160,222,788.00	0.6732
Freehold Borough	18,695,372.00	514,169,300.00	815,304,800.00	18,695,372.00	514,169,300.00	87,614,800.00	87,690,000.00	1,084,129,030.00	0.7093
Freehold Township	335,168,555.00	116,788,796.00	667,115,750.00	335,168,555.00	116,788,796.00	2,404,532.00	564,711,218.00	6,612,250,440.00	0.9787
Hazlet Township	442,964,000.00	0.00	116,717,157.00	442,964,000.00	0.00	0.00	116,717,157.00	2,587,588,051.00	0.6461
Highlands Borough	32,085,266.00	10,282,549.00	12,297,968.00	32,085,266.00	10,282,549.00	0.00	12,297,968.00	6670,091,230.00	1.8353

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Holmdel Township	444,833,000.00	420,000.00	337,414,438.00	444,833,000.00	420,000.00	70.00	237,414,438.00	4,267,307,615.00	0.8768
Howell Township	221,896,362.00	17,504,557.00	777,674,143.00	221,896,362.00	17,504,557.00	6,444,000.00	671,230,143.00	7,422,804,686.00	0.9596
Interlaken Borough	0.00	0.00	1,461,633.00	0.00	0.00	0.00	1,461,633.00	2293,488,294.00	0.4980
Keansburg Borough	0.00	47,152,661.00	121,356,575.00	0.00	47,152,661.00	09,610,794.00	111,745,781.00	5548,010,612.00	2.1433
Keyport Borough	117,230,000.00	111,854,245.00	10,889,318.00	117,230,000.00	111,854,245.00	40.00	10,889,318.00	7732,468,701.00	1.4867
Lake Como Borough	0.00	5,228,758.00	3683,500.00	0.00	5,228,758.00	0.00	3683,500.00	4415,071,489.00	0.1647
Little Silver Borough	910,346,800.00	0.00	47,927,798.00	910,346,800.00	0.00	0.00	47,927,798.00	1,747,413,265.00	0.4537
Loch Arbour Village	0.00	0.00	1,421,261.00	0.00	0.00	30.00	1,421,261.00	1158,950,077.00	0.8942
Long Branch City	114,095,000.00	0.00	195,161,623.00	114,095,000.00	0.00	2323,811.00	994,837,812.00	45,031,495,487.00	1.8849
Manalapan Township	329,056,842.00	110,000.00	219,384,875.00	329,056,842.00	110,000.00	71,820,000.00	117,564,875.00	67,111,132,602.00	0.2470
Manasquan Borough	125,344,050.00	89,123,042.00	14,982,892.00	125,344,050.00	89,123,042.00	0.00	14,982,892.00	2,222,405,576.00	0.6742
Marlboro Township	61,226,162.00	333,350,420.00	554,804,235.00	61,226,162.00	333,350,420.00	618,217.00	554,786,018.00	7,921,109,147.00	0.6916
Matawan Borough	310,311,910.00	11,628,472.00	121,773,250.00	310,311,910.00	11,628,472.00	24,137.00	121,749,113.00	1,117,817,845.00	1.9457
Middletown Township	550,625,000.00	0.00	459,189,101.00	550,625,000.00	0.00	28,203,687.00	450,985,414.00	111,139,909,689.00	0.4577
Millstone Township	222,265,000.00	0.00	24,600,942.00	222,265,000.00	0.00	9176,382.00	124,424,560.00	1,931,547,706.00	01.2645
Monmouth Beach Borough	32,132,004.00	0.00	112,368,959.00	32,132,004.00	0.00	0.00	112,368,959.00	1,542,234,314.00	0.8020
Neptune City Borough	4,130,000.00	10.00	1,164,762.00	4,130,000.00	10.00	0.00	1,164,762.00	5611,725,160.00	0.1904
Neptune Township	0.00	810,474,556.00	28,110,707.00	0.00	810,474,556.00	20,531.00	28,090,176.00	34,134,088,817.00	0.6795
Ocean Township	329,520,000.00	0.00	333,309,005.00	329,520,000.00	0.00	1,127,289.00	332,181,716.00	45,192,283,106.00	0.6198
Oceanport Borough	335,931,174.00	0.00	336,399,619.00	335,931,174.00	0.00	117,979,673.00	118,419,946.00	1,279,559,778.00	1.4396
Red Bank Borough	917,962,433.00	118,094,755.00	115,435,960.00	917,962,433.00	118,094,755.00	20.00	115,435,960.00	2,277,250,678.00	0.6778

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Roosevelt Borough	3336,000.00	4,489,631.00	4716,250.00	3336,000.00	4,489,631.00	0.00	1716,250.00	889,154,145.00	10.8034
Rumson Borough	411,222,408.00	0.00	111,296,444.00	411,222,408.00	0.00	585.00	111,295,859.00	3,709,740,069.00	0.3045
Sea Bright Borough	1393,204.00	3,746,411.00	9,602,841.00	1393,204.00	3,746,411.00	2338,059.00	9,264,782.00	7801,070,433.00	1.1566
Sea Girt Borough	0.00	87,573,835.00	4,592,165.00	0.00	87,573,835.00	5483,854.00	4,108,311.00	2,524,090,474.00	0.1628
Shrewsbury Borough	5,420,767.00	0.00	7,107,139.00	5,420,767.00	0.00	50.00	7,107,139.00	1,188,974,374.00	0.5978
Shrewsbury Township	7745,641.00	0.00	1,215,994.00	7745,641.00	0.00	184.00	1,215,810.00	52,683,107.00	2.3078
Spring Lake Borough	6155,000.00	121,314,226.00	24,293,887.00	6155,000.00	121,314,226.00	0.00	24,293,887.00	4,254,465,751.00	0.1009
Spring Lake Heights Borough	111,659,000.00	13,155,000.00	34,375,988.00	111,659,000.00	13,155,000.00	8,089.00	34,367,899.00	1,265,262,402.00	0.3452
Tinton Falls Borough	447,492,468.00	0.00	119,120,000.00	447,492,468.00	0.00	1,070,000.00	118,050,000.00	3,355,569,540.00	0.5379
Union Beach Borough	0.00	82,629,172.00	115,214,930.00	0.00	82,629,172.00	0.00	115,214,930.00	5600,754,234.00	2.5326
Upper Freehold Township	344,246,747.00	0.00	220,234,243.00	344,246,747.00	0.00	3,052,500.00	117,181,743.00	1,303,647,049.00	1.3180
Wall Township	110,480,000.00	121,520,140.00	347,314,357.00	110,480,000.00	121,520,140.00	917,413,381.00	329,900,976.00	6,344,169,769.00	0.4713
West Long Branch Borough	18,304,993.00	0.00	110,081,877.00	18,304,993.00	0.00	2426,725.00	19,655,152.00	1,397,565,438.00	0.6909
TOTAL	\$684,728,312.00	\$342,381,764.00	\$1,046,983,171.00	\$684,728,312.00	\$338,084,738.00	\$109,109,806.00	\$942,170,391.00	\$126,514,702,434.00	0.7447%

OTHER COUNTY OBLIGATIONS

Monmouth County Improvement Authority Capital Equipment Pooled Lease Revenue Bonds

The \$11,510,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2011, 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, and the \$14,305,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2019 (the “Pooled Lease Bonds”) are limited obligations of the Authority secured by a pledge of certain property, which includes the Authority’s right to receive payments of principal and interest on bonds issued by the Authority (“Local Unit Bond”) to finance the acquisition of equipment for lease to certain governmental units located within the County (the “Local Units”). The principal and interest on each Local Unit Bond is secured by a pledge of lease payments made by the applicable Local Unit pursuant to the terms and provisions of a lease agreement between the Authority and such Local Unit, with respect to the equipment leased by such Local Unit. Payment of principal and interest on each Local Unit Bond is unconditionally and irrevocably guaranteed by each of the Local Units. In addition, payment of principal and interest on each Local Unit Bond is unconditionally and irrevocably guaranteed by the County. As of December 4, 2020, \$20,775,000 of the bonds were outstanding.

Maturities of Pooled Lease Bonds Outstanding December 4, 2020

<u>Date</u>	<u>Amount</u>
10/1/21	\$4,905,000
10/1/22	4,755,000
10/1/23	3,720,000
10/1/24	3,250,000
10/1/25	1,175,000
10/1/26	925,000
10/1/27	905,000
10/1/28	555,000
10/1/29	585,000

**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 December 4, 2020, \$88,400,000 of the bonds were outstanding.

Maturities of Pooled Loan Refunding Bonds
Outstanding December 4, 2020

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
2/1/2021	\$1,435,000	2/1/2027	\$ 300,000
8/1/2021	2,620,000	8/1/2027	3,810,000
12/1/2021	11,975,000	12/1/2027	790,000
2/1/2022	1,430,000	2/1/2028	305,000
8/1/2022	3,900,000	8/1/2028	3,980,000
12/1/2022	12,090,000	12/1/2028	785,000
2/1/2023	255,000	2/1/2029	315,000
8/1/2023	3,900,000	8/1/2029	3,690,000
12/1/2023	7,875,000	2/1/2030	330,000
2/1/2024	265,000	8/1/2030	2,480,000
8/1/2024	4,055,000	2/1/2031	335,000
12/1/2024	4,960,000	8/1/2031	1,460,000
2/1/2025	275,000	2/1/2032	345,000
8/1/2025	3,665,000	2/1/2033	360,000
12/1/2025	3,950,000	2/1/2034	375,000
2/1/2026	285,000	2/1/2035	385,000*
8/1/2026	3,660,000	2/1/2036	405,000*
12/1/2026	1,355,000		

*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 and the \$128,975,000 Governmental Loan Revenue Bonds, Series 2019B (the “Loan Revenue Bonds”), are limited obligations of the Authority secured by a pledge of certain property, which includes the Authority’s right to receive payments of principal and interest on bonds (the “Borrower Bonds”) issued by certain governmental units located within the County (the “Borrowers”) to refinance various capital improvements of the Borrowers. The principal and interest on each Borrower Bond is a direct and general obligation of each respective Borrower. Payment of principal and interest on the Loan Revenue Bonds is unconditionally and irrevocably guaranteed by the County. As of December 4, 2020, \$451,250,000 of the bonds is outstanding.

Maturities of Loan Revenue Bonds					
<u>Outstanding December 4, 2020</u>					
<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
1/15/21	\$ 3,350,000	2/15/27	\$ 2,545,000	7/15/33	\$6,135,000
2/15/21	1,725,000	7/15/27	4,500,000	8/1/33	3,815,000*
7/15/21	3,470,000	8/1/27	3,785,000	12/1/33	7,600,000*
8/1/21	2,850,000	12/1/27	19,200,000*	1/15/34	885,000
12/1/21	16,900,000	1/15/28	1,585,000	2/15/34	1,365,000
1/15/22	1,660,000	2/15/28	2,580,000	7/15/34	6,575,000
2/15/22	1,825,000	7/15/28	4,400,000	8/1/34	3,085,000
7/15/22	3,610,000	8/1/28	3,900,000	12/1/34	6,735,000*
8/1/22	2,995,000	12/1/28	17,720,000*	1/15/35	920,000
12/1/22	17,305,000	1/15/29	1,640,000	2/15/35	1,430,000
1/15/23	1,730,000	2/15/29	2,710,000	7/15/35	5,970,000
2/15/23	1,875,000	7/15/29	4,640,000	8/1/35	3,175,000
7/15/23	3,820,000	8/1/29	3,505,000	12/1/35	6,370,000
8/1/23	3,080,000	12/1/29	16,855,000*	1/15/36	925,000
12/1/23	17,925,000	1/15/30	1,200,000	2/15/36	1,055,000
1/15/24	1,840,000	2/15/30	2,850,000	7/15/36	6,070,000
2/15/24	1,910,000	7/15/30	5,450,000	8/1/36	3,265,000
7/15/24	3,870,000	8/1/30	3,575,000	12/1/36	4,460,000
8/1/24	3,435,000	12/1/30	13,940,000*	1/15/37	730,000
12/1/24	18,230,000	1/15/31	1,250,000	2/15/37	1,110,000
1/15/25	1,775,000	2/15/31	2,995,000	7/15/37	6,170,000
2/15/25	2,305,000	7/15/31	5,755,000	8/1/37	2,190,000
7/15/25	4,035,000	8/1/31	3,655,000	12/1/37	4,550,000
8/1/25	3,545,000	12/1/31	12,735,000*	1/15/38	730,000
12/1/25	18,745,000	1/15/32	1,305,000	7/15/38	5,390,000
1/15/26	1,860,000	2/15/32	3,070,000	8/1/38	2,190,000
2/15/26	2,420,000	7/15/32	5,995,000	12/1/38	4,560,000
7/15/26	4,260,000	8/1/32	3,730,000*	8/1/39	2,190,000
8/1/26	3,660,000	12/1/32	12,335,000	12/1/39	3,480,000
12/1/26	18,780,000*	1/15/33	850,000		
1/15/27	1,780,000	2/15/33	1,300,000		

*Includes sinking fund payments

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

The \$7,660,000 Lease Revenue Refunding Bonds, Series 2012 (Monmouth County Guaranteed) (Brookdale Community College Project), the \$24,530,000 Lease Revenue Refunding Bonds, Series 2015 (Monmouth County Guaranteed) (Brookdale Community College Project) and the \$6,575,000 Lease Revenue Refunding Bonds, Series 2019 (Monmouth County Guaranteed) (Brookdale Community College Refunding Project) (the “Brookdale Bonds”) are limited obligations of the Authority secured primarily by those revenues of the Authority which are derived by the Authority from rentals to be paid by Brookdale Community College (the “College”) pursuant to a lease agreement, as well as a pledge of certain other property, to provide funds for various improvements to the facilities of the College. Payment of principal and interest on the Brookdale Bonds is unconditionally and irrevocably guaranteed by the County. As of December 4, 2020, \$32,225,000 of the bonds were outstanding.

**Maturities of Brookdale Bonds
Outstanding December 4, 2020**

<u>Date</u>	<u>Amount</u>
08/1/21	\$1,715,000
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
Wastewater Treatment Facilities Lease Revenue Refunding Bonds
Asbury Park Project**

The \$9,405,000 Wastewater Treatment Facilities Lease Revenue Refunding Bonds, Series 2014 (Asbury Park Project), consisting of \$2,415,000 Wastewater Treatment Facilities Lease Revenue Refunding Bonds, Tax-Exempt Series 21014A and \$6,990,000 Wastewater Treatment Facilities Lease Revenue Refunding Bonds, Federally Taxable Series 2014B(the “Asbury Park Bonds”) are limited obligations of the Authority secured primarily by those revenues of the Authority which are derived by the Authority from lease payments to be paid by the City of Asbury Park (the “City”) pursuant to a lease agreement, as well as a pledge of certain other property, to provide funds to provide for the refinancing of various improvements to its wastewater treatment plant. Payment of principal and interest on the Asbury Park Bonds is unconditionally and irrevocably guaranteed by the County. As of December 4, 2020, \$1,815,000 of the bonds were outstanding.

Maturities of Asbury Park Bonds	
<u>Outstanding December 4, 2020</u>	
<u>Date</u>	<u>Amount</u>
12/15/20	\$1,815,000

**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 December 4, 2020, \$22,185,000 of the notes was outstanding.

Maturities of FMERA Note
Outstanding December 4, 2020

<u>Date</u>	<u>Amount</u>
11/9/21	\$22,185,000

**Monmouth County Improvement Authority
Governmental Loan Project Notes, Series 2020**

The \$72,270,000 Governmental Loan Project Notes, Series 2020, consisting of \$28,120,000 Governmental Loan Project Notes, Series 2020A (the "Series 2020A Notes") and \$44,150,000 Governmental Loan Project Notes, Series 2020B (the "Series 2020B Notes," and together with the Series 2020A Notes, the "2020 Notes"), are limited obligations of the Authority secured by a pledge of certain property, which includes the Authority's right to receive payments of principal and interest on notes (the "Borrower Notes") issued by certain governmental units located within the County (the "Borrowers") to finance and/or refinance various capital improvements or tax anticipation notes of the Borrowers. The principal and interest on each Borrower Note is a direct and general obligation of each respective Borrower. Payment of principal and interest on the 2020 Notes is unconditionally and irrevocably guaranteed by the County. As of December 4, 2020, \$72,270,000 of the notes was outstanding.

Maturity of 2020A Notes

Outstanding December 4, 2020

<u>Date</u>	<u>Amount</u>
7/12/21	\$28,120,000

Maturity of 2020B Notes

Outstanding December 4, 2020

<u>Date</u>	<u>Amount</u>
2/15/21	\$44,150,000

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 (630,480). 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>
2015	218,751	2.5%
2016	223,973	2.4
2017	226,414	1.1
2018	228,987	1.1
2019	232,697	1.6

Source: Bureau of Labor Statistics.

The economy of Monmouth County, as reflected in the number of jobs/industrial sector, is well diversified. In 2019, the service industry sector employs the greatest portion of people in the County at 61.06%, with retail trade next at 16.31% and construction at 6.33%. A breakdown of the data follows:

EMPLOYMENT BY INDUSTRIAL SECTOR

<u>Sector</u>	<u>Number Employed 2018</u>	<u>Percentage of Total</u>	<u>Number Employed 2019</u>	<u>Percentage of Total</u>
Services*	138,774	60.61%	142,089	61.06%
Retail Trade	38,173	16.67	37,949	16.31
Manufacturing	9,547	4.17	9,393	4.04
Finance, Insurance and Real Estate	13,263	5.79	13,107	5.63
Construction	14,172	6.19	14,728	6.33
Wholesale Trade	7,517	3.28	7,436	3.20
Utilities	1,552	0.68	1,634	0.70
Transportation and Warehousing	4,778	2.09	4,849	2.08
Agriculture	727	0.32	760	0.33
Unclassified Entities	<u>468</u>	<u>0.20</u>	<u>752</u>	<u>0.32</u>
Total	228,971	100.00%	232,697	100.00%

Source: Quarterly Census of Employment, Bureau of Labor Statistics, New Jersey Department of Labor.

*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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Labor Force	325,388	325,773	324,012	323,777	328,661
Employment	308,514	311,239	310,646	312,005	318,233
Unemployment	16,874	14,534	13,366	11,772	10,428
Unemployment Rate	5.2%	4.5%	4.1%	3.6%	3.2%
New Jersey					
Unemployment Rate	5.8%	5.0%	4.6%	4.1%	3.6%
United States					
Unemployment Rate	5.3%	4.9%	4.4%	3.9%	3.7%

Source: Bureau of Labor Statistics.

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 County</u>	<u>Percentage of United States</u>	<u>New Jersey</u>	<u>Percentage of United States</u>	<u>U.S.A.</u>
2015	\$70,678	144.2%	\$61,153	124.8%	\$49,019
2016	73,071	146.1	62,842	125.6	50,015
2017	75,916	145.7	64,983	124.7	52,118
2018	79,471	145.5	67,845	124.2	54,606
2019	82,551	146.1	70,471	124.7	56,490

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

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	1,399	30,560	4.6%
2016	1,933	26,793	7.2
2017	1,474	28,501	5.2
2018	1,897	27,942	6.8
2019	1,566	36,505	4.3

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	\$281,564	\$4,051,996	6.9%
2016	307,002	4,028,688	7.6
2017	311,250	4,141,681	7.5
2018	345,298	4,220,431	8.2
2019	346,294	4,453,654	7.8

Sources: U.S. Bureau of the Census; New Jersey Department of Labor and Workforce Development; Building Permit Estimates.

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	\$ 66,860,504	\$368,633,701	\$435,494,205
2016	158,970,271	342,577,468	501,547,739
2017	108,007,620	339,891,110	447,898,730
2018	149,131,061	293,887,474	443,018,535
2019	121,551,737	280,278,609	401,830,346

Source: Monmouth County Department of Economic Development.

VII. LEGAL MATTERS

Legality of the Series 2020 Note

The legality of the Series 2020 Note will be subject to the final approving opinion of Gibbons P.C., Bond Counsel to the County. Such opinion will be to the effect that the Series 2020 Note is a valid and legally binding obligation 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 2020 Note and the interest thereon without limitation as to rate or amount.

Tax Matters

Exclusion of Interest on the Series 2020 Note 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 2020 Note in order to assure that interest on the Series 2020 Note 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 2020 Note to lose the exclusion from gross income for Federal income tax purposes, retroactive to the date of the issuance of the Series 2020 Note. The County will make certain representations in its Tax Certificate, which will be executed on the date of issuance of the Series 2020 Note, as to various tax requirements. The County has covenanted to comply with the provisions of the Code applicable to the Series 2020 Note and has covenanted not to take any action or fail to take any action that would cause the interest on the Series 2020 Note to lose the exclusion from gross income under Section 103 of the Code or cause interest on the Series 2020 Note 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 Certificate 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 2020 Note from gross income for federal income tax purposes and with respect to the treatment of interest on the Series 2020 Note 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 2020 Note is excluded from the gross income of the owners of the Series 2020 Note for Federal income tax purposes pursuant to Section 103 of the Code and interest on the Series 2020 Note 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 2020 Note (the “Premium Note”) is greater than the principal amount of such Series 2020 Note payable at maturity. An amount equal to the excess of the purchase price of a Premium Note over its stated redemption price at maturity constitutes premium on such Premium Note. A purchaser of a Premium Note must amortize any premium over such Premium Note’s term using constant yield principles, based on the Premium Note’s yield to maturity. As premium is amortized, the purchaser's basis of such Premium Note and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to

such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on the sale or disposition of such Premium Note prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed.

Purchasers of any Premium Note, 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 2020 Note should be aware that ownership of, accrual of, receipt of, interest on, or disposition of, tax-exempt obligations, such as the Series 2020 Note, 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 2020 Note 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 2020 Note from gross income pursuant to Section 103 of the Code and interest on the Series 2020 Note not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Series 2020 Note should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Series 2020 Note.

State Taxation. Bond Counsel to the County is of the opinion that, under existing law, interest on the Series 2020 Note and net gains from the sale of the Series 2020 Note 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 2020 Note, the exclusion of interest on the Series 2020 Note from gross income, alternative minimum taxable income, state taxable income, or any combination from the date of issuance of the Series 2020 Note 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 2020 NOTE 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 2020 NOTE.

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 2020 Note, and such Series 2020 Note is 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 2020 Note offered for sale or the levy or collection of any taxes to pay interest or principal of the Series 2020 Note, or in any manner questioning the authority of proceedings for the issuance of the Series 2020 Note or for the levy or collection of said taxes or adversely affecting the financial position of the County.

VIII. RISK FACTORS

The County's finances and operations may be materially and adversely affected as a result of the continued spread of COVID-19 through reduced or delayed revenue streams, which include the collection of property taxes, which are 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. However, as of November 20, 2020, even though the County's finances and operations had certain reduced revenue streams due to the COVID-19 outbreak, the overall County's finances and operations have not been materially and adversely affected due to the COVID-19 outbreak.

The degree of any such impact on the operations and finances of the County cannot be predicted due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the County and its economy. The County is monitoring the situation and expects to take such measures as may be required to maintain its operations and meet its obligations.

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 has since applied for and received funding 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 November 20, 2020, the County committed \$24,303,113.41 to itself, \$8,603,601.24 to local government units, \$2,777,256.06 to Special Education Schools, the Monmouth County Vocational Schools, and Performing Arts Organizations, and \$30,000,000.00 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.

IX. 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 2020 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 2020 Note.

Underwriting

The Series 2020 Note was offered by the County at competitive bidding on December 17, 2020 in accordance with the Notice of Sale, the form of which is attached to this Official Statement as Appendix C. The interest rate shown on the front cover page of this Official Statement is the interest rate resulting from the award of the Series 2020 Note at competitive bidding.

Morgan Stanley & Co. LLC, New York, New York, the winning bidder for the Series 2020 Note (the "Underwriter"), has agreed, subject to certain customary conditions to closing, to purchase all the Series 2020 Note, if any such notes are purchased, at a price of \$19,500,000.00. The Series 2020 Note may be reoffered by the Underwriter to certain dealers and investment accounts at yields differing from the initial public offering yield set forth on the front cover page hereof, and the initial public offering yield of the Series 2020 Note may be changed from time to time by the Underwriter.

The Underwriter has entered into a distribution agreement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, the Underwriter may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, the Underwriter may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2020 Note.

The DTC Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2020 Note. The Series 2020 Note 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 2020 Note certificate will be issued for each maturity of the Series 2020 Note, 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 2020 Note under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Note on DTC's records. The ownership interest of each actual purchaser of each Series 2020 Note ("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 2020 Note 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 2020 Note, except in the event that use of the book-entry system for the Series 2020 Note is discontinued.

To facilitate subsequent transfers, all Series 2020 Note 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 2020 Note 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 2020 Note; DTC's records reflect only the identity of the Direct

Participants to whose accounts such Series 2020 Note 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 2020 Note may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2020 Note, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2020 Note may wish to ascertain that the nominee holding the Series 2020 Note 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 2020 Note 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 2020 Note 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 2020 Note 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 2020 Note 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 2020 Note at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, certificated notes 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 notes 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 2020 Note 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 2020 Note, 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 event notices to the Municipal Securities Rulemaking Board (the "MSRB") (the "Continuing Disclosure Requirements").

On the date of delivery of the Series 2020 Note, the County will enter into a Continuing Disclosure Certificate ("the Continuing Disclosure Certificate") containing the Continuing Disclosure Requirements for the benefit of the beneficial holders of the Series 2020 Note 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 2019 Note to provide notices of the occurrence of certain enumerated events. 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 notices of enumerated events is set forth in "Appendix B - Form of Continuing Disclosure Certificate". 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 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.

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 2020 Note.

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: December 17, 2020

APPENDIX A

COUNTY OF MONMOUTH

REPORT ON AUDITS OF FINANCIAL STATEMENTS

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COUNTY OF MONMOUTH

AUDIT REPORT FOR THE YEAR
FOR THE YEAR ENDED DECEMBER 31, 2019

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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, 2019**

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INDEPENDENT AUDITOR'S REPORT

Honorable Director and Members
of the Board of Chosen Freeholders
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, 2019 and 2018, 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, 2019 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, 2019 and 2018, 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, 2019 and 2018, 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, 2019 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 Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated August 25, 2020 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 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.

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

Toms River, New Jersey
August 25, 2020

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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 Chosen Freeholders
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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 25, 2020. 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', written over a horizontal line.

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

Toms River, New Jersey
August 25, 2020

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Regular Fund:		
Cash and Cash Equivalents	\$ 102,899,530.05	\$113,952,234.73
Investments	11,918,300.00	4,925,617.00
Change Funds	8,755.00	8,355.00
	<u>114,826,585.05</u>	<u>118,886,206.73</u>
Receivables and Other Assets With Full Reserves:		
Added and Omitted Taxes Receivable	1,898,143.27	1,865,130.26
Revenue Accounts Receivable	8,384,658.98	4,524,142.72
	<u>10,282,802.25</u>	<u>6,389,272.98</u>
Total Regular Fund	<u>125,109,387.30</u>	<u>125,275,479.71</u>
Federal and State Grant Fund:		
Cash and Cash Equivalents	2,072,079.40	122,191.95
Grants Receivable	104,844,135.72	67,014,615.69
Total Federal and State Grant Fund	<u>106,916,215.12</u>	<u>67,136,807.64</u>
Total Assets	<u>\$ 232,025,602.42</u>	<u>\$192,412,287.35</u>

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

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>Liabilities, Reserves and Fund Balance</u>		
Regular Fund:		
Appropriation Reserves	\$ 10,073,695.25	\$ 11,557,234.23
Reserve for Encumbrances	30,121,493.82	31,316,854.00
Accounts Payable	696,409.96	1,508,898.68
Due To State of New Jersey -		
Realty Transfer Fees	5,747,048.79	4,454,657.38
Reserve for Due to FEMA	129,172.35	160,193.19
	<u>46,767,820.17</u>	<u>48,997,837.48</u>
Reserve for Receivables	10,282,802.25	6,389,272.98
Fund Balance	<u>68,058,764.88</u>	<u>69,888,369.25</u>
Total Regular Fund	<u>125,109,387.30</u>	<u>125,275,479.71</u>
Federal and State Grant Fund:		
Reserve for Grants - Appropriated	75,794,642.34	32,372,241.63
Reserve for Encumbrances	21,121,572.78	34,764,566.01
Due To Trust Fund	10,000,000.00	-
Total Federal and State Grant Fund	<u>106,916,215.12</u>	<u>67,136,807.64</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 232,025,602.42</u>	<u>\$ 192,412,287.35</u>

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

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 37,000,000.00	\$ 40,000,000.00
Miscellaneous Revenue Anticipated	181,339,235.50	148,373,068.56
Receipts From Current Taxes	305,500,000.00	304,000,000.00
Non-Budget Revenue	15,596,663.84	14,781,801.06
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	11,490,725.74	14,720,129.06
Cancelled Accounts Payable	27,455.29	42,323.89
	<u>550,954,080.37</u>	<u>521,917,322.57</u>
<u>Expenditures</u>		
Budget Appropriations:		
Operations:		
Salaries and Wages	171,006,309.33	169,974,260.04
Other Expenses	242,360,337.91	216,789,977.83
Capital Improvements	3,550,000.00	3,550,000.00
Debt Service	58,992,037.50	59,059,513.34
Deferred Charges and Statutory Expenditures	39,875,000.00	37,425,000.00
	<u>515,783,684.74</u>	<u>486,798,751.21</u>
Excess in Revenue	35,170,395.63	35,118,571.36
Fund Balance, January 1	<u>69,888,369.25</u>	<u>74,769,797.89</u>
	105,058,764.88	109,888,369.25
Decreased By:		
Utilized as Anticipated Revenue	<u>37,000,000.00</u>	<u>40,000,000.00</u>
Fund Balance, December 31	<u><u>\$ 68,058,764.88</u></u>	<u><u>\$ 69,888,369.25</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, 2019

	Anticipated		Realized	Excess or (Deficit)
	Budget	Special N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 37,000,000.00	\$ -	\$ 37,000,000.00	\$ -
Miscellaneous Revenues - Local Revenues:				
County Clerk	12,500,000.00	-	12,351,700.16	(148,299.84)
Surrogate	455,542.00	-	564,721.78	109,179.78
Sheriff	5,000,000.00	-	4,214,320.85	(785,679.15)
Interest on Investments and Deposits	4,500,000.00	-	4,458,853.31	(41,146.69)
Parks and Recreation	6,670,324.44	-	7,867,354.78	1,197,030.34
Receipts, Rental of County Owned Properties	375,000.00	-	418,451.79	43,451.79
Indirect Cost Recovery	7,500,000.00	-	8,499,722.84	999,722.84
Recovery of Fringe Benefits	8,475,000.00	-	8,467,481.13	(7,518.87)
Intoxicated Driver Resource Center	250,000.00	-	257,601.00	7,601.00
Reimbursement - Federal Inmates at Correctional Institution	2,000,000.00	-	5,913,758.55	3,913,758.55
Police Radio Municipal Receipts - 911 Service	4,360,776.00	-	4,360,776.38	0.38
MCDOT - Agency Receipts	675,000.00	-	712,805.78	37,805.78
Division of Social Services	3,170,000.00	-	3,605,863.18	435,863.18
Total Miscellaneous Revenues - Local Revenues	55,931,642.44	-	61,693,411.53	5,761,769.09
Miscellaneous Revenues - State Aid:				
State Aid - County College Bonds (N.J.S.A. 18A:64A-22.6)	1,637,168.30	-	1,637,168.32	0.02
Reimbursement - Mental Health Administrator's Salary	12,000.00	-	12,000.00	-
Reimbursement - State Inmates at Correctional Institution	33,000.00	-	27,561.56	(5,438.44)
Division of Economic Assistance - Earned Income Credit	16,600,000.00	-	17,680,520.27	1,080,520.27
Total Miscellaneous Revenues - State Aid	18,282,168.30	-	19,357,250.15	1,075,081.85
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	764,896.00	-	599,835.00	(165,061.00)
Division of Development Disabilities Assessment Program	27,000.00	-	81,142.23	54,142.23
Total Miscellaneous Revenues - State Assumption of Costs of County Social and Welfare Services and Psychiatric Facilities	791,896.00	-	680,977.23	(110,918.77)
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 - Department of Health and Senior Services:				
Monmouth County Office on Aging Comprehensive Area Plan Grant, CY 2019	2,747,336.00	-	2,747,336.00	-
Donations - OOA Title III Transportation - CY 2019	100.00	-	100.00	-
Alcoholism Services Plan - CY2019, 19-535-ADA-O	1,164,433.00	-	1,164,433.00	-
State of New Jersey - Governor's Council on Alcohol and Drug Abuse:				
Alliance Prevention - CY2020	-	739,035.00	739,035.00	-
State of New Jersey - Department of Community Affairs:				
LIHEAP - CWA FY 2019	12,691.00	-	12,691.00	-
Universal Service Fund - CWA, FY 2019	8,114.00	-	8,114.00	-

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, 2019

	Anticipated		Realized	Excess or (Deficit)
	Budget	Special N.J.S. 40A:4-87		
State of New Jersey - New Jersey Transit Corporation:				
FTA:				
JARC Route 836 Shuttle, FFY 2019, Round 5	110,000.00	-	110,000.00	-
JARC Route 836 Shuttle, FFY 2017, Round 6	-	115,000.00	115,000.00	-
Section 5311 - CY 2019	163,347.00	-	163,347.00	-
Section 5310- FY 2015	-	150,000.00	150,000.00	-
Senior Citizen and Disabled Resident Transportation Grant (CASINO) - CY 2019	1,153,412.00	-	1,153,412.00	-
North Jersey Transportation Planning Authority:				
NJIT:				
Sub-Regional Transportation Planning Program - FY2020	-	168,190.00	168,190.00	-
Sub-Regional Transportation Planning Program - FY2020-21	-	340,000.00	340,000.00	-
State of New Jersey - Department of Transportation:				
Bridge S-32	-	2,095,500.00	2,095,500.00	-
County Route 537 - Township of Freehold	-	3,716,469.00	3,716,469.00	-
Intersection Improvements to County Route 11 (Broad Street) and Bergen Place	-	1,046,091.00	1,046,091.00	-
Union Transportation Trail (CR 537 Crossing)	774,611.00	-	774,611.00	-
Reconstruction of Bridge R-12	-	1,611,371.00	1,611,371.00	-
Reconstruction of Bridge HL-45	-	2,000,000.00	2,000,000.00	-
Reconstruction of Bridge U-15	-	2,000,000.00	2,000,000.00	-
TTF - FY 2019 Annual Transportation Program	-	10,302,964.00	10,302,964.00	-
Widening of Three Brooks Road - Township of Freehold	-	375,000.00	375,000.00	-
Office of Maritime Resources - Belford Ferry Terminal Bulkhead Design	-	1.67	1.67	-
Transportation Alternatives, Henry Hudson Trail, CY 2019	-	1,200,000.00	1,200,000.00	-
Halls Mill Road - Township of Freehold & Howell	-	27,822,627.53	27,822,627.53	-
State of New Jersey - Department of Children and Families:				
Children Advocacy Center Development - Capital	43,422.00	-	43,422.00	-
DYFS:				
Family Court, Grants-In-Aid - CY 2019 - 19CNNC	7,870.00	-	7,870.00	-
Human Services Advisory Council - CY 2019 - 19AVNC	69,373.00	-	69,373.00	-
CSOC:				
CIACC - CY 2019, 19CCNR	44,556.00	-	44,556.00	-
State of New Jersey - Department of Human Services:				
Area Plan Grant CY 19, 19-1388-AAA-C-2	-	1,352,467.00	1,352,467.00	-
DFD:				
Transportation and TIP Program - CY 2019	90,383.00	-	90,383.00	-
Social Services for the Homeless - CY 2019	894,282.00	1,424,318.00	2,318,600.00	-
DMHAS:				
Social Security Assistance for Mental Illness (SSAMI) - CY 2019-20203	195,502.00	-	195,502.00	-
State of New Jersey - Office of the Attorney General:				
DLPS:				
Opioid Health Crisis Response - Operation Helping Hand	-	165,000.00	165,000.00	-
DLPS - DCJ:				
Victims of Crime Act (VOCA), SFY 2019, V-16-16	457,352.00	-	457,352.00	-
Victims of Crime Act (VOCA), SFY 2017	-	603,265.00	603,265.00	-
SANE/SART, VS-56-15, FFY 2017	-	93,665.00	93,665.00	-
SANE/FNE, V-37-17, FFY 2017	94,636.00	-	94,636.00	-
Body Armor Replacement Fund (BARF) - FY 2018	49,274.32	-	49,274.32	-
Body Armor Replacement Fund (BARF) - FY 2019	-	46,069.23	46,069.23	-
LEOTEF - SFY 2019	-	53,230.00	53,230.00	-
DLPS - DSP:				
OEM - HMGP - Mobile Generator Project	-	84,895.04	84,895.04	-
OEM - EMPG/EMAA Grant, FY 2018	-	55,000.00	55,000.00	-

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Anticipated		Realized	Excess or (Deficit)
	Budget	Special N.J.S. 40A:4-87		
DLPS - DHTS:				
Drug Recognition Expert - FFY 2020	-	51,500.00	51,500.00	-
MCSO Waterways	-	20,000.00	20,000.00	-
DWI Task Force, FY 2020	-	79,200.00	79,200.00	-
DDACTA 2019	-	50,000.00	50,000.00	-
Serious Crash Response Team, FFY 2020	-	60,000.00	60,000.00	-
DLPS - JJC:				
State/Community Partnership - CY 2019 - SCP-19-PM13 & PS13	469,649.00	-	469,649.00	-
Juvenile Detention Alternatives Initiative (JDAI), Innovations, CY 2019	120,000.00	-	120,000.00	-
Family Court - CY 2019-19-13	386,754.00	-	386,754.00	-
State of New Jersey - Office of Homeland Security and Preparedness:				
Homeland Security Grant Program (HSGP), FFY2019	-	290,399.46	290,399.46	-
Federal Emergency Management Agency - Port Security, CY 2019	-	20,000.00	20,000.00	-
Shared Services Agreements - Various Municipalities:				
MCOEM - Shrewsbury Flood Warning, FY 2019	12,000.00	-	12,000.00	-
State of New Jersey - Department of Environmental Protection:				
Clean Communities Program - FY 2019	-	134,289.07	134,289.07	-
State of New Jersey - Department of Labor and Workforce Development:				
SmartSTEPS, Fiscal Year 2020	-	6,420.00	6,420.00	-
Workforce Investment Act:				
WIOA, Adult PY 2019	-	1,964,280.00	1,964,280.00	-
WIOA, Youth PY 2019	-	813,564.00	813,564.00	-
Workforce Learning Link (WLL) (14K) - SFY2020	-	145,000.00	145,000.00	-
WorkFirst NJ, Fiscal Year 2020	-	1,674,230.00	1,674,230.00	-
Pathways to Recovery, CY 2019	-	650,000.00	650,000.00	-
US Department of Justice:				
BJA - State Criminal Alien Assistance Program (SCAAP), FFY 2016	509,538.00	-	509,538.00	-
Office of Justice Programs (SCAAP), FFY 2017	-	513,728.00	513,728.00	-
Comprehensive Opioid Abuse Program	-	1,199,993.00	1,199,993.00	-
US Department of Housing and Urban Development:				
NYC - HOPWA, FY 2019	-	427,500.00	427,500.00	-
County Clerks - Interlocal Service Agreements (ISA's):				
Document Summary Management System, E-Recording	26,007.00	250,224.00	276,231.00	-
Monmouth County Municipalities - Interlocal Service Agreements:				
Open Public Records Search, Records Information Management (RIM) Maintenance	-	72,707.00	72,707.00	-
Donations:				
NJNG/FEC: Project Lifesaver, Sheriff's Office K-9	-	7,194.24	7,194.24	-
L. Bampe for the Home Repair Program	-	50.00	50.00	-
WIB/WIA, Scholarship Fund	-	13,775.00	13,775.00	-
WIB/WIA, Alumni Fund	-	2,700.00	2,700.00	-
NJDOS - Destination Marketing Grant, FY 2020	-	128,000.00	128,000.00	-
NJDOS - Division of Elections - Help America Vote Act, 2018	-	8,687.50	8,687.50	-
NJDOS - County History Partnership, FY 2020	-	20,085.00	20,085.00	-
Earle - MCDMC, FY 2017-19 #40085-17-P-2338	-	20,000.00	20,000.00	-
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	9,604,642.32	66,183,684.74	75,788,327.06	-

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Anticipated		Realized	Excess or (Deficit)
	Budget	Special N.J.S. 40A:4-87		
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	2,450,976.00	-	2,452,130.02	1,154.02
Surrogate	379,613.00	-	408,800.76	29,187.76
Sheriff	208,422.00	-	141,542.00	(66,880.00)
Capital Fund Surplus	5,500,000.00	-	5,500,000.00	-
Library Indirect Cost Recovery	3,000,000.00	-	3,964,883.00	964,883.00
IRS - Build America Bonds 35% Subsidy on Debt Service	992,639.94	-	994,227.29	1,587.35
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	7,758,000.00	-	8,157,686.46	399,686.46
Debt Service Reserve from Care Center Sale in 2015	500,000.00	-	500,000.00	-
Total Special Items of General Revenue Anticipated With Prior				
Written Consent of the Director of Local Government Services -				
Other Special Items	22,489,650.94	-	23,819,269.53	1,329,618.59
Total Miscellaneous Revenues	107,100,000.00	66,183,684.74	181,339,235.50	8,055,550.76
Amount To Be Raised By Taxation - County Purpose Tax	305,500,000.00	-	305,500,000.00	-
Budget Totals	449,600,000.00	66,183,684.74	523,839,235.50	8,055,550.76
Non-Budget Revenues	-	-	15,596,663.84	15,596,663.84
Total General Revenues	\$ 449,600,000.00	\$ 66,183,684.74	\$ 539,435,899.34	\$ 23,652,214.60
		Fund Balance	37,000,000.00	
		Federal & State Grants	75,788,327.06	
		Cash Receipts	430,443,477.72	
		Cash Disbursements	(3,796,005.44)	
		County Clerk Change Fund	100.00	
			<u>\$ 539,435,899.34</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, 2019**

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:	
Garnishment Service Charge	\$ 9,442.23
Mental Health Annual Conference	4,050.00
MCIA Guarantee Fees	626,649.54
Voter Registration - Labels and Tapes	846.45
Construction Board of Appeals	1,900.00
Added and Omitted Taxes	1,865,130.26
Engineers Plans and Specs	24,205.00
Vending Machine Commissions	11,006.07
Interest on Late Payment of Taxes	6,697.71
Miscellaneous Revenue Not Anticipated - MRNA	41,133.13
Judgements	861.50
Salary and Fringe Reimbursements	1,708,498.03
Interest - Parks Department	21,543.43
Interest - Sheriff's Account	129,114.95
Damages to County Property	40.00
Purchases of Lists and Records	593.35
Auction Sales	241,148.99
Inmate Transportation	332,779.38
Payment in Lieu of Taxes	216,763.62
Sale of County Merchandise and Property	39,564.74
Permit Fees	106,100.00
Appropriation Refunds	3,719,375.69
Insurance Reimbursements	1,294,845.06
Copier Receipts	3,153.66
Uniform Fire Code Permit Fees	2,858.00
Fire Academy Course Reimbursements	21,504.00
Planning Board Site Plan Review Fees	20,250.00
Planning Board Site Plan Inspection Fees	48,699.26
Planning Board Subdivision Application Fees	111,115.70
Reimbursement for Single Audit Costs	17,910.11
Shared Services - Fleet Reimbursements	337,957.50
Juror Compensation Fund	610.00
Reimbursement for Fleet Services	9,842.47
Tax Board - Mod IV Tax System Reimbursement	204,380.73
Print Shop Reimbursement	2,832.50
Probation Fines	10,545.81
Interest on the County Clerk's Account	58,070.97
Bail Bond Forfeiture	29,125.00
Shared Services - Public Works Reimbursement	1,276,418.71
Shared Services - MCIA Accounting Fee	12,500.00
Shared Services - Municipal RIM Maintenance	14,400.00
Shared Services - MCSO Policing	62,500.00
Police Academy - Tuition	157,630.00
Police Academy - Trainee Ammunition	2,899.20
Developers Agreements - Non Refundable	1,489,494.13
Board of Elections - Township Reimbursements	83,040.03
Board of Elections - State Reimbursement	426,480.00

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, 2019**

Analysis of Non-Budget Revenue (continued)

Superintendent of Elections - Township Reimbursements	11,276.78
Voting Machine Rentals	4,862.17
Primary Election - Postage Reimbursement	37,316.21
MCPO - USDOJ - DEA Reimbursements	49,114.14
MCCI/Sheriff - USDOJ - DEA Reimbursements	13,513.54
MCPO - County Emergency Response Team	44,000.00
MCPO - Restitution Collections	3,162.20
Consumer Affairs - Individual Fines	4.00
MCCI - Inmate Charges	113,432.20
MCCI - SSA Reimbursement Contract #NJ0092	32,000.00
MCCI - Inmate Charges - Medical Co-Pays	16,387.57
MCCI - Western Union/Jpay Commissions	18,792.00
MC Sheriff - Attorney ID Cards	770.00
GIS Fees	598.25
License Agreement - Fiber Optic Cable	41,647.44
FEMA/State of NJ - Disaster Reimbursement	34,086.96
Bayshore Ferry - Rent	213,335.22
Bayshore Ferry Food/Beverage Concessions	551.64
County Clerk Archives Day	1,410.00
UNA/Rx/Card - Commissions	3,362.50
Vehicle Wash	4,035.00
Board of County Patients	1,500.00
DSS - Miscellaneous Revenue Not Anticipated - MRNA	144,999.11
	<hr/>
Total Miscellaneous Revenue Not Anticipated	<u><u>\$ 15,596,663.84</u></u>

Analysis of Miscellaneous Revenues Not Anticipated

Cash Receipts	\$ 13,734,941.79
County Added and Omitted Taxes	1,865,130.26
Cash Disbursements	<u>(3,408.21)</u>
	<hr/>
	<u><u>\$ 15,596,663.84</u></u>

**MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2019**

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
GENERAL GOVERNMENT FUNCTIONS:					
Office of County Administrator:					
Salaries and Wages	\$ 577,134.00	\$ 590,134.00	\$ 589,800.52	\$ -	\$ 333.48
Other Expenses	133,083.00	133,083.00	99,813.72	396.63	32,872.65
County Administrator- Building Security:					
Salaries and Wages	1,069,770.00	1,125,770.00	1,112,703.82	-	13,066.18
Other Expenses	12,000.00	12,000.00	8,236.72	1,397.45	2,365.83
Administration of Shared Service					
Salaries and Wages	86,965.00	86,965.00	81,600.30	-	5,364.70
Other Expenses	5,000.00	5,000.00	167.40	330.36	4,502.24
Research, Technical and Consulting Services:					
Other Expenses	1,200,000.00	1,200,000.00	610,810.55	179,886.89	409,302.56
Purchasing Department:					
Salaries and Wages	725,360.00	753,360.00	748,887.32	-	4,472.68
Other Expenses	28,190.00	28,190.00	14,207.79	657.50	13,324.71
Public Information:					
Salaries and Wages	524,831.00	544,831.00	544,421.34	-	409.66
Other Expenses	96,690.00	96,690.00	85,417.19	9,892.74	1,380.07
Human Resources Department:					
Salaries and Wages	1,358,194.00	1,384,194.00	1,381,992.72	-	2,201.28
Other Expenses	17,900.00	17,900.00	14,820.19	634.78	2,445.03
Board of Chosen Freeholders:					
Salaries and Wages	136,900.00	136,900.00	136,008.45	-	891.55
Other Expenses	2,344.00	2,344.00	1,015.87	-	1,328.13
Clerk of the Board:					
Salaries and Wages	496,369.00	501,369.00	500,975.66	-	393.34
Other Expenses	53,650.00	53,650.00	29,516.81	10,431.15	13,702.04
County Clerk - Elections:					
Salaries and Wages	203,898.00	203,898.00	163,497.59	-	40,400.41
Other Expenses	126,845.00	126,845.00	118,887.27	4,955.00	3,002.73

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2019

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
Office of the County Clerk:					
Salaries and Wages	2,732,267.00	2,732,267.00	2,650,847.13	-	81,419.87
Other Expenses	260,382.00	260,382.00	190,146.27	34,239.75	35,995.98
Superintendent of Elections:					
Salaries and Wages	1,342,528.00	1,342,528.00	1,218,312.16	-	124,215.84
Other Expenses	378,245.00	398,245.00	353,759.10	18,809.62	25,676.28
Board of Elections:					
Salaries and Wages	1,223,857.00	1,223,857.00	1,158,770.75	-	65,086.25
Other Expenses	148,920.00	148,920.00	112,219.94	83.27	36,616.79
Finance Department:					
Salaries and Wages	1,638,470.00	1,662,470.00	1,659,899.23	-	2,570.77
Other Expenses	256,000.00	286,000.00	180,745.02	97,149.23	8,105.75
Office of Records Management:					
Salaries and Wages	103,369.00	103,369.00	103,166.82	-	202.18
Other Expenses	50,317.00	50,317.00	50,144.69	160.25	12.06
Audit Services:					
Other Expenses	171,000.00	181,300.00	-	181,300.00	-
Department of Information Technology:					
Salaries and Wages	2,752,579.00	2,752,579.00	2,738,587.01	-	13,991.99
Other Expenses	1,025,737.00	1,025,737.00	764,980.46	241,369.39	19,387.15
Board of Taxation:					
Salaries and Wages	429,983.00	429,983.00	409,583.67	-	20,399.33
Other Expenses	5,049.00	5,049.00	4,795.96	128.28	124.76
Office of the County Counsel:					
Salaries and Wages	456,866.00	471,866.00	470,969.35	-	896.65
Other Expenses	1,079,641.00	1,079,641.00	946,816.51	27,907.20	104,917.29
Office of County Adjuster:					
Salaries and Wages	126,664.00	129,664.00	129,575.10	-	88.90
Other Expenses	61,740.00	111,740.00	57,863.50	3,569.80	50,306.70

**MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2019**

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
County Surrogate:					
Salaries and Wages	912,921.00	912,921.00	900,655.97	-	12,265.03
Other Expenses	12,850.00	12,850.00	10,569.05	1,105.70	1,175.25
County Engineer:					
Salaries and Wages	5,496,193.00	5,541,193.00	5,526,234.16	-	14,958.84
Other Expenses	217,100.00	217,100.00	113,333.25	91,518.66	12,248.09
Economic Development and Tourism:					
Salaries and Wages	265,551.00	272,551.00	272,307.43	-	243.57
Other Expenses	51,519.00	31,519.00	30,107.74	178.62	1,232.64
Historical Commission:					
Salaries and Wages	27,100.00	28,100.00	23,052.57	-	5,047.43
Other Expenses	217,300.00	217,300.00	187,517.90	25,622.00	4,160.10
LAND USE ADMINISTRATION:					
Planning Board (N.J.S.40A:27-3):					
Salaries and Wages	1,054,469.00	1,082,469.00	1,037,200.69	-	45,268.31
Other Expenses	113,744.00	113,744.00	92,157.46	3,886.90	17,699.64
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	300,734.00	306,734.00	305,931.64	-	802.36
Other Expenses	1,250.00	1,250.00	1,250.00	-	-

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 END DECEMBER 31, 2019**

	Original Budget	Budget After Modification	Paid or Charged	Expended	
				Encumbered	Reserved
INSURANCE:					
Other Insurance Premiums:					
Other Expenses	3,025,000.00	3,025,000.00	2,789,558.08	18,235.00	217,206.92
Worker's Compensation:					
Other Expenses	4,450,000.00	4,450,000.00	4,349,511.76	-	100,488.24
Group Insurance Plan:					
Other Expenses	50,950,000.00	50,950,000.00	49,588,032.99	53,803.00	1,308,164.01
Unemployment Compensation					
Insurance (N.J.S.A.43:21-3 et seq):					
Other Expenses	450,000.00	289,700.00	190,000.00	-	99,700.00
PUBLIC SAFETY FUNCTIONS:					
Sheriff's Office - Special Operations:					
Salaries and Wages	2,337,592.00	2,393,592.00	2,392,105.64	-	1,486.36
Other Expenses	111,395.00	111,395.00	65,030.47	36,390.65	9,973.88
Sheriff's Office - Communications Division:					
Salaries and Wages	9,175,955.00	9,195,955.00	9,189,399.21	-	6,555.79
Other Expenses	1,492,685.00	1,492,685.00	1,393,893.04	58,102.00	40,689.96
Office of Emergency Management:					
Salaries and Wages	347,646.00	266,646.00	265,636.78	-	1,009.22
Other Expenses	65,000.00	65,000.00	49,280.46	4,663.54	11,056.00
Department of Consumer Affairs:					
Salaries and Wages	323,103.00	323,103.00	281,322.44	-	41,780.56
Other Expenses	5,016.00	5,016.00	3,730.11	411.95	873.94
Medical Examiner:					
Other Expenses	1,550,000.00	1,550,000.00	1,431,080.00	118,120.00	800.00
Sheriff's Office:					
Salaries and Wages	13,058,884.00	13,368,884.00	13,357,785.61	-	11,098.39
Other Expenses	376,049.00	376,049.00	280,319.66	72,377.71	23,351.63

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2019

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
Office of the County Prosecutor:					
Salaries and Wages	23,818,326.00	23,818,326.00	22,887,638.51	-	930,687.49
Other Expenses	1,326,000.00	1,326,000.00	980,600.58	212,839.28	132,560.14
Correctional Institution:					
Salaries and Wages	34,716,984.00	34,541,984.00	34,533,708.54	-	8,275.46
Other Expenses	8,325,785.00	8,280,785.00	6,183,092.49	1,910,229.16	187,463.35
Fire Marshall (N.J.S. 40A:14-1):					
Salaries and Wages	600,453.00	600,453.00	563,733.17	-	36,719.83
Other Expenses	129,415.00	129,415.00	61,328.31	45,839.30	22,247.39
Police Academy and Firing Range:					
Salaries and Wages	558,964.00	473,964.00	465,853.56	-	8,110.44
Other Expenses	223,763.00	223,763.00	85,445.88	53,641.59	84,675.53
PUBLIC WORKS FUNCTIONS:					
County Road Maintenance:					
Salaries and Wages	6,938,363.00	7,303,363.00	7,264,614.81	-	38,748.19
Other Expenses	1,551,183.00	1,551,183.00	1,330,208.10	201,334.50	19,640.40
County Bridge Maintenance:					
Salaries and Wages	1,347,729.00	1,413,729.00	1,366,740.45	-	46,988.55
Other Expenses	1,822,940.00	1,822,940.00	1,593,564.17	225,947.49	3,428.34
Director of Public Works and Engineering:					
Salaries and Wages	462,235.00	462,235.00	448,209.02	-	14,025.98
Other Expenses	132,858.00	132,858.00	119,133.01	-	13,724.99
Shade Tree Commission:					
Salaries and Wages	1,361,365.00	1,365,365.00	1,365,363.99	-	1.01
Other Expenses	109,962.00	109,962.00	45,922.40	33,177.00	30,862.60
Buildings and Grounds:					
Salaries and Wages	8,408,156.00	8,453,156.00	8,433,803.14	-	19,352.86
Other Expenses	6,686,454.00	6,686,454.00	5,214,026.49	1,239,211.89	233,215.62

**MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2019**

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
Division of Fleet Services:					
Salaries and Wages	2,367,479.00	2,327,479.00	2,316,119.53	-	11,359.47
Other Expenses	3,108,209.00	3,108,209.00	2,127,841.79	832,384.60	147,982.61
Mosquito Extermination Commission (N.J.S. 26:9-13 et seq):					
Salaries and Wages	900,146.00	902,146.00	880,235.63	-	21,910.37
Other Expenses	316,017.00	316,017.00	259,741.53	19,919.89	36,355.58
HUMAN SERVICES AND HEALTH FUNCTIONS:					
Division of Social Services Administration:					
Salaries and Wages	18,041,273.00	18,041,273.00	16,895,403.63	-	1,145,869.37
Other Expenses	14,524,701.00	14,524,701.00	13,056,344.18	651,087.37	817,269.45
Temporary Assistance for Needy Families - County Share:					
Other Expenses	71,543.00	71,543.00	25,000.00	-	46,543.00
Assistance for Social Security Recipients:					
Other Expenses	764,896.00	764,896.00	764,896.00	-	-
Division of Mental Health (N.J.S. 40A:5-29):					
Salaries and Wages	143,944.00	147,944.00	147,328.59	-	615.41
Other Expenses	1,036,902.00	1,036,902.00	365,655.06	668,082.25	3,164.69
Department of Human Services:					
Salaries and Wages	175,120.00	180,120.00	175,397.43	-	4,722.57
Other Expenses	4,075.00	4,075.00	1,521.27	120.00	2,433.73
Division of Planning and Contracting:					
Salaries and Wages	273,853.00	275,853.00	275,497.43	-	355.57
Other Expenses	3,432,425.00	3,432,425.00	2,087,003.95	1,345,079.26	341.79
Juvenile Detention Alternative Initiative:					
Salaries and Wages	202,904.00	207,904.00	207,469.02	-	434.98
Other Expenses	310,652.00	310,652.00	230,167.73	78,968.86	1,515.41
Public Health Service (N.J.S. 40A:13-1):					
Other Expenses	724,014.00	724,014.00	546,951.00	177,063.00	-

**MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2019**

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
Office of Disabilities:					
Salaries and Wages	59,597.00	61,597.00	60,966.66	-	630.34
Other Expenses	2,975.00	2,975.00	1,424.14	-	1,550.86
Division of Alcohol and Drug Abuse Services (N.J.S. 40:9B-4):					
Salaries and Wages	75,662.00	75,662.00	75,287.01	-	374.99
Other Expenses	365,584.00	365,584.00	178,220.41	186,744.90	618.69
Intoxicated Driver Resource Center:					
Salaries and Wages	135,108.00	115,108.00	109,403.86	-	5,704.14
Other Expenses	66,658.00	66,658.00	55,903.60	10,368.00	386.40
Maintenance of Patients in State Institutions for Mental Diseases (N.J.S. 30:4 -79) County Share:					
Other Expenses	1,981,431.00	1,981,431.00	1,981,431.00	-	-
War Veterans Burial and Grave Decorations:					
Salaries and Wages	163,413.00	163,413.00	150,183.48	-	13,229.52
Other Expenses	24,400.00	24,400.00	21,646.32	134.99	2,618.69
Office on Aging:					
Salaries and Wages	213,056.00	194,056.00	186,538.23	-	7,517.77
Other Expenses	8,054.00	8,054.00	7,840.87	100.00	113.13
Division of Transportation:					
Salaries and Wages	451,313.00	451,313.00	168,535.99	-	282,777.01
Other Expenses	234,399.00	234,399.00	24,875.95	60,526.45	148,996.60
Environmental Health Act - Contractual (N.J.S. 26:3A2-21) Monmouth County Department of Health:					
Other Expenses	1,050,000.00	1,050,000.00	1,050,000.00	-	-
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	18,916,378.00	18,916,378.00	18,885,799.71	-	30,578.29
Other Expenses	1,890,688.00	1,890,688.00	1,294,812.44	393,214.34	202,661.22

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 END DECEMBER 31, 2019**

	Original Budget	Budget After Modification	Paid or Charged	Expended	
				Encumbered	Reserved
EDUCATION FUNCTIONS:					
Mon. Cty. Community College Brookdale (N.J.S. 18A-64A):					
Other Expenses	20,027,019.00	20,027,019.00	10,013,509.50	10,013,509.50	-
Reimbursement for Residents Attending Out of County					
Two Year Colleges (N.J.S. 18A-64A):					
Other Expenses	161,500.00	161,500.00	132,267.17	-	29,232.83
Cooperative Extension Service:					
Salaries and Wages	320,920.00	320,920.00	300,942.98	-	19,977.02
Other Expenses	112,286.00	132,286.00	106,394.09	2,220.20	23,671.71
Vocational Schools:					
Other Expenses	16,662,178.00	16,662,178.00	8,331,089.02	8,331,088.98	-
Superintendent of Schools:					
Salaries and Wages	170,062.00	174,062.00	173,968.68	-	93.32
Other Expenses	3,600.00	3,600.00	2,182.64	479.41	937.95
OTHER COMMON OPERATING FUNCTIONS (UNCLASSIFIED):					
Prior Years Bills:					
Johnston Communications (4 Invoices)	4,673.40	4,673.40	4,673.40	-	-
Middlesex County College - Zehra Adil	1,038.45	1,038.45	1,038.45	-	-
James Atkins III - Medicare Part B Reimbursement	804.00	804.00	804.00	-	-
Middlesex County	97,500.00	97,500.00	-	-	97,500.00
Accumulated Leave Compensation:					
Salaries and Wages	150,000.00	150,000.00	150,000.00	-	-
Provision for Salary Adjustments and New Employees:					
Salaries and Wages	702,354.33	354.33	-	-	354.33
UTILITY EXPENSES AND BULK PURCHASES:					
Utilities:					
Other Expenses	9,945,000.00	9,945,000.00	7,398,128.16	1,804,952.65	741,919.19

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 END DECEMBER 31, 2019**

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:					
State of New Jersey - Department of Health and Senior Services:					
Monmouth County Office on Aging Comprehensive Area Plan Grant	2,793,208.00	2,793,208.00	2,793,208.00	-	-
Donations - OOA Title III Transportation - CY 2019	100.00	100.00	100.00	-	-
Alcoholism Services Plan - CY2019, 19-535-ADA-O	1,164,433.00	1,164,433.00	1,164,433.00	-	-
State of New Jersey - Governor's Council on Alcohol and Drug Abuse:					
Alliance Prevention - CY2020	-	739,035.00	739,035.00	-	-
State of New Jersey - Department of Community Affairs:					
LIHEAP - CWA FY 2019	12,691.00	12,691.00	12,691.00	-	-
Universal Service Fund (USF) - CWA, FY 2019	8,114.00	8,114.00	8,114.00	-	-
State of New Jersey - New Jersey Transit Corporation:					
FTA:					
JARC Route 836 Shuttle, FFY 2019, Round 5	220,000.00	220,000.00	220,000.00	-	-
JARC, FFY 2020, Round 6	-	115,000.00	115,000.00	-	-
Section 5311 - FY2019	217,796.00	217,796.00	217,796.00	-	-
Section 5310 - FY 2015	-	150,000.00	150,000.00	-	-
Senior Citizen and Disabled Resident Transportation Grant (CASINO) - CY2019	1,153,412.00	1,153,412.00	1,153,412.00	-	-
North Jersey Transportation Planning Authority:					
NJIT:					
Sub-Regional Transportation Planning Program - FY2020-2021	-	340,000.00	340,000.00	-	-
Sub-Regional Transportation Planning Program - FY2020	-	168,190.00	168,190.00	-	-
State of New Jersey - Department of Transportation:					
Bridge S-32	-	2,095,500.00	2,095,500.00	-	-
Intersection Improvements to County Route 11	-	1,046,091.00	1,046,091.00	-	-
Bridge R-12	-	1,611,371.00	1,611,371.00	-	-
Bridge HL-45	-	2,000,000.00	2,000,000.00	-	-
Bridge U-15	-	2,000,000.00	2,000,000.00	-	-

MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2019

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
Union Transportation Trail (CR 537 Crossing)	774,611.00	774,611.00	774,611.00	-	-
County Route 537 - Township of Freehold	-	3,716,469.00	3,716,469.00	-	-
TTF - FY 2019 Annual Transportation Program	-	10,302,964.00	10,302,964.00	-	-
Transportation Alternatives, Henry Hudson Trail, CY 2019	-	1,200,000.00	1,200,000.00	-	-
Office of Maritime Resources - Belford Ferry Terminal Bulkhead Design	-	1.67	1.67	-	-
Halls Mill Road - Township of Freehold & Howell	-	27,822,627.53	27,822,627.53	-	-
Widening of Three Brooks Road - Township of Freehold	-	375,000.00	375,000.00	-	-
State of New Jersey - Department of Children and Families:					
DYFS:					
Family Court, Grants-In-Aid - CY2019 - 19CNNC	7,870.00	7,870.00	7,870.00	-	-
Human Services Advisory Council - CY 2019- 19AVNC	85,249.00	85,249.00	85,249.00	-	-
CSOC:					
CIACC - CY 2019, 19CCNR	44,556.00	44,556.00	44,556.00	-	-
Child Advocacy Center Development - Capital	43,422.00	43,422.00	43,422.00	-	-
State of New Jersey - Department of Human Services:					
Area Plan Grant CY 19, 19-1388-AAA-C-2	-	1,352,467.00	1,352,467.00	-	-
DFD:					
Transportation and TIP Program - FY 2019	90,383.00	90,383.00	90,383.00	-	-
Social Services for the Homeless - FY 2019	894,282.00	2,318,600.00	2,318,600.00	-	-
DMHS:					
Social Security Assistance for Mental Illness (SSAMI)	195,502.00	195,502.00	195,502.00	-	-
State of New Jersey - Office of the Attorney General:					
DLPS:					
Opioid Health Crisis Response - Operation Helping Hand	-	165,000.00	165,000.00	-	-
DLPS - DCJ:					
Victims of Crime Act (VOCA), SFY 2017	-	603,265.00	603,265.00	-	-
Victims of Crime Act (VOCA), SFY 2019 V-16-16	457,352.00	457,352.00	457,352.00	-	-
SANE/SART, V-37-17, FFY 2017	94,636.00	188,301.00	188,301.00	-	-
Body Armor Replacement Fund (BARF) - FY2018	49,274.32	49,274.32	49,274.32	-	-
Body Armor Replacement Fund (BARF) - FY2019	-	46,069.23	46,069.23	-	-
LEOTEF - SFY 2019	-	53,230.00	53,230.00	-	-

**MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2019**

	Original Budget	Budget After Modification	Expended	
			Paid or Charged	Encumbered Reserved
DLPS - DSP:				
OEM - HMGP - Mobile Generator Project	-	84,895.04	84,895.04	-
OEM - EMPG/EMAA Grant, FY 2018	-	55,000.00	55,000.00	-
DLPS - DHTS:				
Drunk Recognition Expert - FFY 2020	-	51,500.00	51,500.00	-
MCSO Waterways	-	20,000.00	20,000.00	-
DWI Task Force, FY 2020	-	79,200.00	79,200.00	-
DDACTA 2019	-	50,000.00	50,000.00	-
Serious Crash Response Team, FFY 2020	-	60,000.00	60,000.00	-
DLPS - JJC:				
State/Community Partnership - CY2019	560,429.00	560,429.00	560,429.00	-
Juvenile Detention Alternatives Initiative (JDAI), Innovations, CY2019	120,000.00	120,000.00	120,000.00	-
Family Court - CY2019, FC-19-13	386,754.00	386,754.00	386,754.00	-
State of New Jersey - Office of Homeland Security and Preparedness:				
Homeland Security Grant Program (HSGP), FFY2019	-	290,399.46	290,399.46	-
Federal Emergency Management Agency - Port Security, CY 2019	-	20,000.00	20,000.00	-
Shared Services Agreements - Various Municipalities:				
MCOEM - Shrewsbury Flood Warning, FY2019	13,500.00	13,500.00	13,500.00	-
State of New Jersey - Department of Environmental Protection:				
Clean Communities Program - FY2019	-	134,289.07	134,289.07	-
State of New Jersey - Department of Labor and Workforce Development:				
SmartSTEPS, Fiscal Year 2020	-	6,420.00	6,420.00	-
Workforce Investment Act:				
WIOA, Adult PY 2019	-	1,964,280.00	1,964,280.00	-
WIOA, Youth PY 2019	-	813,564.00	813,564.00	-
Pathways to Recovery, FY 2019	-	650,000.00	650,000.00	-
Workforce Learning Link (WLL) (14K) - SFY2020	-	145,000.00	145,000.00	-
WorkFirst NJ, Fiscal Year 2020	-	1,674,230.00	1,674,230.00	-

**MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2019**

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
US Department of Justice:					
BJA - State Criminal Alien Assistance Program (SCAAP)	509,538.00	1,023,266.00	1,023,266.00	-	-
BJA - Comprehensive Opioid Abuse Program	-	1,199,993.00	1,199,993.00	-	-
US Department of Housing and Urban Development:					
NYC - HOPWA, FY 2019	-	427,500.00	427,500.00	-	-
County Clerks - Interlocal Service Agreements (ISA's):					
Document Summary Management System, E-Recording	26,007.00	276,231.00	276,231.00	-	-
Monmouth County Municipalities - Interlocal Service Agreements:					
Open Public Records Search, Records Information Management (RIM) Maintenance	-	72,707.00	72,707.00	-	-
Donations:					
Monmouth County Sheriff's K-9 Unit	-	7,194.24	7,194.24	-	-
WIB/WIA Scholarship Fund	-	13,775.00	13,775.00	-	-
WIB/WIA Alumni Fund	-	2,700.00	2,700.00	-	-
L. Bampe for the Home Repair Program	-	50.00	50.00	-	-
NJDOS - Destination Marketing Grant, FY 2020	-	128,000.00	128,000.00	-	-
NJDOS - County History Partnership, FY 2020	-	20,085.00	20,085.00	-	-
NJDOS - Division of Elections - Help America Vote Act, 2018	-	8,687.50	8,687.50	-	-
Earle - MCDMC, FY 2017-2019 #40085-17-P-2338	-	20,000.00	20,000.00	-	-
Monmouth County:					
Matching Funds for Grants	731,523.00	731,523.00	279,730.62	-	451,792.38
Total Public and Private Programs Offset By Revenues	10,654,642.32	76,838,327.06	76,386,534.68	-	451,792.38
Total Operations	347,072,962.50	413,206,647.24	374,144,718.84	29,795,979.88	9,265,948.52
Contingent	160,000.00	160,000.00	5,929.64	2,115.00	151,955.36
Total Operations Including Contingent	347,232,962.50	413,366,647.24	374,150,648.48	29,798,094.88	9,417,903.88

**MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2019**

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
Detail:					
Salaries and Wages	170,961,309.33	171,006,309.33	167,839,974.13	-	3,166,335.20
Other Expenses	176,271,653.17	242,360,337.91	206,310,674.35	29,798,094.88	6,251,568.68
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	93,496.13	323,398.94	133,104.93
Total Capital Improvements	3,550,000.00	3,550,000.00	3,093,496.13	323,398.94	133,104.93
COUNTY DEBT SERVICE:					
Payment of Bond Principal:					
State Aid - County College Bonds (N.J.S. 18A:64A-22.6)	2,696,500.00	2,696,500.00	2,696,500.00	-	-
Vocational School Bonds	1,380,000.00	1,380,000.00	1,380,000.00	-	-
Other Bonds	40,618,500.00	40,618,500.00	40,618,500.00	-	-
Interest on Bonds:					
State Aid - County College Bonds (N.J.S. 18A:64A-22.6)	678,891.24	678,891.24	678,891.24	-	-
Vocational School Bonds	614,500.00	614,500.00	614,500.00	-	-
Other Bonds	13,003,646.26	13,003,646.26	13,003,646.26	-	-
Total County Debt Service	58,992,037.50	58,992,037.50	58,992,037.50	-	-

**MONMOUTH COUNTY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2019**

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
DEFERRED CHARGES AND STATUTORY EXPENDITURES - COUNTY:					
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System	13,450,000.00	13,450,000.00	13,190,940.76	-	259,059.24
Social Security System (O.A.S.I.)	12,400,000.00	12,450,000.00	12,429,778.62	-	20,221.38
Police and Firemen's Retirement System	13,875,000.00	13,875,000.00	13,639,870.69	-	235,129.31
County Pension and Retirement Fund	35,000.00	35,000.00	32,000.00	-	3,000.00
Defined Contribution Retirement Plan ("DCRP")	65,000.00	65,000.00	59,723.49	-	5,276.51
Total Deferred Charges and Statutory Expenditures - County	39,825,000.00	39,875,000.00	39,352,313.56	-	522,686.44
Total General Appropriations	449,440,000.00	515,623,684.74	475,582,566.03	30,119,378.82	9,921,739.89
TOTAL GENERAL APPROPRIATIONS	\$ 449,600,000.00	\$ 515,783,684.74	\$ 475,588,495.67	\$ 30,121,493.82	\$ 10,073,695.25
Analysis of Budget After Modification					
Original Budget	\$ 449,600,000.00				
Appropriations - 40A:4-87 - Current Fund					
Appropriation by N.J.S.A. 40A:4-87		66,183,684.74			
		<u>\$ 515,783,684.74</u>			
Analysis of Paid or Charged					
Cash Disbursements			\$ 400,264,777.03		
Accounts Payable			286,453.00		
Federal and State Grants			75,788,327.06		
Cash Receipts			(751,061.42)		
			<u>\$ 475,588,495.67</u>		

MONMOUTH COUNTY
TRUST FUND
STATEMENT OF ASSETS, LIABILITIES AND RESERVES - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

<u>Assets</u>	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	\$ 110,597,663.89	\$ 120,102,403.13
U.S. HUD Receivables:		
Relocation Assistance Program	5,050,618.58	5,661,325.28
Community Development Block Grants	3,814,362.93	5,340,481.91
Home Investment Grant	3,316,441.57	3,166,753.32
Shelter Plus Care Grant	855,083.75	1,266,826.00
Emergency Shelter Grants	294,973.40	308,022.17
Receivables - Other:		
Health Grants	885,921.00	832,019.00
Environmental Health Grants	418,638.75	278,947.75
Library Grants	4,399.51	87,059.21
Taxes Receivable for Library, Health and Open Space Funds	319,567.74	296,460.27
Due From Grant Fund	10,000,000.00	-
	<u>\$ 135,557,671.12</u>	<u>\$ 137,340,298.04</u>
 <u>Liabilities and Reserves</u>		
Reserve for Taxes Receivable for Library, Health and Open Space	\$ 319,567.74	\$ 296,460.27
Reserve for U.S. HUD Grants:		
Relocation Assistance Program	6,396,350.10	6,776,389.84
Community Development Block Grants	3,863,680.43	5,364,352.20
Home Investment Grants	3,436,944.97	3,203,915.88
Shelter Plus Care	855,083.75	1,182,922.00
Emergency Shelter	296,949.79	291,397.69
Reserve for:		
Retirees Health Benefits	27,978.28	39,504.11
Other Trust Funds	120,361,116.06	120,185,356.05
Total Liabilities and Reserves	<u>\$ 135,557,671.12</u>	<u>\$ 137,340,298.04</u>

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

MONMOUTH COUNTY
GENERAL CAPITAL FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 98,806,101.91	\$ 54,574,261.39
Investments	1,787,830.33	1,572,569.60
Accounts Receivable:		
Open Space Trust Fund	756,739.00	891,584.00
State of New Jersey - County College:		
Capital Projects, Chapter 12, P.L. 1971	11,140,000.00	7,576,500.00
Deferred Charges To Future Taxation:		
Funded	419,795,000.00	376,688,500.00
Unfunded	118,615,000.00	141,865,000.00
	<u>\$ 650,900,671.24</u>	<u>\$ 583,168,414.99</u>
<u>Liabilities, Reserves and Fund Balance</u>		
General Serial Bonds	\$ 362,860,000.00	\$ 324,168,500.00
County College Serial Bonds - Chapter 12, P.L. 1971:		
State Share	11,140,000.00	7,576,500.00
County Share	11,780,000.00	8,480,000.00
Open Space Trust Fund Serial Bonds	22,405,000.00	27,405,000.00
New Jersey Economic Development Authority:		
Vocational School Bonds	20,095,000.00	13,980,000.00
IPA Note Payable	2,655,000.00	2,655,000.00
Reserve for Script Redemption	1,508.63	1,508.63
Improvement Authorizations:		
Funded	89,856,054.08	39,223,600.73
Unfunded	117,693,892.17	140,755,797.39
Interest Due State of New Jersey	206,186.09	201,404.10
Capital Improvement Fund	352,261.72	963,261.72
Reserve for:		
Installment Purchase Agreement	1,787,830.33	1,572,569.60
Open Space Receivable	756,739.00	891,584.00
Debt Service - Care Centers	2,058,000.00	2,558,000.00
	<u>643,647,472.02</u>	<u>570,432,726.17</u>
Fund Balance	<u>7,253,199.22</u>	<u>12,735,688.82</u>
	<u>\$ 650,900,671.24</u>	<u>\$ 583,168,414.99</u>

There were bonds and notes authorized but not issued on December 31, 2019 of \$118,615,000.00 and on December 31, 2018, of \$141,865,000.00

**MONMOUTH COUNTY
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance, December 31, 2018	\$ 12,735,688.82
Increased By:	
Premium on Bond Sale	<u>17,510.40</u>
	12,753,199.22
Decreased By:	
Appropriated To Finance	
2019 Current Fund Budget Revenue	<u>5,500,000.00</u>
Balance, December 31, 2019	<u><u>\$ 7,253,199.22</u></u>

MONMOUTH COUNTY
RECLAMATION CENTER UTILITY FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Operating Fund:		
Cash and Cash Equivalents	\$ 17,954,610.89	\$ 22,055,176.35
Cash - Change Fund	1,750.00	1,750.00
Investments	<u>13,944,005.92</u>	<u>13,134,072.83</u>
	<u>31,900,366.81</u>	<u>35,190,999.18</u>
Receivables with Full Reserves:		
Consumer Accounts Receivable	<u>617,996.96</u>	<u>672,690.86</u>
Total Operating Fund	<u>32,518,363.77</u>	<u>35,863,690.04</u>
Capital Fund:		
Cash and Cash Equivalents	6,548,108.95	5,017,832.60
Fixed Capital	100,509,279.76	94,053,110.49
Fixed Capital Authorized and Uncompleted	<u>21,097,223.90</u>	<u>15,953,393.17</u>
Total Capital Fund	<u>128,154,612.61</u>	<u>115,024,336.26</u>
Utility Grant Fund:		
Cash and Cash Equivalents	<u>466,330.99</u>	<u>614,179.62</u>
Total Utility Grant Fund	<u>466,330.99</u>	<u>614,179.62</u>
Total Assets	<u>\$ 161,139,307.37</u>	<u>\$ 151,502,205.92</u>

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

MONMOUTH COUNTY
RECLAMATION CENTER UTILITY FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

<u>Liabilities, Reserves and Fund Balances</u>	<u>2019</u>	<u>2018</u>
Operating Fund:		
Appropriation Reserves	\$ 459,164.37	\$ 1,263,455.00
Reserve for Encumbrances	4,646,456.98	8,046,464.32
Reserve for Landfill Closure Escrow	13,944,005.92	13,134,072.83
Host Community Benefit Tax Payable	483,756.31	500,004.42
Accrued Interest on Bonds and Notes	275,256.11	304,234.13
Reserve For Environmental Impairment Liability	7,000,000.00	7,000,000.00
Prepaid Utility Fees - Haulers	827,038.69	1,076,555.36
Prepaid Utility Fees - Governments	1,257.15	-
Accounts Payable	112,170.20	12,346.50
Landfill Contingency Taxes Payable	17,364.30	15,865.24
State of New Jersey Recycling Tax Payable	298,287.00	306,645.00
Landfill Closure Escrow Taxes Payable	34,728.59	31,730.48
	<hr/>	<hr/>
	28,099,485.62	31,691,373.28
Reserve for Receivables	617,996.96	672,690.86
Fund Balance	3,800,881.19	3,499,625.90
	<hr/>	<hr/>
Total Operating Fund	32,518,363.77	35,863,690.04
	<hr/>	<hr/>
Capital Fund:		
Serial Bonds	16,400,000.00	18,065,000.00
Bond Anticipation Notes Payable	11,500,000.00	-
Improvement Authorizations:		
Funded	6,208,471.54	4,779,625.19
Unfunded	100,000.00	-
Deferred Reserve for Amortization	3,437,903.57	3,565,051.01
Reserve for Amortization	90,268,600.09	88,376,452.65
Fund Balance	239,637.41	238,207.41
	<hr/>	<hr/>
Total Capital Fund	128,154,612.61	115,024,336.26
	<hr/>	<hr/>
Utility Grant Fund:		
Appropriated Reserves	263,473.46	273,889.62
Reserve for Encumbrances	202,857.53	340,290.00
	<hr/>	<hr/>
Total Utility Grant Fund	466,330.99	614,179.62
	<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balances	<u>\$ 161,139,307.37</u>	<u>\$ 151,502,205.92</u>

There was \$100,000.00 in bonds and notes authorized but not issued on December 31, 2019 and \$-0- on December 31, 2018.

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

MONMOUTH COUNTY
RECLAMATION CENTER UTILITY FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 3,495,000.00	\$ 6,640,000.00
Reclamation Center Utility Fees	29,412,613.54	27,006,991.60
Reclamation Center Utility Fees - Projected Increase	1,045,000.00	1,645,000.00
Reclamation Center Capital Fund Balance	-	3,465,000.00
Interest on Investments	528,669.63	-
Gas to Energy Receipts	681,099.26	-
NJDEP - Recycling Enhancement Act (N.J.S 40A:4-87)	472,956.00	501,620.00
Miscellaneous Revenue Not Anticipated	147,221.32	1,245,433.53
Unexpended Balance of Appropriation Reserves	2,361,505.69	1,296,572.51
Prepaid Utility Fees - Hauler Fees Cancelled	143.35	-
Accounts Payable Cancelled	<u>2.50</u>	<u>-</u>
	<u>38,144,211.29</u>	<u>41,800,617.64</u>
Expenditures:		
Operating	32,013,299.02	32,695,438.10
Capital Improvements	-	3,200,000.00
Debt Service	<u>2,334,656.98</u>	<u>2,406,181.90</u>
	<u>34,347,956.00</u>	<u>38,301,620.00</u>
Excess in Revenue	3,796,255.29	3,498,997.64
Fund Balance, January 1	<u>3,499,625.90</u>	<u>6,640,628.26</u>
	7,295,881.19	10,139,625.90
Decreased By:		
Utilized as Anticipated Revenue	<u>3,495,000.00</u>	<u>6,640,000.00</u>
Fund Balance, December 31	<u><u>\$ 3,800,881.19</u></u>	<u><u>\$ 3,499,625.90</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, 2019**

Balance, December 31, 2018	\$ 238,207.41
Increased by:	
Premium on Note Sale	<u>1,430.00</u>
Balance, December 31, 2019	<u><u>\$ 239,637.41</u></u>

MONMOUTH COUNTY
RECLAMATION CENTER UTILITY FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Anticipated		Realized	Excess/ (Deficit)
	Budget	Special N.J.S. 40A:4-87		
Operating Fund Balance Anticipated	\$ 3,495,000.00	\$ -	\$ 3,495,000.00	\$ -
Reclamation Center Utility Fees	28,650,000.00	-	29,412,613.54	762,613.54
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)	-	472,956.00	472,956.00	-
Reclamation Center Utility Fees - Projected Increase	1,045,000.00	-	1,045,000.00	-
Interest on Investments	525,000.00	-	528,669.63	3,669.63
Gas to Energy Utility Receipts	160,000.00	-	681,099.26	521,099.26
Miscellaneous Revenue Not Anticipated	-	-	147,221.32	147,221.32
	<u>\$ 33,875,000.00</u>	<u>\$ 472,956.00</u>	<u>\$ 35,782,559.75</u>	<u>\$ 1,434,603.75</u>

Analysis of Realized Utility Fee Revenue:

Utility Fees:

Levied	\$ 34,922,621.20
Increased By:	
Change in Receivables	54,693.90
	<u>34,977,315.10</u>
Decreased By:	
Landfill Contingency Tax	\$ 203,590.22
Host Community Benefits Tax	2,687,390.90
Landfill Closure Escrow Tax	407,180.44
Recycling Tax	1,221,540.00
	<u>4,519,701.56</u>
	<u>\$ 30,457,613.54</u>

Miscellaneous Revenue Not Anticipated:

Grass Clippings	\$ 18,642.25
Recycling Composter Sales	6,900.00
Sale of Scrap Metal	6,825.82
Recycling Commissions	77,248.90
Cover Material	19,868.40
Vehicle Wash	8,356.00
Sale of Wood Chips	5,848.47
Miscellaneous - Other	3,531.48
	<u>\$ 147,221.32</u>

MONMOUTH COUNTY
RECLAMATION CENTER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Appropriations		Expended			Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 5,145,000.00	\$ 5,395,000.00	\$ 5,394,888.54	\$ -	\$ 111.46	\$ -
Other Expenses	26,396,599.79	26,145,343.02	21,039,833.13	4,646,456.98	459,052.91	-
NJDEP - Recycling Enhancement Act	-	472,956.00	472,956.00	-	-	-
Total Operating	31,541,599.79	32,013,299.02	26,907,677.67	4,646,456.98	459,164.37	-
Debt Service:						
Payment of Bond Principal	1,665,000.00	1,665,000.00	1,665,000.00	-	-	-
Interest on Bonds	668,400.21	669,656.98	669,656.98	-	-	-
Total Debt Service	2,333,400.21	2,334,656.98	2,334,656.98	-	-	-
	\$ 33,875,000.00	\$ 34,347,956.00	\$ 29,242,334.65	\$ 4,646,456.98	\$ 459,164.37	\$ -
<u>Analysis of Budget After Modification</u>						
Original Budget	\$ 33,875,000.00					
Appropriation by N.J.S.A. 40A:4-87	<u>472,956.00</u>					
	\$ <u>34,347,956.00</u>					
<u>Analysis of Paid or Charged:</u>						
Accrued Interest on Bonds and Notes		\$ (28,978.02)				
Grants Appropriated		472,956.00				
Accounts Payable		24,997.00				
Disbursed		<u>28,773,359.67</u>				
		\$ <u>29,242,334.65</u>				

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

MONMOUTH COUNTY
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF ASSETS & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018

<u>Assets</u>	<u>2019</u>	<u>2018</u>
Land	\$ 998,396,287.00	\$ 945,028,488.00
Land Improvements	53,384,510.75	47,864,328.70
Buildings	344,216,625.47	310,611,194.78
Furniture, Fixtures and Equipment	88,826,108.50	61,063,645.36
Vehicles	<u>83,659,301.07</u>	<u>70,356,323.28</u>
Total Assets	<u>\$ 1,568,482,832.79</u>	<u>\$ 1,434,923,980.12</u>
 <u>Liabilities</u>		
Investment in General Fixed Assets	<u>\$ 1,568,482,832.79</u>	<u>\$ 1,434,923,980.12</u>
Total Liabilities	<u>\$ 1,568,482,832.79</u>	<u>\$ 1,434,923,980.12</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, 2019

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 Chosen Freeholders, 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 Freeholders have both administrative and policy-making powers

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61, 80, & 90, 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. 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, 2019

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, 2019

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, 2019

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, 2019

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 has recently adopted 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 financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements; and there have been no GASB pronouncements effective for the current year that have a significant impact of the County's financial statements.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be recovered. Although the County does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the County in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the County relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized. As of December 31, 2019, the County's bank balances of \$343,855,594.62 were exposed to custodial credit risk as follows:

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

Note 2. Deposits and Investments (continued)

Insured under FDIC and GUDPA	\$ 224,802,548.04
Uninsured and Uncollateralized	119,053,046.58
	\$ 343,855,594.62

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, 2019, 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	\$ 11,918,300.00	\$ 11,918,300.00	\$ 11,918,300.00	\$ -	\$ -	\$ -
Cash/Money Markets	155,610.28	155,610.28	155,610.28	-	-	-
Taxable Bonds:						
Corporate Issues	385,243.52	382,953.53	-	296,378.76	-	86,574.77
U.S. Government Issues	14,711,149.69	15,193,272.44	1,752,421.00	8,077,761.43	5,363,090.01	-
	\$ 27,170,303.49	\$ 27,650,136.25	\$ 13,826,331.28	\$ 8,374,140.19	\$ 5,363,090.01	\$ 86,574.77

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

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

Note 2. Deposits and Investments (continued)

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 \$27,650,136.25 investments listed above, \$27,650,136.25 is registered in the County's name.

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

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 43.10% and 54.95%, 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 \$11,918,300.00. The investments in US Governmental Issues are reported at fair value in the general capital and utility operating funds in the amount of \$1,760,664.05 and \$13,432,608.39, 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>2019</u>	<u>2018</u>	<u>2017</u>
County Tax Rate	\$ 0.239	\$ 0.248	\$ 0.256
County Library Tax Rate	0.017	0.018	0.018
County Health Tax Rate	0.005	0.005	0.005
County Open Space Tax Rate	0.028	0.028	0.015
	\$ 0.289	\$ 0.299	\$ 0.294

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2019	\$ 123,829,470,638
2018	119,785,889,692
2017	116,055,885,089

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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>
2019	\$ 305,500,000.00	\$ 305,500,000.00	100.00%
2018	304,000,000.00	304,000,000.00	100.00%
2017	302,475,000.00	302,475,000.00	100.00%

Note 4. Reclamation Utility Service Charges

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

Comparison of Reclamation Utility 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>
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%
2015	614,865.03	25,118,006.13	25,732,871.16	25,033,764.47	97.28%

Note 5. Interfund Receivables and Payables

There were interfund balances recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2019.

Fund	Interfund Receivable	Interfund Payable
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>

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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:			
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%
2015	92,161,556.28	45,850,000.00	49.75%
Reclamation Utility Operating Fund:			
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%
2015	10,189,244.00	8,225,000.00	80.72%

Note 7. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2019:

	Balance December 31, 2018	Additions	Retirements	Balance December 31, 2019
Land	\$ 945,029,488.00	\$ 53,367,799.00	\$ -	\$ 998,397,287.00
Land Improvements	47,864,328.70	5,520,182.05	-	53,384,510.75
Buildings	310,611,194.78	33,659,592.69	(54,162.00)	344,216,625.47
Furniture, Fixtures & Equipment	61,063,645.36	29,338,615.01	(1,576,151.87)	88,826,108.50
Vehicles	70,356,323.28	42,735,314.90	(29,432,337.11)	83,659,301.07
	<u>\$ 1,434,924,980.12</u>	<u>\$ 164,621,503.65</u>	<u>\$ (31,062,650.98)</u>	<u>\$ 1,568,483,832.79</u>

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

Note 8. Pension Obligations (continued)

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

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 2019, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2019, the County's contractually required contribution to PERS plan was \$15,343,461.00.

Components of Net Pension Liability - At December 31, 2019, the County's proportionate share of the PERS net pension liability was \$284,223,651.00. The net pension liability was measured as of June 30, 2019. 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, 2018, which was rolled forward to June 30, 2019. 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, 2019. The County's proportion measured as of June 30, 2019, was 1.5774005606% which was a decrease of 0.0308184194% from its proportion measured as of June 30, 2018.

Balances at December 31, 2019 and December 31, 2018

	<u>12/31/2019</u>	<u>12/31/2018</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 41,668,625	\$ 68,629,276
Deferred Inflows of Resources	125,609,143	126,347,101
Net Pension Liability	284,223,651	316,650,301
County's portion of the Plan's total Net Pension Liability	1.57740%	1.60822%

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

Note 8. Pension Obligations (continued)

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

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2019, the County's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2019 measurement date is \$7,839,345.00. 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 \$15,343,461.00 to the plan in 2019.

At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 5,101,443	\$ 1,255,575
Changes of Assumptions	28,380,775	98,653,130
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	4,486,581
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions	8,186,407	21,213,857
	\$ 41,668,625	\$ 125,609,143

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

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

Note 8. Pension Obligations (continued)

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

	<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	-
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
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	-
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

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

Note 8. Pension Obligations (continued)

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

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

Year Ending	Amount
<u>Dec 31,</u>	
2020	\$ (14,576,865)
2021	(24,765,360)
2022	(31,058,234)
2023	(12,063,522)
2024	<u>(1,476,539)</u>
	<u>\$ (83,940,520)</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:

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 Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019	
PFRS	Pub-2010 Safety Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019	
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-2019.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

Note 8. Pension Obligations (continued)

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

The actuarial assumptions used in the July 1, 2018 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, 2019) 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% 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

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

Note 8. Pension Obligations (continued)

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

benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the 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 (5.28%) or 1-percentage-point higher (7.28%) than the current rate:

	1% Decrease <u>(5.28%)</u>	Current Discount Rate <u>(6.28%)</u>	1% Increase <u>(7.28%)</u>
County's Proportionate Share of the Net Pension Liability	<u>\$ 361,518,255</u>	<u>\$ 284,223,651</u>	<u>\$ 222,735,375</u>

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

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.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

Note 8. Pension Obligations (continued)

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

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 2019, 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, 2019, the County's contractually required contributions to PFRS plan was \$14,009,736.00.

Net Pension Liability and Pension Expense - At December 31, 2019 the County's proportionate share of the PFRS net pension liability was \$169,732,514.00. The net pension liability was measured as of June 30, 2019. 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, 2018, to the measurement date of June 30, 2019. 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, 2019. The County's proportion measured as of June 30, 2019, was 1.3869507018%, which was a decrease of 0.0073109649% from its proportion measured as of June 30, 2018.

Balances at December 31, 2019 and December 31, 2018

	<u>12/31/2019</u>	<u>12/31/2018</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 8,362,297	\$ 19,657,451
Deferred Inflows of Resources	63,760,287	57,069,532
Net Pension Liability	169,732,514	188,666,589
County's portion of the Plan's total net pension Liability	1.38695%	1.39426%

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

Note 8. Pension Obligations (continued)

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

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2019, the County’s proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2019 measurement date was \$13,274,770.00. 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 \$14,009,736.00 to the plan in 2019.

At December 31, 2019, the County had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 1,432,761	\$ 1,074,607
Changes of Assumptions	5,815,961	54,855,993
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	2,299,821
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions	1,113,575	5,529,866
	\$ 8,362,297	\$ 63,760,287

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

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

Note 8. Pension Obligations (continued)

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

	<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
 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
 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
 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

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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	
<u>Dec 31,</u>	<u>Amount</u>
2020	\$ (14,760,569)
2021	(16,493,040)
2022	(14,090,135)
2023	(6,510,470)
2024	<u>(3,543,776)</u>
	<u><u>\$ (55,397,990)</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 \$26,801,086.00 as of December 31, 2019. The net pension liability was measured as of June 30, 2019. 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, 2018, to the measurement date of June 30, 2019. 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, 2019 was 1.3869507018%, which was a decrease of 0.0073109649% 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 PFRS net pension liability were as follows:

County's Proportionate Share of Net Pension Liability	\$	169,732,514
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the County		<u>26,801,086</u>
	\$	<u><u>196,533,600</u></u>

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

Note 8. Pension Obligations (continued)

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

At December 31, 2019, the State’s proportionate share of the PFRS expense, associated with the County, calculated by the plan as of the June 30, 2019 measurement date was \$3,114,067.00.

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		
	PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
	PFRS	Pub-2010 Safety Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
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. 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 (contingent annuitants), 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-2019.

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

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

Note 8. Pension Obligations (continued)

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

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, 2019) 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 70% 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 projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076 and the municipal bond rate was applied to projected benefit payments after that date in determining 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 (5.85%) or 1-percentage-point higher (7.85%) than the current rate:

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

Note 8. Pension Obligations (continued)

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

	1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
County's Proportionate Share of the Net Pension Liability	\$ 229,416,507	\$ 169,732,514	\$ 120,335,410
State of New Jersey's Proportionate Share of Net Pension Liability associated with the County	<u>36,225,302</u>	<u>26,801,086</u>	<u>19,001,190</u>
	<u>\$ 265,641,809</u>	<u>\$ 196,533,600</u>	<u>\$ 139,336,600</u>

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by *N.J.S.A.43:15C-1 et. seq.*

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the County's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

As of December 31, 2019 the County had multiple employees participating in the Defined Contribution Retirement Program.

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, 2019

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	
	December 31, 2018	December 31, 2019
(1) OPEB Liability		
(a) Retired Participants and Beneficiaries Receiving Payment	\$ 313,942,055	\$ 360,057,867
(b) Active Participants	<u>91,000,279</u>	<u>83,435,883</u>
(c) Total	\$ 404,942,334	\$ 443,493,750
(2) Plan Fiduciary Net Position	\$ -	\$ -
(3) Net OPEB Liability	\$ 404,942,334	\$ 443,493,750
(4) Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0%	0%
(5) Deferred Outflow of Resources for Contributions Made After Measurement Date	\$ 16,795,273	TBD

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

	Fiscal Year Ending	
	December 31, 2018	December 31, 2019
(1) Service Cost	\$ 2,686,927	\$ 1,463,982
(2) Interest Cost	15,094,437	16,318,356
(3) Expected Investment Return	-	-
(4) Contributions from Non-Employer Contributing Entities	-	-
(5) Administrative Expense	-	-
(6) Plan Changes	-	-
(7) Amortization of Unrecognized		
(a) Liability (Gain)/ Loss	-	(7,532,867)
(b) Asset (Gain)/ Loss	-	-
(c) Assumption Change (Gain)/ Loss	<u>(6,575,381)</u>	<u>12,356,479</u>
(8) Total Expense	\$ 11,205,983	\$ 22,605,950

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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	
		December 31, 2018	December 31, 2019
(1)	Development of Service Cost:		
	(a) Service Cost at Beginning of Measurement Period	\$ 2,686,927	\$ 1,463,982
(2)	Development of Interest Cost:		
	(a) Total OPEB Liability at Beginning of Measurement Period	\$ 444,675,898	\$ 404,942,334
	(b) Service Cost at Beginning of Measurement Period	2,686,927	1,463,982
	(c) Actual Net Benefit Payments ¹	(17,142,088)	(16,795,273)
	(d) Discount Rate	3.44%	4.10%
	(e) Interest Cost	\$ 15,094,437	\$ 16,318,356
(3)	Development of Expected Investment Return		
	(a) Plan Fiduciary Net Position at Beginning of Measurement Period ¹	\$ -	\$ -
	(b) Actual Contributions - Employer ¹	17,142,088	16,795,273
	(c) Actual Contributions - Member	36,533	25,905
	(d) Actual Net Benefit Payments ¹	(17,178,621)	(16,821,178)
	(e) Administrative Expenses	-	-
	(f) Other	-	-
	(g) Expected Return on Assets	N/A	N/A
	(h) Expected Return	\$ -	\$ -

1. Expected benefit payments were used.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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

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, 2018 to December 31, 2019:

	<u>Increase / (Decrease)</u>
	<u>Total OPEB Liability</u>
	<u>(a)</u>
Balance Recognized at December 31, 2018 (Based on December 31, 2018 Measurement Date)	\$ 404,942,334
Changes Recognized for the Fiscal Year	
Service Cost	\$ 1,463,982
Interest on the Total OPEB Liability	16,318,356
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(36,157,661)
Changes of Assumptions	73,722,012
Net Benefit Payments	(16,795,273)
Contributions From the Employer	N/A
Contributions From the Member	N/A
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	\$ 38,551,416
Balance Recognized at December 31, 2019 (Based on December 31, 2019 Measurement Date)	\$ 443,493,750

1. Numbers may not add due to rounding.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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	
	December 31, 2018	December 31, 2019
(1) OPEB Liability at Beginning of Measurement Period	\$ 444,875,898	\$ 404,942,334
(2) Service Cost	2,686,927	1,463,982
(3) Interest on the Total OPEB Liability	15,094,437	16,318,356
(4) Changes of Benefit Terms	-	-
(5) Changes of Assumptions	(40,372,840)	73,722,012
(6) Net Benefit Payments ¹	(17,142,088)	(16,795,273)
(7) Expected OPEB Liability at End of Measurement Period	404,942,334	479,651,411
(8) Actual OPEB Liability at End of Measurement Period	404,942,334	443,493,750
(9) OPEB Liability (Gain) / Loss	\$ -	\$ (36,157,661)
(10) Average Future Working Life Expectancy ²	6.14	4.80
(11) OPEB Liability (Gain) / Loss Amortization	\$ -	\$ (7,532,867)
(12) Assumption Change (Gain) / Loss	(40,372,840)	73,722,012
(13) Average Future Working Life Expectancy ²	6.14	4.80
(14) Assumption Change (Gain) / Loss Amortization ⁴	\$ (6,575,381)	\$ 15,358,753

1. Net Expected benefit payments were used.

2. Based on the average of the expected remaining service lives of all active and inactive employees that are provided with benefits through the OPEB plan.

3. Numbers may not add due to rounding.

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

	Fiscal Year Ending	
	December 31, 2018	December 31, 2019
(1) OPEB Asset at Beginning of Measurement Period ¹	\$ -	\$ -
(2) Contributions - Employer ¹	17,142,088	16,795,273
(3) Contributions - Member	36,533	25,905
(4) Expected Investment Income	-	-
(5) Net Benefit Payments	(17,178,621)	(16,821,178)
(6) Administrative Expense	-	-
(7) Other	-	-
(8) Expected OPEB Asset at End of Measurement Period	-	-
(9) Actual OPEB Asset at End of Measurement Period	-	-
(10) OPEB Asset (Gain) / Loss	\$ -	\$ -
(11) Amortization Factor	5.00	5.00
(12) OPEB Asset (Gain) / Loss Amortization ³	\$ -	\$ -

1. Net Expected benefit payments were used.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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, 2019 under GASB 75 after any reduction due to the Fiscal Year 2019 amortizations:

	Deferred Outflows	Deferred Inflows
(1) Difference Between Actual and Expected Experience	\$ -	\$ 28,624,794
(2) Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	-	-
(3) Assumption Changes	61,365,533	
(4) Sub Total	\$ 61,365,533	\$ 28,624,794
(5) Contributions Made in Fiscal Year Ending 2019 After December 31, 2018 Measurement Date		N/A
(6) Total	\$ 61,365,533	\$ 28,624,794

Amortization of Deferred Inflows/Outflows - The table below lists the amortization bases included in the deferred inflows/outflows as of December 31, 2019:

Date Established	Type of Base	Original	Remaining	Original	Remaining	Annual Payment
January 1, 2019	Liability (Gain) / Loss	4.80	3.80	\$ (36,157,661)	\$ (28,624,794)	\$ (7,532,867)
January 1, 2019	Asset (Gain) / Loss	5.00	4.00	\$ -	\$ -	\$ -
January 1, 2019	Assumptions	4.80	3.80	\$ 73,722,012	\$ 58,363,239	\$ 15,358,773
January 1, 2018	Assumptions	6.14	4.14	\$ (40,372,840)	\$ (27,222,078)	\$ (6,575,381)
January 1, 2017	Assumptions	6.14	3.14	\$ 21,938,758	\$ 11,219,497	\$ 3,573,087
	Total Charges				\$ 13,735,864	\$ 4,823,612

1. Based on the average of the expected remaining service lives of all active and inactive employees that are provided with benefits through the OPEB plan.

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:

Fiscal Year Ending December 31,	
2020	\$ 4,823,612
2021	\$ 4,823,612
2022	\$ 4,823,612
2023	\$ 185,582
Total Thereafter	\$ (920,554)

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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

Net OPEB Liability - The components of the Net OPEB Liability as of December 31, 2018 and December 31, 2019 are as follows:

Liability Summary	Fiscal Year Ending	
	December 31, 2018	December 31, 2019
Total OPEB Liability (Ending)	\$ 404,942,334	\$ 443,493,750
Plan Fiduciary Net Position (Ending)	\$ -	\$ -
Net OPEB Liability (Ending)	\$ 404,942,334	\$ 443,493,750
Net Position as a Percentage of OPEB Liability	0%	0%
OPEB Expense	\$ 11,205,983	\$ 22,605,950

Sensitivity of Net OPEB Liability to Changes in the Discount Rate - The following table illustrates the impact of discount rate sensitivity on the Net OPEB Liability for the fiscal year ending December 31, 2019:

Fiscal Year Ending December 31, 2018	1% Decrease 1.74%	Current Rate 2.74%	1% Increase 3.74%
Total OPEB Liability (Ending)	\$ 519,309,114	\$ 443,493,750	\$ 383,866,177
Plan Fiduciary Net Position (Ending)	\$ -	\$ -	\$ -
Net OPEB Liability (Ending)	\$ 519,309,114	\$ 443,493,750	\$ 383,866,177

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following table illustrates the impact of healthcare cost trend sensitivity on the Net OPEB Liability for fiscal year ending December 31, 2019:

Fiscal Year Ending December 31, 2018	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability (Ending)	\$ 381,026,559	\$ 443,493,750	\$ 521,890,772
Plan Fiduciary Net Position (Ending)	\$ -	\$ -	\$ -
Net OPEB Liability (Ending)	\$ 381,026,559	\$ 443,493,750	\$ 521,890,772

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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

Changes in the Net OPEB Liability and Related Ratios

	Fiscal Year Ending December 31,	
	2018	2019
Total OPEB Liability		
Service Cost	\$ 2,686,927	\$ 1,463,982
Interest Cost	15,094,437	16,318,356
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experiences	-	(36,157,661)
Changes of Assumptions	(40,372,840)	73,722,012
Net Benefit Payments ¹	<u>(17,142,088)</u>	<u>(16,795,273)</u>
Net Change in Total OPEB Liability	\$ (39,733,564)	\$ 38,551,416
Total OPEB Liability (Beginning)	\$ 444,675,898	\$ 404,942,334
Total OPEB Liability (Ending)	\$ 404,942,334	\$ 443,493,750
Plan Fiduciary Net Position		
Contributions: Employer ¹	\$ 17,142,088	\$ 16,795,273
Contributions: Member	36,533	25,905
Net Investment Income	-	-
Net Benefit Payments ¹	(17,178,621)	(16,821,176)
Administrative Expenses	-	-
Other	<u>-</u>	<u>-</u>
Net Change in Plan Fiduciary Net Position	\$ -	\$ -
Plan Fiduciary Net Position (Beginning)	\$ -	\$ -
Plan Fiduciary Net Position (Ending)	\$ -	\$ -
Net OPEB Liability (Ending)	\$ 404,942,334	\$ 443,493,750
Net Position as a Percentage of OPEB Liability	0%	0%
Covered Employee Payroll²	29,930,700	22,373,300
Net OPEB Liability as a Percentage of Payroll	1353%	1982%

1. Net Expected benefit payments were used.
2. Covered payroll for the fiscal years ending December 31, 2019 was provided by the County.
3. Numbers may not add due to rounding.

Notes to Schedule:

Benefit Changes: None

Changes in Assumptions: The increase in the liability from December 31, 2018 to December 31, 2019 is due to the decrease in the assumed discount rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019.

The decrease in the liability from December 31, 2017 to December 31, 2018 is due to the increase in the assumed discount rate from 3.44% as of measurement date December 31, 2017 to 4.10% as of measurement date December 31, 2018.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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

The results in the table in the previous pages were developed based on the following:

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, 2019 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, 2019 GASB 75 valuation is December 31, 2019.

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 actual benefit payments (provided by the County of Monmouth). 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 2019.

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.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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

Economic Assumptions

Discount Rate

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

Salary Scale

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

Health Care Trend

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

Aon has reviewed the trend assumptions used for the prior valuation and have the following change: For medical benefits, this amount initially is at 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.

Health Care Reform – Excise Tax

As of Friday, December 20, 2019, the excise tax was repealed. Excise tax loads were removed from the FYE 2019 valuation.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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

B. State Plan

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.

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.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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

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.

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.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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

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, 2019

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>2019</u>	<u>2018</u>	<u>2017</u>
Issued:			
Debt Guaranteed by the County	\$ 672,040,000.00	\$ 526,245,000.00	\$ 432,160,000.00
General:			
Bonds, Notes and Loans	430,935,000.00	384,265,000.00	433,910,000.00
Reclamation Center Utility:			
Bonds, Notes and Loans	27,900,000.00	18,065,000.00	19,730,000.00
	<hr/>	<hr/>	<hr/>
Total Debt Issued	1,130,875,000.00	928,575,000.00	885,800,000.00
Authorized but not issued:			
Debt Guaranteed by the County	1,475,000.00	1,475,000.00	33,725,000.00
General:			
Bonds and Notes	118,615,000.00	141,865,000.00	74,350,000.00
Reclamation Center Utility:			
Bonds and Notes	100,000.00	-	-
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	120,190,000.00	143,340,000.00	108,075,000.00
	<hr/>	<hr/>	<hr/>
Total Gross Debt	\$ 1,251,065,000.00	\$ 1,071,915,000.00	\$ 993,875,000.00
Deductions:			
Bonds Authorized by another Public			
Body to be guaranteed by County	\$ 673,515,000.00	\$ 527,720,000.00	\$ 465,885,000.00
General:			
Funds on Hand For Payment of Bonds and Notes:			
Installment Purchase Agreement	1,787,830.33	1,572,569.60	1,443,899.65
Reserve for Care Centers Debt Service	2,058,000.00	2,558,000.00	3,222,000.00
County College Bonds	11,140,000.00	9,476,500.00	8,891,500.00
Open Space Bonds	22,405,000.00	27,405,000.00	32,360,000.00
Reclamation Center Utility:			
Self Liquidating Debt	28,000,000.00	18,065,000.00	19,730,000.00
	<hr/>	<hr/>	<hr/>
Total Deductions	738,905,830.33	586,797,069.60	531,532,399.65
	<hr/>	<hr/>	<hr/>
Total Net Debt	\$ 512,159,169.67	\$ 485,117,930.40	\$ 462,342,600.35
	<hr/>	<hr/>	<hr/>

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, 2019

Note 10. Capital Debt (continued)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Debt Guaranteed by the County	\$ 673,515,000.00	\$ 673,515,000.00	\$ -
General Debt	549,550,000.00	37,390,830.33	512,159,169.67
Reclamation Center Utility	28,000,000.00	28,000,000.00	-
	\$ 1,251,065,000.00	\$ 738,905,830.33	\$ 512,159,169.67

The County's statutory net debt is the Net Debt, as calculated above, divided by the average Equalized Valuation Basis of \$126,514,702,435.33 which equals a statutory net debt at December 31, 2019 in the amount of .405%. 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, 2019 is calculated as follows:

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

2.0% of Equalized Valuation Basis (County)	\$ 2,530,294,048.71
Less: Net Debt	512,159,169.67
Remaining Borrowing Power	\$ 2,018,134,879.04

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	\$35,783,815.80
Deductions:	
Operating and Maintenance Costs	\$32,013,299.02
Debt Service	2,334,656.98
Total Deductions	34,347,956.00
Excess/(Deficit) in Revenue	\$ 1,435,859.80

*If Excess in Revenues all Utility Debt is Deductible

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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, 2019:

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	Balance December 31, <u>2019</u>
General Serial Bonds:					
General Improvements	Serial Bonds	9/23/2008	9/1/2020	4.000%	\$ 2,180,000.00
General Capital Bonds	Serial Bonds	12/16/2010	12/1/2020	4.200%	3,795,000.00
Economic Development	Serial Bonds	12/16/2010	12/1/2025	4.150-4.800%	20,775,000.00
General Improvements	Serial Bonds	6/28/2012	1/15/2027	3.000-4.000%	45,600,000.00
General Improvements	Serial Bonds	3/27/2014	3/1/2029	3.000-4.000%	43,480,000.00
Refunding Bonds	Serial Bonds	6/25/2015	7/15/2023	4.000%	26,955,000.00
General Improvements	Serial Bonds	12/1/2015	7/15/2030	3.000-5.000%	55,990,000.00
General Improvements	Serial Bonds	12/28/2017	7/15/2032	4.000-5.000%	58,390,000.00
Refunding Bonds	Serial Bonds	9/25/2019	1/15/2024	5.000%	24,300,000.00
General Improvements	Serial Bonds	12/30/2019	7/15/2034	5.000%	81,395,000.00
					<u>\$ 362,860,000.00</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>2019</u>
**County College - State Share (Chapter 12):					
General Improvements	Serial Bonds	6/28/2012	1/15/2022	3.000-4.000%	\$ 1,275,000.00
General Improvements	Serial Bonds	3/27/2014	3/1/2024	3.000-4.000%	1,425,000.00
General Improvements	Serial Bonds	12/1/2015	7/15/2025	5.000%	960,000.00
General Improvements	Serial Bonds	12/28/2017	7/15/2027	5.000%	2,600,000.00
General Improvements	Serial Bonds	12/30/2019	7/15/2029	5.000%	4,880,000.00
					<u>\$ 11,140,000.00</u>

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

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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>2019</u>
County College- County Share:					
General Improvements	Serial Bonds	12/16/2010	12/1/2020	4.200%	\$ 220,000.00
General Improvements	Serial Bonds	6/28/2012	1/15/2022	3.000-4.000%	1,275,000.00
General Improvements	Serial Bonds	3/27/2014	3/1/2024	3.000-4.000%	1,425,000.00
General Improvements	Serial Bonds	12/1/2015	7/15/2025	5.000%	960,000.00
General Improvements	Serial Bonds	12/28/2017	7/15/2032	4.000-5.000%	3,220,000.00
General Improvements	Serial Bonds	12/30/2019	7/15/2034	5.000%	<u>4,680,000.00</u>
					<u>\$ 11,780,000.00</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>2019</u>
County Vocational School Bonds:					
General Improvements	Serial Bonds	6/28/2012	1/15/2022	3.000-4.000%	\$ 300,000.00
General Improvements	Serial Bonds	3/27/2014	3/1/2026	3.000-4.000%	3,050,000.00
General Improvements	Serial Bonds	12/1/2015	7/15/2027	3.000-5.000%	2,925,000.00
General Improvements	Serial Bonds	12/28/2017	7/15/2030	4.000-5.000%	6,325,000.00
General Improvements	Serial Bonds	12/30/2019	7/15/2034	5.000%	<u>7,495,000.00</u>
					<u>\$ 20,095,000.00</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>2019</u>
Open Space Bonds:					
Open Space Preservation	Serial Bonds	6/28/2012	1/15/2027	3.000-4.000%	\$ 3,200,000.00
Open Space Preservation	Serial Bonds	3/27/2014	3/1/2029	3.000-4.000%	8,000,000.00
Open Space Preservation	Serial Bonds	12/1/2015	7/15/2030	3.000-5.000%	3,680,000.00
Refunding Bonds	Serial Bonds	6/25/2015	1/15/2022	4.000%	<u>7,525,000.00</u>
					<u>\$ 22,405,000.00</u>

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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>
2020	\$ 41,575,000.00	\$ 13,095,115.40	\$ 54,670,115.40
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
2025-2029	120,600,000.00	23,526,103.75	144,126,103.75
2030-2034	47,665,000.00	5,761,175.00	53,426,175.00
	<u>\$ 362,860,000.00</u>	<u>\$ 85,741,619.15</u>	<u>\$ 448,601,619.15</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,685,000.00	\$ 398,291.66	\$ 2,083,291.66
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
2025-2029	3,580,000.00	471,750.00	4,051,750.00
	<u>\$ 11,140,000.00</u>	<u>\$ 2,190,866.66</u>	<u>\$ 13,330,866.66</u>

County College- County Share:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,590,000.00	\$ 425,114.98	\$ 2,015,114.98
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
2025-2029	3,080,000.00	940,750.00	4,020,750.00
2030-2034	2,225,000.00	304,850.00	2,529,850.00
	<u>\$ 11,780,000.00</u>	<u>\$ 3,197,289.98</u>	<u>\$ 14,977,289.98</u>

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

Note 10. Capital Debt (continued)

County Vocational School Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,780,000.00	\$ 756,089.59	\$ 2,536,089.59
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
2025-2029	7,845,000.00	1,667,050.00	9,512,050.00
2030	2,865,000.00	406,500.00	3,271,500.00
	<u>\$ 20,095,000.00</u>	<u>\$ 5,699,939.59</u>	<u>\$ 25,794,939.59</u>

Open Space Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 5,575,000.00	\$ 734,437.50	\$ 6,309,437.50
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
2025-2029	6,875,000.00	584,387.50	7,459,387.50
2030	335,000.00	10,887.50	345,887.50
	<u>\$ 22,405,000.00</u>	<u>\$ 2,915,362.50</u>	<u>\$ 25,320,362.50</u>

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

General Debt – Bonds Authorized but Not Issued

The following is a summary of the County's General Capital Fund bonds authorized but not issued as of December 31, 2019:

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

Note 10. Capital Debt (continued)

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2019</u>
08-03	Various Capital Improvements	\$ 710,000.00
10-02	Various Capital Improvements	630,000.00
12-05	Various Capital Improvements	100,000.00
13-01	Various Capital Improvements	2,370,000.00
14-02	Various Capital Improvements	60,000.00
14-03	Various Capital Improvements (Amending Ordinance)	875,000.00
15-05	Various Capital Improvements	995,000.00
16-01	Various Capital Improvements	11,335,000.00
17-02	Various Capital Improvements	8,650,000.00
17-04	Bridge and Road Improvements (Amending Ordinance)	8,000,000.00
18-03	Various Capital Improvements	25,225,000.00
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	39,965,000.00
19-04	Equipment and Infrastructure Improvements - VoTech	<u>16,075,000.00</u>
		<u>\$ 118,615,000.00</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	<u>267,691.20</u>
	<u>\$ 663,127.45</u>

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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:

Year	Hofling		Scheuing		Total
	Principal	Interest	Principal	Interest	
2020	\$ -	\$ 36,617.50	\$ -	\$ 72,200.00	\$ 108,817.50
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
2025-2029	755,000.00	183,087.50	-	-	938,087.50
	<u>\$ 755,000.00</u>	<u>\$ 366,175.00</u>	<u>\$ 1,900,000.00</u>	<u>\$ 324,900.00</u>	<u>\$ 3,346,075.00</u>

Utility Debt – Serial Bonds

The following is a summary of the County’s Utility Debt outstanding as of December 31, 2019:

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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>2019</u>
Reclamation Taxable	Serial Bonds	12/16/2010	12/1/2020	4.200%	\$ 80,000.00
Reclamation Utility Bonds	Serial Bonds	6/28/2012	1/15/2027	3.000-4.000%	3,360,000.00
Reclamation Utility Bonds	Serial Bonds	3/27/2014	3/1/2029	3.000-4.000%	4,775,000.00
Reclamation Utility Bonds	Serial Bonds	12/1/2015	7/15/2030	3.000-5.000%	4,265,000.00
Reclamation Utility Bonds	Serial Bonds	12/28/2017	7/15/2032	4.000-5.000%	3,920,000.00
					<u>\$ 16,400,000.00</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>
2020	\$ 1,665,000.00	\$ 627,510.00	\$ 2,292,510.00
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
2025-2029	7,110,000.00	902,175.00	8,012,175.00
2030-2032	1,290,000.00	84,675.00	1,374,675.00
		<u>\$ 16,400,000.00</u>	<u>\$ 3,436,360.00</u>
			<u>\$ 19,836,360.00</u>

Utility Debt – Bond Anticipation Notes

The following is a summary of the County's Utility Fund bond anticipation notes as of December 31, 2019:

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Principal</u>	<u>Interest</u>
19-01	Facility Improvements	\$ 7,485,000.00	\$ 149,284.17
19-05	Facility Improvements & Equipment	<u>4,015,000.00</u>	<u>80,076.94</u>
		<u>\$ 11,500,000.00</u>	<u>\$ 229,361.11</u>

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

Note 10. Capital Debt (continued)

Utility Debt – Bonds authorized but not issued

As of December 31, 2019, the County’s Utility Fund bonds authorized but not issued included \$65,000 for Ordinance 19-01, Facility Improvements, and \$35,000 for Ordinance 19-05, Facility Improvements and Equipment. Total bonds authorized but not issued were \$100,000.

Summary of Principal Debt

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

	Balance December 31, <u>2018</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2019</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 324,168,500.00	\$ 105,695,000.00	\$ 67,003,500.00	\$ 362,860,000.00	\$ 41,575,000.00
County College Bonds-State	7,576,500.00	4,880,000.00	1,316,500.00	11,140,000.00	1,685,000.00
County College Bonds-County	8,480,000.00	4,680,000.00	1,380,000.00	11,780,000.00	1,590,000.00
Vocational School Bonds	13,980,000.00	7,495,000.00	1,380,000.00	20,095,000.00	1,780,000.00
Open Space Bonds	27,405,000.00	-	5,000,000.00	22,405,000.00	5,575,000.00
Installment Purchase Agreement	2,655,000.00	-	-	2,655,000.00	-
Authorized But Not Issued	141,865,000.00	125,285,000.00	148,535,000.00	118,615,000.00	-
	<u>\$ 526,130,000.00</u>	<u>\$ 248,035,000.00</u>	<u>\$ 224,615,000.00</u>	<u>\$ 549,550,000.00</u>	<u>\$ 52,205,000.00</u>
Utility Capital:					
Utility Bonds	\$ 18,065,000.00	\$ -	\$ 1,665,000.00	\$ 16,400,000.00	\$ 1,665,000.00
Bond Anticipation Notes	-	11,500,000.00	-	11,500,000.00	11,500,000.00
Authorized But Not Issued	-	11,600,000.00	11,500,000.00	100,000.00	-
	<u>\$ 18,065,000.00</u>	<u>\$ 23,100,000.00</u>	<u>\$ 13,165,000.00</u>	<u>\$ 28,000,000.00</u>	<u>\$ 13,165,000.00</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, 2019, that are guaranteed by the County:

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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

<u>Type of Obligations Guaranteed</u>	Balance December 31, <u>2019</u>
2011 Capital Equipment Lease Revenue Bonds	\$ 705,000.00
2013 Capital Equipment Lease Revenue Bonds	2,335,000.00
2015 Capital Equipment Lease Revenue Bonds	3,880,000.00
2017 Capital Equipment Lease Revenue Bonds	6,600,000.00
2019 Capital Equipment Lease Revenue Bonds	14,305,000.00
2011 Governmental Loan Refunding Bonds	465,000.00
2012 Governmental Loan Refunding Bonds	21,990,000.00
2014 Governmental Loan Refunding Bonds	5,250,000.00
2015 Governmental Loan Refunding Bonds	8,810,000.00
2016 Governmental Loan Refunding Bonds (March)	29,160,000.00
2016 Governmental Loan Refunding Bonds (October)	39,330,000.00
2010 Governmental Pooled Loan Revenue Bonds - Atlantic Highlands	430,000.00
2011 Governmental Pooled Loan Revenue Bonds (Jan.)	9,475,000.00
2011 Governmental Pooled Loan Revenue Bonds (Dec.)	6,215,000.00
2012 Governmental Pooled Loan Revenue Bonds	5,995,000.00
2013 Governmental Pooled Loan Revenue Bonds (June)	14,945,000.00
2013 Governmental Pooled Loan Revenue Bonds, Howell Taxable (June)	1,725,000.00
2013B Governmental Pooled Loan Revenue Bonds (Dec.)	22,820,000.00
2014 Governmental Pooled Loan Revenue Bonds	29,395,000.00
2015 Governmental Pooled Loan Revenue Bonds	16,760,000.00
2017A Governmental Pooled Loan Revenue Bonds (Feb.)	36,830,000.00
2017B Governmental Pooled Loan Revenue Bonds (Sept.)	24,120,000.00
2018A Governmental Pooled Loan Revenue Bonds	19,930,000.00
2018B Governmental Pooled Loan Revenue Bonds	69,490,000.00
2018C Governmental Pooled Loan Revenue Bonds	44,480,000.00
2019A Governmental Pooled Loan Revenue Bonds	48,370,000.00
2019B Governmental Pooled Loan Revenue Bonds	128,975,000.00
2012 Brookdale Lease Revenue Refunding Bonds	4,015,000.00
2015 Brookdale Lease Revenue Refunding Bonds	23,375,000.00
2019 Brookdale Lease Revenue Refunding Bonds	6,490,000.00
2014 Asbury Wastewater Treatment Facility Lease Revenue Refunding Bonds - Tax	1,390,000.00
2014 Asbury Wastewater Treatment Facility Lease Revenue Refunding Bonds - Exe	425,000.00
2019 Governmental Loan Project Notes - FMERA	23,560,000.00
Governmental Loan Project Notes - FMERA - NOT SOLD	<u>1,475,000.00</u>
	<u><u>\$ 673,515,000.00</u></u>

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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, 2019, 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, 2019 is estimated to be \$6,598,609.81 based on the total individuals eligible for the County's sick leave policy, vacation leave policy, and compensatory time policy of 646, 33, and 730 individuals, respectively. Total gross hours of accumulated absences totaled 180,003.88 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 2019, the County appropriated \$150,000 and the balance of the Trust Fund Reserve at December 31, 2019 was \$267,968.35.

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, 2019

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, 2019 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 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	25,000.00	1,000,000.00
Public Officials	500,000.00	15,000,000.00
Helicopter/Aviation	15,000.00	5,000,000.00
Environmental Impairment	25,000.00	3,000,000.00
Property	Various	120,000,000.00
Surety Bonds:		
Christine Giordano-Hanlon, County Clerk		50,000.00
Shaun Golden, Sheriff		50,000.00
Craig R. Marshall, Treasurer		1,500,000.00

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, 2019, the amount on deposit in the Trust Fund was \$4,006,319.82.

The County also maintains a Trust Fund for workers compensation claims. At December 31, 2019, the amount on deposit in the Trust Fund for Workers Compensation coverage was \$2,000,000.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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. 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 March 2019. To date, the County has not received any comments or feedback on the revised plan. As of July 2020, the biennial update of the Closure and Post-Closure Financial Plan was due to be completed. However, these updates have been delayed until the original plan receives approval by the NJDEP.

The 2018 Financial Plan is based on the projection that 2043 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 2018 Financial Plan estimates that the current and projected approved landfill capacity to be exhausted by 2043. Once landfilling is ceased, the plan estimates approximately two years of closure work and cap installation with the post closure care period beginning in 2045. This post closure care will continue through 2075. The present value closure cost for the landfill was estimated at \$47,862,647 with a \$62,562,000 future value. The total closure/post-closure cost was estimated at \$118,288,381.

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 5,102,364 cubic yards remained available as of January 2, 2020. As such, approximately 81.27% of the landfill capacity was used as of January 2, 2020.

Based on the January 2, 2020 topographic survey and in accordance with the currently approved design, the estimated remaining landfill operational life is approximately ten (10) 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 2043.

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

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

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

In accordance with the agreement among the New Jersey Department of Environmental Protection, U.S. Bank, and the County, all funds deposited in the Landfill Closure Escrow Account shall not be considered an asset of the County and shall not be available to any creditor of the County in the event of bankruptcy, reorganization, insolvency or receivership of the landfill or the County. The County and the Escrow Agent agree that funds deposited in the Escrow Account are for the sole benefit of the purposes established: to ensure that funds are set aside and kept available for closure and post-closure care and may be withdrawn only pursuant to the express provision of the Escrow Agreement. Funds will only be available for use by the owner/operator, or by a court-appointed receiver or other legal representative of the owner/operator, for closure and post-closure care activities, upon written approval of the Department of Environmental Protection, Office of Special Funds Administration. The balance of the Escrow Account at December 31, 2019 and 2018 is \$13,944,005.92 and \$13,134,072.83, 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, 2019, 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, 2019, 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 in 1991, and became a Division within the framework of other County Departments and Divisions in that year. The State of New Jersey is responsible for the imposition of federal eligibility requirements for assistance, and certain other support subsidies that are tested on an ongoing basis by its quality assurance units. Programs governing client files in the State's database are used to categorize and measure terms of client benefits and validate eligibility based upon historical information

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

Note 20. Division of Social Services (continued)

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

Current Fund Accounts:
Administration

Trust Fund Accounts:
Reach Omega
Assistance
Child Support
Clearing
Rental Assistance

In addition, a record of the Division's Fixed Assets is maintained by the County and reported in the County's General Fixed Assets Account Group for all items in excess of \$5,000.00. 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.

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, 2019	\$ 564,691.36
December 31, 2018	407,938.00
December 31, 2017	477,929.93
December 31, 2016	1,367,332.81
December 31, 2015	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, 2019 the balance in the account for the Annie Parker Trust was \$120,641.66. Of the \$120,641.66 balance, \$60,320.83 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, 2019 the balance in the account for the Frances Fleck Charitable Remainder Trust was \$683,966.15.

**COUNTY OF MONMOUTH
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2019

Note 23. Subsequent Events

In December 2019, an outbreak of a new strain of coronavirus, COVID-19, emerged in Wuhan, China. Within weeks, the number of those infected grew significantly, and beyond China's borders. As of the date of this report, the coronavirus is reported to have spread to over 80 countries. The coronavirus outbreak is still evolving, and its effects remain unknown. The County is unable to predict how changing global economic condition such as the COVID-19 coronavirus will affect the County's operations.

The County adopted a bond ordinance on February 13, 2020 to provide for window replacement at the Prosecutor Office Building, appropriating the sum of \$4,500,000, and authorizing the issuance of \$4,285,000 bonds or notes to finance the ordinance.

The County adopted a bond ordinance on May 14, 2020 to provide for various improvements and purposes for the Monmouth County Reclamation Center, appropriating the sum of \$8,000,000, and authorizing the issuance of \$8,000,000 bonds or notes to finance a portion of the ordinance.

The County adopted a bond ordinance on July 23, 2020 to provide for various roadway resurfacing improvements and purposes, appropriating the sum of \$6,631,000, and authorizing the issuance of \$6,315,000 bonds or notes to finance a portion of the ordinance.

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APPENDIX B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Undertaking”) dated as of December 1, 2020 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 \$19,500,000 principal amount of Reclamation Center Utility Bond Anticipation Note, Series 2020 (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
NOTICE OF SALE

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NOTICE OF SALE
COUNTY OF MONMOUTH,
NEW JERSEY
\$19,500,000 RECLAMATION CENTER UTILITY BOND ANTICIPATION NOTE,
SERIES 2020
(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, December 17, 2020 from 10:30 a.m. New York City time until 10:45 a.m. New York City time (the “Bid Time”), at which time they will be publicly announced for the purchase of \$19,500,000 Reclamation Center Utility Bond Anticipation Note, Series 2020 (the “Note”), dated the date of delivery of the Note and maturing December 27, 2021. The Note shall bear interest at the rate per annum specified by the Successful Bidder therefor in accordance herewith, payable at maturity or at redemption prior to maturity. Information concerning the Note and the County is set forth in the Preliminary Official Statement of the County relating to the Note, dated December 10, 2020. The Note is expected to be issued and delivered on December 28, 2020. 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 be subject to redemption prior to maturity, on or after July 1, 2021, at the option of the County, either in whole or in part, on any date, at a redemption price equal to 100% of the principal amount thereof and accrued interest thereon to the date of redemption.

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 a single rate of interest which the Note is to bear and the amount bid for the Note, which shall not be less than \$19,500,000. Each proposal must be for all of the Note. Bidders must specify an interest rate for the Note, in multiples of 1/8, 1/20 or 1/100 of one percent. 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 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, excluding accrued interest to the delivery date. 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 10:45 a.m., New York City time, on December 17, 2020, 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, December 16, 2020, 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 December 17, 2020 and then only if such award has not been made prior to the withdrawal. The Note will be delivered on or about December 28, 2020 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

Dated: December 10, 2020

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APPENDIX D

**FORM OF OPINION OF GIBBONS P.C., BOND COUNSEL
TO THE COUNTY OF MONMOUTH, NEW JERSEY**

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December __, 2020

Board of Chosen Freeholders
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 Chosen Freeholders 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 \$19,500,000 aggregate principal amount of the County's Reclamation Center Utility Bond Anticipation Note, Series 2020 (the "Note"). The Note is issued in registered form without coupons, is dated the date of delivery, bears interest at the rate of Zero and Thirty Hundredths Percent (0.30%) per annum and is payable at maturity on December 27, 2021. 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 December 17, 2020.

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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