

NEW ISSUE (BOOK-ENTRY)

RATING: S&P: "SP-1+"
See "RATING" herein

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the County (as defined herein) with certain covenants described herein, interest on the Notes (as defined herein) (i) is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the Federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Notes and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented. Bond Counsel's opinions described herein are given in reliance on representations, certifications of fact, and statements of reasonable expectation made by the County in its Tax Certificate (as defined herein) related to the Notes, assume continuing compliance by the County with certain covenants set forth in its Tax Certificate, and are based on existing statutes, regulations, administrative pronouncements and judicial decisions. See "TAX MATTERS" herein.

COUNTY OF HUDSON
STATE OF NEW JERSEY\$210,954,561
BOND ANTICIPATION NOTES, SERIES 2026
(NON-CALLABLE)

Dated: Date of Delivery
Maturity Date: February 24, 2027
Coupon: ____%
Yield: ____%
CUSIP*: 44372A__

The \$210,954,561 aggregate principal amount of Bond Anticipation Notes, Series 2026 (the "Notes"), dated February 25, 2026 and maturing on February 24, 2027, are general obligations of the County of Hudson, State of New Jersey (the "County"), payable in the first instance from the proceeds of the sale of bonds or notes issued in anticipation of bonds, but if not so paid or if not paid from other sources, are payable ultimately from *ad valorem* taxes levied upon all the taxable property located within the County for the payment of the principal of the Notes and the interest thereon without limitation as to rate or amount.

The Notes will be issued in fully registered book-entry form and, when issued, will be registered in the name of, and held by, Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"). DTC, an automated depository for securities and clearing house for securities transactions, will act as securities depository for the Notes. Individual purchases of the Notes will be made in book-entry only form, without certificates, in the principal amount of \$5,000 each or any integral multiple of \$1,000 in excess thereof or any odd denomination in excess thereof, through book entries made on the books and records of DTC and its participants.

The Notes will bear interest at the rate set forth above, commencing on their date of delivery. Principal of and interest on the Notes will be payable by the County or a duly designated paying agent on the date of maturity of the Notes at the offices of the County or a duly designated paying agent.

While DTC is acting as securities depository for the Notes, the principal of and interest on the Notes will be payable by wire transfer to DTC or its nominee, Cede & Co., which is obligated to remit such principal and interest payments to DTC Participants. DTC Participants and Indirect Participants will be responsible for remitting such principal and interest payments to the Beneficial Owners (as defined herein) of the Notes. See "BOOK-ENTRY SYSTEM" herein.

The Notes are authorized by, and are issued pursuant to: (i) the provisions of the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 *et seq.*, as amended and supplemented (the "Local Bond Law"); (ii) various bond ordinances duly adopted by the Board of County Commissioners of the County on the dates set forth herein, approved by the County Executive, and published as required by law; and (iii) a resolution duly adopted by the Board of County Commissioners of the County on January 29, 2026.

The Notes are being issued to currently refund the County's \$210,954,561 Bond Anticipation Notes, Series 2025, dated February 27, 2025 and maturing February 26, 2026 (the "Prior Notes"), which Prior Notes were originally issued to temporarily finance the cost of various capital improvements and acquisitions in and for the County, including paying the costs associated with the issuance of such notes.

The Notes are not subject to redemption prior to their stated maturity. See "DESCRIPTION OF THE NOTES" under the subheading entitled "Optional Redemption."

The Notes are not a debt or obligation, legal, moral or otherwise, of the State of New Jersey, or any county, municipality or political subdivision thereof, other than the County.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement, including all appendices, to obtain information essential to making an informed investment decision.

The Notes are offered when, as and if issued and delivered to the Underwriter, subject to the approval of the legality thereof, by Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the County, and certain other conditions. NW Financial Group, LLC, Bloomfield, New Jersey has served as Municipal Advisor to the County in connection with the issuance of the Notes. Certain legal matters will be passed upon for the County by its County Counsel, Alberico De Pierro, Esq., Jersey City, New Jersey. It is anticipated that the Notes will be available for delivery through DTC on or about February 25, 2026.

ELECTRONIC BIDS FOR THE NOTES, IN ACCORDANCE WITH THE FULL NOTICE OF SALE, WILL BE RECEIVED BY THE MUNICIPAL ADVISOR, ON BEHALF OF THE DIRECTOR OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION/COUNTY TREASURER OF THE COUNTY, UNTIL 11:00 A.M., PREVAILING NEW JERSEY TIME, ON FEBRUARY 12, 2026 VIA ELECTRONIC MAIL AT HLITZBAUER@NWFINANCIAL.COM, OR VIA THE PARITY ELECTRONIC BID SYSTEM ("PARITY") AT [HTTPS://NEWISSUE.MUNI.SPGLOBAL.COM](https://newissue.muni.spglobal.com). FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY, VIEW THE FULL NOTICE OF SALE POSTED AT WWW.MUNIHUB.COM.

* Registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP number listed above is being provided solely for the convenience of Noteholders only at the time of issuance of the Notes 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 is subject to being changed after the issuance of the Notes as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to the Notes.

**COUNTY OF HUDSON
STATE OF NEW JERSEY**

COUNTY EXECUTIVE

Craig Guy

COUNTY ADMINISTRATOR

Abraham A. Antun

COUNTY COUNSEL

Alberico De Pierro, Esq.

DIRECTOR OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION/COUNTY TREASURER

Cheryl G. Fuller

BOARD OF COUNTY COMMISSIONERS

Anthony L. Romano, Jr., Chairperson
Fanny J. Cedeño, Vice Chairperson
William O'Dea, Chairperson Pro Tempore
Yraida Aponte-Lipski
Robert Baselice
Albert J. Cifelli
Kenneth Kopacz
Caridad Rodriguez

CLERK OF THE BOARD OF COUNTY COMMISSIONERS

Carol Jean Doyle

COUNSEL TO THE BOARD OF COUNTY COMMISSIONERS

Edward J. Florio, Esq.

COUNTY CLERK

E. Junior Maldonado

BOND COUNSEL

Wilentz, Goldman & Spitzer, P.A.
Woodbridge, New Jersey

INDEPENDENT AUDITOR

Donohue, Gironda, Doria & Tomkins, LLC
Bayonne, New Jersey

MUNICIPAL ADVISOR

NW Financial Group, LLC
Bloomfield, New Jersey

No dealer, broker, salesperson or other person has been authorized by the County of Hudson, State of New Jersey (the "County"), to give any information or to make any representations with respect to the Notes other than those contained in this Official Statement and, 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 or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

The information contained herein has been provided by the County, The Depository Trust Company, Brooklyn, New York ("DTC") and other sources deemed reliable by the County; however, no representation or warranty is made as to its accuracy or completeness, and as to the information from sources other than the County, such information is not to be construed as a representation or warranty by the County.

This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or owners of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. 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 any of the information herein since the date hereof, or the date as of which such information is given, if earlier. The County has not confirmed the accuracy or completeness of information relating to DTC, which information has been provided by DTC.

All quotations from, and summaries and explanations of, provisions of laws herein do not purport to be complete, and reference is made to such laws for full and complete statements of their provisions. References in this Official Statement to laws, rules, regulations, resolutions, ordinances, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of, and exceptions to, statements made herein. This Official Statement should be read in its entirety.

The presentation of information is intended to show recent historical information except as expressly stated otherwise, and is not intended to indicate future or continuing trends in the financial condition or other affairs of the County. No representation is made that past experience, as is shown by the financial and other information included herein, will necessarily continue or be repeated in the future.

The order and placement of materials in this Official Statement, including the appendices, are not deemed to be a determination of the relevance, materiality or importance thereof, and this Official Statement, including the appendices, must be considered in its entirety.

In order to facilitate the distribution of the Notes, the Underwriter (as defined herein) may engage in transactions intended to stabilize the price of the Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The price at which the Notes are offered to the public by the Underwriter and the yield resulting therefrom may vary from the initial public offering price or yield on the cover page hereof. In addition, the Underwriter may allow concessions or discounts from such initial public offering price to dealers and others.

Wilentz, Goldman & Spitzer, P.A. has not participated in the preparation of financial statements or statistical information contained in this Official Statement, nor has it verified the accuracy, completeness, or fairness thereof and accordingly, expresses no opinion with respect thereto.

The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under the Federal Securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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OFFICIAL STATEMENT
OF THE
COUNTY OF HUDSON, STATE OF NEW JERSEY
RELATING TO
\$210,954,561
BOND ANTICIPATION NOTES, SERIES 2026

INTRODUCTION

The purpose of this Official Statement is to provide certain information regarding the financial and economic condition of the County of Hudson (the "County"), State of New Jersey (the "State"), in connection with the offering, sale and issuance of the County's \$210,954,561 aggregate principal amount of Bond Anticipation Notes, Series 2026, dated February 25, 2026 and maturing on February 24, 2027 (the "Notes"). This Official Statement, which includes the cover page and appendices attached hereto, has been prepared on behalf of the County by Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the County ("Bond Counsel"), and the Director of the Department of Finance and Administration/County Treasurer (the "Director of Finance"), and has been authorized by the County to be distributed in connection with the offering, sale and issuance of the Notes.

This Official Statement contains specific information relating to the Notes, including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to the sale, issuance and delivery of the Notes. This Official Statement should be read in its entirety.

All financial and other information presented herein has been provided by the County from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historical information and, but only to the extent specifically provided herein, certain projections of the immediate future, and is not necessarily indicative of future or continuing trends in the financial position or other affairs of the County.

DESCRIPTION OF THE NOTES

General Description

The Notes shall be dated the date of delivery thereof, shall bear interest at the rate as indicated on the front cover page of this Official Statement, and are payable upon the maturity date thereof. Interest on the Notes is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year.

The Notes will be issued as fully registered notes in book-entry form, and when issued, will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"). DTC will act as securities depository for the Notes. Principal of and interest on the Notes will be payable by the County or a duly designated paying agent (the "Paying Agent") on the date of maturity of the Notes by wire transfer of immediately available funds to DTC or its nominee, Cede & Co. Purchases of beneficial interests in the Notes will be made in book-entry form, without certificates, in denominations of \$5,000 each or any integral multiple of \$1,000 in excess thereof or any odd denomination in excess thereof, through book entries made on the books and records of DTC and its participants. Under certain circumstances, such beneficial interests in the Notes are exchangeable for one or more fully registered Note certificates in authorized denominations.

The Note certificate will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the

Notes on behalf of the individual purchasers. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interests in the Notes, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Notes purchased. So long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made by the County or the Paying Agent directly to DTC or its nominee, Cede & Co., which will, in turn, remit such payments to DTC Participants and Indirect Participants, which will, in turn, remit such payments to the beneficial owners of the Notes. See “BOOK-ENTRY SYSTEM” herein.

Optional Redemption

The Notes are not subject to redemption prior to their stated date of maturity.

Authorization for the Issuance of the Notes

The Notes are authorized by, and are issued pursuant to: (i) the provisions of the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”); (ii) various bond ordinances duly adopted by the Board of County Commissioners of the County on the dates set forth in the chart below under the subheading “Purpose of the Notes”, approved by the County Executive, and published as required by law; and (iii) a resolution duly adopted by the Board of County Commissioners of the County on January 29, 2026.

The bond ordinances authorizing the Notes were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinances could be commenced began to run from the date of the first publication of such 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 all persons shall be estopped from questioning their sale, execution or delivery by the County. Such estoppel period for each of the bond ordinances has concluded as of the date of this Official Statement.

Purpose of the Notes

The Notes are being issued to currently refund the County’s \$210,954,561 Bond Anticipation Notes, Series 2025, dated February 27, 2025 and maturing February 26, 2026 (the “Prior Notes”), which Prior Notes were originally issued to temporarily finance the cost of various capital improvements and acquisitions in and for the County, including paying the costs associated with the issuance of such notes.

The Notes and the improvements or purposes for which the Notes are to be issued have been authorized by bond ordinances duly adopted by the Board of County Commissioners of the County, approved by the County Executive, and published as required by law, which bond ordinances are described in the following table by Ordinance Number, Description and Date of Final Adoption, and the Amount to be Issued for such purposes. The bond ordinances are as follows:

\$210,954,561 Bond Anticipation Notes, Series 2026

| Ordinance Number | Description and Date of Final Adoption | Amount to be Issued |
|-------------------------|--|----------------------------|
| 339-6-2018 | Various 2018 Capital Improvements, finally adopted 6/3/2018 | \$ 15,438,000.00 |
| 553-9-2019 | Various 2019 Capital Improvements, finally adopted 9/12/2019 | 28,380,950.00 |

| Ordinance Number | Description and Date of Final Adoption | Amount to be Issued |
|-------------------------|--|--------------------------------|
| 245-4-2021 | Various 2021 Park Improvements, finally adopted 4/29/2021 | \$ 15,685,714.00 |
| 305-5-2021 | Various 2021 Capital Improvements, finally adopted 5/27/2021 | 21,392,380.00 |
| 247-4-2022 | Various 2022 Park Improvements, finally adopted 4/28/2022 | 17,153,923.00 |
| 145-2-2023 | Various 2023 Capital Improvements for Department of Roads and Public Property, finally adopted 2/23/2023 | 20,004,857.00 |
| 303-4-2023 | Various 2023 Park Improvements, finally adopted 4/13/2023 | 22,549,333.00 |
| 330-5-2023 | Various 2023 Road and Bridge Improvements, finally adopted 5/11/2023 | 7,380,627.00 |
| 637-9-2023 | Construction of tower project for Hudson County Community College, finally adopted 9/28/2023 | 36,000,000.00 |
| 200-3-2024 | Various 2024 Park Improvements, finally adopted 3/28/2024 | 17,577,211.00 |
| 300-5-2024 | Various 2024 Road and Bridge Improvements, finally adopted 5/9/2024 | 9,391,566.00 |
| | TOTAL: | <u>\$210,954,561.00</u> |

Payment of Notes

As hereinafter stated, the Notes are general obligations of the County for which the full faith and credit of the County will be pledged. The County is authorized and required by law to levy *ad valorem* taxes upon all taxable property located within the County for the payment of principal of and interest on the Notes without limitation as to rate or amount.

SECURITY AND PAYMENT FOR THE NOTES

The Notes are valid and legally binding general obligations of the County for which the full faith and credit of the County are irrevocably pledged for the punctual payment of the principal of and interest on the Notes. Unless otherwise paid from other sources, the County has the power and is obligated by law to levy *ad valorem* taxes upon all the taxable property located within the County for the payment of the principal of the Notes and the interest thereon without limitation as to rate or amount.

The County is required by law to include the total amount of principal of and interest on all of its general obligation indebtedness, such as the Notes, for the current year in each annual budget unless provision has been made for payment of such general obligation indebtedness from other sources. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency or other

similar laws affecting creditors' rights or remedies heretofore or hereafter enacted. See "RISK TO HOLDERS OF NOTES" herein.

The Notes are not a debt or obligation, legal, moral or otherwise, of the State or any county, municipality or political subdivision thereof, other than the County.

NO DEFAULT

There is no report of any default in the payment of the principal of, redemption premium, if any, and interest on the bonds, notes or other obligations of the County as of the date hereof.

MARKET PROTECTION

The County has in the past guaranteed the payment of principal of and interest on certain debt issued by various municipalities and entities within the County. A County guaranty is a valid and legally binding obligation of the County and, unless the principal of and interest on such debt is paid from other sources, the County is obligated to make payment from *ad valorem* taxes levied upon all the taxable property within the jurisdiction of the County, without limitation as to rate or amount, for the payment of such debt. It is anticipated that within the next ninety (90) days, the County will guarantee or secure additional bonds or notes of the Hudson County Improvement Authority for the following issue and in the following amount: approximately \$53,624,000 aggregate principal amount of County-Guaranteed Pooled Notes, Series 2026A (Local Unit Loan Program), consisting of approximately \$47,624,000 Tax-Exempt County-Guaranteed Pooled Notes, Series 2026A-1 (Local Unit Loan Program) and approximately \$6,000,000 Federally Taxable County-Guaranteed Pooled Notes, Series 2026A-2 (Local Unit Loan Program). Other than the above, the County does not anticipate issuing any additional debt within the next ninety (90) days.

BOOK-ENTRY SYSTEM*

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Notes, payment of principal and interest, and other payments on the Notes to DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in the Notes and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the County. Accordingly, the County does not make any representations concerning these matters.

DTC will act as securities depository for the Notes. The Notes 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 Note certificate will be issued for the Notes in the principal amount of the Notes, as set forth on the cover page hereof, and will be deposited with DTC.

DTC, the world's largest securities 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").

* Source: The Depository Trust Company.

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 a 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 the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of the actual purchaser of the Notes ("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 Notes 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 the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes 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 the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of the Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes, unless authorized by a Direct Participant in accordance with DTC's MMI 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent, on the 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, nor its nominee, the Paying Agent or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The County, or the Paying Agent, upon direction of the County, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Note certificate 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.

Discontinuance of Book-Entry System

In the event that the book-entry system is discontinued and the Beneficial Owners become registered owners of the Notes, the following provisions apply: (i) the Notes may be exchanged for an equal aggregate principal amount of Notes in other authorized denominations and of the same maturity, upon surrender thereof at the office of the Director of Finance of the County or Paying Agent; (ii) the transfer of any Notes may be registered on the books maintained by the County or Paying Agent for such purposes only upon the surrender thereof to the Director of Finance of the County or Paying Agent together with the duly executed assignment in form satisfactory to the County or Paying Agent; and (iii) for every exchange or registration of transfer of Notes, the County or Paying Agent may make a charge sufficient to reimburse itself for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of Notes. Interest on the Notes will be payable by check or draft, mailed on the maturity date of the Notes to the registered owners thereof.

PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

Procedure for Authorization

The County has no constitutional limit on its power to incur indebtedness other than that it may issue obligations only for public purposes pursuant to State statutes. The authorization and issuance of County debt, including the purpose, amount and nature thereof, the method and manner of the incurrence of such debt, the maturity and terms of repayment thereof, and other related matters are statutory. The County is not required to submit the proposed incurrence of indebtedness to a public referendum.

The County, by bond ordinance, may authorize and issue negotiable obligations for the financing of any capital improvement or property which it may lawfully acquire, or any purpose for which it is authorized or required by law to make an appropriation, except current expenses and payment of obligations (other than those for temporary financings). Bond ordinances must be finally adopted by the recorded affirmative vote of at least two-thirds of the full membership of the Board of County Commissioners of the County and approved by the County Executive prior to publication. The Local Bond Law requires publication and posting of the bond ordinance or a summary thereof. If the bond ordinance requires approval or endorsement of the State, it cannot be finally adopted until such approval has been received. The Local Bond Law provides that a bond ordinance shall take effect twenty (20) days after the first publication thereof after final adoption. At the conclusion of the twenty-day period, all challenges to the validity of the obligations authorized by such bond ordinance shall be precluded except for constitutional matters. Moreover, after issuance, all obligations are conclusively presumed to be fully authorized and issued by all laws of the State and any person shall be estopped from questioning their sale, execution or delivery by the County.

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Notes are being issued pursuant to the provisions of the Local Bond Law. The Local Bond Law governs the issuance of bonds and notes to finance certain municipal capital expenditures. Among its provisions are requirements that bonds or notes must mature within the statutory period of usefulness of the projects being financed, that bonds be retired in either serial or sinking fund installments, and that, unlike school debt, and with some exceptions, including self-liquidating obligations and those improvements involving certain State grants, a five percent (5%) cash down payment of the amount of bonds and notes authorized must be generally provided. Such down payment must have been raised by budgetary appropriations, from cash on hand previously contributed for the purpose or by emergency resolution adopted

pursuant to the Local Budget Law, N.J.S.A. 40A:4-1 et seq., as amended and supplemented (the “Local Budget Law”). All bonds and notes issued by the County are general “full faith and credit” obligations.

Short Term Financing

Local governmental units (including the County) may issue bond anticipation notes to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or subsequent resolution so provides. Such bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount of bonds authorized in the ordinance, as may be amended and supplemented, creating such capital expenditure. A local unit’s bond anticipation notes may be issued and renewed for periods not exceeding one (1) year, with the final maturity occurring and being paid no later than the first day of the fifth month following the close of the tenth fiscal year after the original issuance of the notes, provided that no notes may be renewed beyond the third anniversary date of the original notes and each anniversary date thereafter unless an amount of such notes at least equal to the first legally payable installment of the anticipated bonds (the first year’s principal payment), is paid and retired from funds other than the proceeds of obligations on or before the third anniversary date and each anniversary date thereafter.

The issuance of tax anticipation notes by a county is limited in amount by the provisions of the Local Budget Law and may be renewed from time to time, but, in the case of a county such as the County, all such notes and renewals thereof must mature not later than June 30 of the succeeding fiscal year.

Refunding Bonds (N.J.S.A. 40A:2-51 et seq.)

Refunding bonds may be issued by a local unit pursuant to the Local Bond Law for the purpose of paying, funding or refunding its outstanding bonds, including emergency appropriations, the actuarial liabilities of a non-State administered public employee pension system, the present value of unfunded accrued liabilities for State administered early retirement incentive benefits, amounts owing to others for taxes levied in the local unit, or any renewals or extensions thereof, and for paying the cost of issuance of refunding bonds. The Local Finance Board, in the Division of Local Governmental Services, New Jersey Department of Community Affairs (the “Local Finance Board”) must approve the authorization of the issuance of refunding bonds. If refunding bonds are issued in accordance with N.J.A.C. 5:30-2.5, no approval is required by the Local Finance Board; however, the details of the sale, issuance and delivery of the refunding bonds will be delivered to the Local Finance Board within then (10) days of the delivery of the refunding bonds.

Statutory Debt Limitation (N.J.S.A. 40A:2-6 et seq.)

There are statutory requirements which limit the amount of debt which the County is permitted to authorize. The authorized bonded indebtedness of a county is limited by the Local Bond Law and other laws to an amount equal to two percent (2.00%) of its stated average equalized valuation basis, subject to certain exceptions noted below. N.J.S.A. 40A:2-6. The stated equalized valuation basis is set by statute as the average of the equalized valuations of all taxable real property, together with improvements to such property, and the assessed valuation of certain Class II railroad property within the boundaries of the County for each of the last three (3) preceding years as annually certified in the valuation of all taxable real property, in the Table of Equalized Valuation by the Director of the Division of Taxation, in the New Jersey Department of the Treasury (the “Division of Taxation”). N.J.S.A. 40A:2-2. Certain categories of debt are permitted by statute to be deducted for the purposes of computing the statutory debt limit. N.J.S.A. 40A:2-43, -44. The Local Bond Law permits the issuance of certain obligations, including obligations issued for certain emergency or self-liquidating purposes, notwithstanding the statutory debt limitation described above; but, with certain exceptions, it is then necessary to obtain the approval of the Local Finance Board. See “Exceptions to Debt Limitation-Extensions of Credit” herein.

As shown in APPENDIX A, the County has not exceeded its statutory debt limit.

Exceptions to Debt Limitation – Extensions of Credit (N.J.S.A. 40A:2-7 et seq.)

The debt limit of the County may be exceeded with the approval of the Local Finance Board. If all or any part of a proposed debt authorization is to exceed its debt limit, the County must apply to the Local Finance Board for an extension of credit. The Local Finance Board considers the request, concentrating its review on the effect of the proposed authorization on outstanding obligations and operating expenses and the

anticipated ability to meet the proposed obligations. If the Local Finance Board determines that a proposed debt authorization is not unreasonable or exorbitant, that the purposes or improvements for which the obligations are issued are in the public interest and for the health, welfare and convenience or betterment of the inhabitants of the County and that the proposed debt authorization would not materially impair the credit of the County or substantially reduce the ability of the County to meet its obligations or to provide essential services that are in the public interest and makes other statutory determinations, approval is granted. In addition to the aforesaid, debt in excess of the debt limit may be issued to fund certain obligations, for self-liquidating purposes and, in each fiscal year, in an amount not exceeding two-thirds of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for utility or assessment purposes) plus two-thirds of the amount raised in the tax levy of the current fiscal year by the local unit for the payment of bonds or notes of any school district.

As shown in APPENDIX A, the County has not exceeded its debt limit.

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

The Local Fiscal Affairs, N.J.S.A. 40A:5-1 et seq., as amended and supplemented (the "Local Fiscal Affairs Law"), regulates the non-budgetary financial activities of local governments, including counties. An annual, independent audit of the local unit's accounts for the previous year must be performed by a Registered Municipal Accountant licensed in the State of New Jersey. The audit, conforming to the Division of Local Government Services, in the New Jersey Department of Community Affairs (the "Division") "Requirements of Audit", which must be completed within six (6) months (by June 30) after the close of the County's fiscal year (December 31), includes recommendations for improvement of the local unit's financial procedures. The audit report must also be filed with the Clerk of the Board of County Commissioners and be available for review during regular business hours, and shall, within five (5) days thereafter, be filed with the Director of the Division (the "Director"). A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of the County's receipt of the audit report. Accounting methods utilized in the conduct of the audit conform to practices prescribed by the Division, which practices differ in some respects from generally accepted accounting principles in the United States.

Annual Financial Statement (N.J.S.A. 40A:5-12 et seq.)

An annual financial statement ("Annual Financial Statement") which sets forth the financial condition of a local unit for the fiscal year must be filed with the Division not later than January 26 (in the case of a county), such as the County, and not later than February 10 (in the case of a municipality) after the close of the calendar fiscal year, or not later than August 10 of the State fiscal year for those municipalities which operate on the State fiscal year. The Annual Financial Statement is prepared either by the Chief Financial Officer or the Registered Municipal Accountant for the local unit. Such Annual Financial Statement reflects the results of operations for the year of the Current and Utility Funds. If the statement of operations results in a cash deficit, the deficit must be included in full in the succeeding year's budget. The entire Annual Financial Statement is filed with the clerk of the local unit and is available for review during business hours.

Investment of Municipal Funds

Investment of funds by municipalities is governed by N.J.S.A. 40A:5-14 et seq. Such statute requires municipalities to adopt a cash management plan pursuant to the requirements outlined by said statute. Once a municipality adopts a cash management plan it must deposit or invest its funds pursuant to such plan. N.J.S.A. 40A:5-15.1 provides for the permitted securities a municipality may invest in pursuant to its cash management plan. Some of the permitted securities are as follows: (a) obligations of, or obligations guaranteed by, the United States of America, (b) Government money market mutual funds which invest in securities permitted under the statute, (c) bonds of certain Federal Government agencies having a maturity date not greater than 397 days from the date of purchase, (d) bonds or other obligations of the particular municipality or school district of which the local unit is a part or within which the school district is located, and (e) bonds or other obligations having a maturity date not greater than 397 days from the date of purchase and approved by the Division of Investment, in the New Jersey Department of the Treasury. Municipalities are required to deposit their funds in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq. Municipalities are required to deposit their funds in interest-bearing bank accounts to the extent practicable and other permitted investments.

DEBT INFORMATION OF THE COUNTY

The County must report all new authorizations of debt or changes in previously authorized debt to the Division through the filing of Supplemental and Annual Debt Statements. The Supplemental Debt Statement must be submitted to the Division before final passage of any debt authorization other than a refunding debt authorization. Before the end of the first month (January 31) of each fiscal year of the County, the County must file an Annual Debt Statement which is dated as of the last day of the preceding fiscal year (December 31) with the Division and with the Clerk of the Board of County Commissioners. This report is made under oath and states the authorized, issued and unissued debt of the County as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing. Even though the County's authorizations are within its debt limits, the Division is able to enforce State regulations as to the amounts and purposes of local borrowings.

FINANCIAL MANAGEMENT

Accounting and Reporting Practices

The accounting policies of the County conform to the accounting principles applicable to local governmental units which have been prescribed by the Division. A modified accrual basis of accounting is followed with minor exceptions. Revenues are recorded as received in cash except for certain amounts which may be due from other governmental units and which are accrued. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the County's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the County which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue only when received. Expenditures are generally recorded on the accrual basis, except that unexpended appropriations at December 31, unless canceled by the governing body, are reported as expenditures with offsetting appropriation reserves. Appropriation reserves are available, until lapsed at the close of the succeeding fiscal year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are credited to the results of operations. As is the prevailing practice among municipalities and counties in the State, the County does not record obligations for accumulated unused vacation and sick pay.

Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the State local finance system is the annual cash basis budget. Every local unit, including the County, must adopt an annual operating budget in the form required by the Division. Certain items of revenue and appropriation are regulated by law and the proposed operating budget cannot be finally adopted until it has been certified by the Director, or in the case of a local unit's examination of its own budget as described herein, such budget cannot be finally adopted until a local examination certificate has been approved by the Chief Financial Officer and governing body of the local unit. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service and, in the case of a county, the Director is required to review the adequacy of such appropriations. Among other restrictions, the Director must examine the budget with reference to all estimates of revenue and the following appropriations: (a) payment of interest and debt redemption charges, (b) deferred charges and statutory expenditures, (c) cash deficit of the preceding year, (d) reserve for uncollected taxes, and (e) other reserves and non-disbursement items. Taxes levied are a product of total appropriations, less non-tax revenues, plus a reserve predicated on the prior year's collection experience.

The Director, in reviewing the budget, has no authority over individual operating appropriations, unless a specific amount is required by law, but the Director's budgetary review functions, focusing on anticipated revenues, and serves to protect the solvency of the local unit. Local budgets, by law and regulation, must be in balance on a "cash basis", i.e., the total of anticipated revenues must equal the total of appropriation. N.J.S.A. 40A:4-22. If in any year the County's expenditures exceed its realized revenues for that year, then such excess (deficit) must be raised in the succeeding year's budget.

In accordance with the Local Budget Law and related regulations, (i) each local unit, with a population of more than 10,000 persons, must adopt and annually revise a six (6) year capital program, and (ii) each

local unit, with a population under 10,000 persons, must adopt (with some exceptions) and annually revise a three (3) year capital program. See "CAPITAL IMPROVEMENT PROGRAM" herein.

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities, in addition to the general taxing power upon real property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate section of the budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "current" or operating budget.

Limitations on Expenditures ("Cap Law") (N.J.S.A. 40A:4-45.1, et seq.)

N.J.S.A. 40A:4-45.4 places limits on county tax levies and expenditures. This law is commonly known as the "Cap Law" (the "Cap Law"). The Cap Law provides that the County shall limit any increase in its budget to 2.5% or the Cost-Of-Living Adjustment, whichever is less, of the previous year's final appropriations, subject to certain exceptions. The Cost-Of-Living Adjustment is defined as the rate of annual percentage increase, rounded to the nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services produced by the United States Department of Commerce for the year preceding the current year as announced by the Director. However, in each year in which the Cost-Of-Living Adjustment is equal to or less than 2.5%, the County may, by ordinance, approved by a majority vote of the full membership of the governing body, provide that the final appropriations of the County for such year be increased by a percentage rate that is greater than the Cost-Of-Living Adjustment, but not more than 3.5% over the previous year's final appropriations. See N.J.S.A. 40A:4-45.14. In addition, N.J.S.A. 40A:4-45.15a restored "Cap" banking to the Local Budget Law. A county is permitted to appropriate available "Cap Bank" in either of the next two (2) succeeding years' final appropriations. The County did not utilize any of its "Cap Bank" in its 2025 Budget. Along with the permitted increases for total general appropriations, there are certain items that are allowed to increase outside the "Cap".

Additionally, P.L. 2010, c.44, effective July 13, 2010, imposes a two percent (2%) cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for capital expenditures, including debt service, increases in pension contributions in excess of two percent (2%), certain increases in health care costs in excess of two percent (2%), and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above two percent (2%) not otherwise permitted under the law by an affirmative vote of fifty percent (50%) plus one vote.

The Division of Local Government Services has advised that counties and municipalities must comply with both budget "Cap" and the tax levy limitation. Neither the tax levy limitation nor the "Cap" law, however, limits the obligation of the County to levy *ad valorem* taxes upon all taxable property within the boundaries of the County to pay debt service on bonds and notes, including the Notes.

Deferral of Current Expenses

Supplemental appropriations made after the adoption of the budget and determination of the tax rate may be authorized by the governing body of a local unit, including the County, but only to meet unforeseen circumstances, to protect or promote public health, safety, morals or welfare, or to provide temporary housing or public assistance prior to the next succeeding fiscal year. However, with certain exceptions described below, such appropriations must be included in full as a deferred charge in the following year's budget. Any emergency appropriation must be declared by resolution according to the definition provided in a provision of the Local Budget Law, N.J.S.A. 40A:4-48, -49, and approved by at least two-thirds of the full membership of the governing body and shall be filed with the Director. If such emergency appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director is required. N.J.S.A. 40A:4-49.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as (i) the repair and reconstruction of streets, roads or bridges damaged by snow, ice, frost, or floods, which may be amortized over three (3) years, and (ii) the repair and reconstruction of streets, roads, bridges or other public

property damaged by flood or hurricane, where such expense was unforeseen at the time of budget adoption, the repair and reconstruction of private property damaged by flood or hurricane, tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations, drainage map preparation for flood control purposes, studies and planning associated with the construction and installation of sanitary sewers, authorized expenses of a consolidated commission, contractually required severance liabilities resulting from the layoff or retirement of employees and the preparation of sanitary and storm system maps, all of which projects set forth in this section (ii) may be amortized over five (5) years. N.J.S.A. 40A:4-53, -54, -55, -55.1, -55.2, -55.3. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project as described above.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism for local units, including counties. Pursuant to N.J.S.A. 40A:4-58, transfers between major appropriation accounts are prohibited until the last two (2) months of the municipality's fiscal year. Appropriation reserves may be transferred during the first three (3) months of the current fiscal year to the previous fiscal year's budget. N.J.S.A. 40A:4-59. Both types of transfers require a two-thirds vote of the full membership of the governing body. Although sub-accounts within an appropriation account are not subject to the same year-end transfer restriction, they are subject to internal review and approval. Generally, transfers cannot be made from the down payment account, the capital improvement fund, contingent expenses or from other sources as provided in the statute.

Anticipation of Real Estate Taxes

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A. 40A:4-29 provides limits for the anticipation of delinquent tax collections and provides that, "[t]he maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

In regard to current taxes, N.J.S.A. 40A:4-41(b) provides that, "[r]eceipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year."

This provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the sum will at least equal the tax levy required to balance the budget. The County receives 100% of its tax levy.

Collection of County Taxes

County taxes are collected by the municipalities located within a particular county, and paid to its County Treasurer. The municipal levy includes all county, school and municipal taxes.

Each municipality is required to pay to its County Treasurer its share of the purpose taxes by no later than the 15th day of February, May, August and November of each year. Every county is required by law to receive its share of the taxes collected from the first taxes collected by each municipality. Consequently, counties in the State experience a 100% tax collection rate.

Anticipation of Miscellaneous Revenues

N.J.S.A. 40A:-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 his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years of such grants rarely coincide with a municipality's calendar fiscal year. Grant revenues are fully realized in the year in which they are budgeted by the establishment of accounts receivable and offsetting reserves.

CAPITAL IMPROVEMENT PROGRAM

In accordance with the Local Budget Law, the County must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six (6) years as a general improvement program. The Capital Budget and Capital Improvement Program of a local unit must be adopted as part of the annual budget pursuant to N.J.A.C. 5:30-4. The Capital Budget does not by itself confer any authorization to raise or expend funds, rather it is a document used for planning. Specific authorization to expend funds for such purposes must be granted, by a separate bond ordinance, by inclusion of a line item in the Capital Improvement Section of the budget, by an ordinance taking money from the Capital Improvement Fund, or other lawful means.

COVID-19 RISK FACTORS AND RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State (the "Governor") declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to, among other things, provide relief to State and local governments, including the American Rescue Plan Act of 2021 (the "Plan"). The County received \$130,604,069.00 in Federal Aid under the Plan, \$65,302,034.50 of which amount was received by the County on May 20, 2021 and \$65,302,034.50 of which amount was received on June 9, 2022. The deadline to obligate the funds was December 31, 2024 and the deadline to spend the funds is December 31, 2026.

The pandemic and certain mitigation measures, which altered the behavior of businesses and people, have had and may continue to have negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level.

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

CLIMATE

The State is naturally susceptible to the effects of extreme weather events and natural disasters, including floods, earthquakes and hurricanes, which could result in negative economic impacts on communities. Such effects can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the County, as well as resulting in economic impacts such as loss of *ad valorem* tax revenue, interruption of municipal services, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially adversely affect the financial condition of the County.

CYBERSECURITY

The County relies on a complex technology environment to conduct its various operations. As a result, the County faces certain cybersecurity threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyberattacks, the County has invested in multiple forms of cybersecurity and operational safeguards. In addition, the County maintains certain insurance coverage for cyberattacks and related events. No assurances can be given that the County's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the County.

TAX MATTERS

Federal Income Tax Treatment

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance of the Notes in order for the interest on the Notes to be and remain excluded from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Notes to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Notes. The County will represent in a tax certificate (the "Tax Certificate") that it reasonably expects and intends to comply and will comply, to the extent permitted by law, with such requirements.

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the County ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the County with the requirements of the Code and the representations and covenants made by the County in the Tax Certificate, interest on the Notes is not includable in gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code and will not be treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the Federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

The Notes do not constitute "qualified tax-exempt obligations" as defined in and for the purposes of Section 265(b)(3) of the Code.

Additional Federal Income Tax Consequences Relating to the Notes

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Notes, may have additional Federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and 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 insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Notes should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxation

Bond Counsel is also of the opinion that, under existing laws of the State, interest on the Notes, and any gain on the sale thereof, are not includable in gross income of the holders thereof under the existing New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented. Except as provided above, no opinion is expressed with respect to other State and local tax consequences of owning the Notes.

Prospective Tax Law Changes

Federal, state or local legislation, administrative pronouncements or court decisions may affect the Federal and State tax-exempt status of interest on the Notes, gain from the sale or other disposition of the Notes, the market value of the Notes, and/or the marketability of the Notes. The effect of any legislation, administrative pronouncements or court decisions cannot be predicted. Prospective purchasers of the Notes should consult their own tax advisors regarding such matters.

Other Tax Consequences

Except as described above, Bond Counsel expresses no opinion with respect to any Federal, state, local or foreign tax consequences of ownership of the Notes. Bond Counsel renders its opinion under existing statutes, regulations, rulings and court decisions as of the date of issuance of the Notes and assumes no obligation to update its opinion after such date of issuance to reflect any future action, fact, circumstance, change in law or interpretation, or otherwise. Bond Counsel expresses no opinion as to the effect, if any, on the tax status of the interest on the Notes paid or to be paid as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

See APPENDIX D for the complete text of the proposed form of Bond Counsel's legal opinion with respect to the Notes.

ALL POTENTIAL PURCHASERS OF THE NOTES 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 NOTES.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutional 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 obligations of the County, including the Notes, and such Notes are authorized security for any and all public deposits.

RISK TO HOLDERS OF NOTES

It is understood that the rights of the holders of the Notes, and the enforceability thereof, may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Municipal Bankruptcy

THE COUNTY HAS NOT AUTHORIZED THE FILING OF A BANKRUPTCY PETITION. THIS REFERENCE TO THE BANKRUPTCY CODE OR THE STATE STATUTE SHOULD NOT CREATE ANY IMPLICATION THAT THE COUNTY EXPECTS TO UTILIZE THE BENEFITS OF ITS PROVISIONS, OR THAT IF UTILIZED, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY FOR THE NOTES, OR THAT THE BANKRUPTCY CODE COULD NOT BE AMENDED AFTER THE DATE HEREOF.

The undertakings of the County should be considered with reference to 11 U.S.C. §101 *et seq.*, as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs

such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to certain debts owed, and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount and more than one half in number of the allowed claims of at least one (1) impaired class. The Bankruptcy Code specifically does not limit or impair the power of a state to control by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, special revenues acquired by the debtor after commencement of the case shall continue to be available to pay debt service secured by those revenues. Furthermore, the Bankruptcy Code provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may be avoided pursuant to certain preferential transfer provisions set forth in such code.

Reference should also be made to N.J.S.A. 52:27-40 *et seq.* which provides that a local unit, including the County, has the power to file a petition in bankruptcy with any United States Court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Local Finance Board, as successor to the Municipal Finance Commission, must be obtained.

CERTIFICATES OF THE COUNTY

Upon the delivery of the Notes, the original purchaser of the Notes shall receive a certificate, in form satisfactory to Bond Counsel and signed by officials of the County, stating to the best knowledge of said officials, that this Official Statement as of its date did not contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading; and stating, to the best knowledge of said officials, that there has been no material adverse change in the condition, financial or otherwise, of the County from that set forth in or contemplated by this Official Statement. In addition, the original purchaser of the Notes shall also receive a certificate in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Notes and receipt of payment therefor, and a certificate dated as of the date of the delivery of the Notes, and signed by the officers who signed the Notes, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Notes or the levy or collection of taxes to pay the principal of the Notes, or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Notes are issued, and that neither the corporate existence or boundaries of the County, nor the title of any of the said officers to their respective offices, is being contested.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, issuance, sale, execution, and delivery of the Notes are subject to the approval of Bond Counsel, whose approving legal opinion will be delivered with the Notes substantially in the form set forth as APPENDIX D hereto. Certain legal matters with respect to the Notes will be passed on for the County by its County Counsel, Alberico De Pierro, Esq., Jersey City, New Jersey ("County Counsel").

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to: the County, Attention: Cheryl G. Fuller, Director of the Department of Finance and Administration/County Treasurer, County of Hudson, Hudson County Administration Annex, 567 Pavonia Avenue, Jersey City, New Jersey 07306, (201) 795-6077, or e-mail: cfuller@hcnj.us; the County's Bond Counsel, Attention: Everett M. Johnson, Esq., Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, (732) 855-6149, or e-mail: ejohnson@wilentz.com; or the County's Municipal Advisor, Attention: Heather

Litzebauer, NW Financial Group, LLC, Bloomfield, New Jersey, (201) 937-7224, or e-mail: hlitzebauer@nwfinancial.com.

MUNICIPAL ADVISOR

NW Financial Group, LLC, Bloomfield, New Jersey has served as municipal advisor to the County with respect to the issuance of the Notes (the "Municipal Advisor"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement and the appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

LITIGATION

To the knowledge of County Counsel, after due inquiry, there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance, execution or delivery of the Notes offered for sale or the levy and collection of any taxes to pay the principal of or the interest on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes, or for the levy or collection of taxes to pay the principal of and interest on the Notes, or any action contesting the corporate existence or the boundaries of the County or the title of any of the present officers of the County. Further, to the knowledge of the County Counsel, no litigation is presently pending or threatened against the County that, in the opinion of the County Counsel, would have a material adverse impact on the financial condition of the County if adversely decided, no authority or proceedings for the issuance of the Notes has or have been repealed, revoked or rescinded, and all actions or proceedings in regard to the issuance of the Notes taken by the governing body of the County have been in compliance with the Open Public Meetings Act of New Jersey. Upon the delivery of the Notes, the County shall furnish an opinion or a certificate of its County Counsel, dated the date of delivery of the Notes, attesting to the status of litigation in the County.

COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS

The County has covenanted for the benefit of the holders of the Notes to provide notices of the occurrence of certain enumerated events with respect to the Notes (the "Notices"), as set forth in Section (b)(5)(i)(C) of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented. The Notices will be filed by the County or Digital Assurance Certification, L.L.C., the duly designated dissemination agent of the County, with the Municipal Securities Rulemaking Board (the "MSRB"). The specific nature of the Notices will be detailed in a certificate (the "Disclosure Certificate") to be executed on behalf of the County by its Director of Finance, in the form appearing in APPENDIX E attached hereto, such Disclosure Certificate to be delivered concurrently with the delivery of the Notes.

Pursuant to certain previous continuing disclosure undertakings, in the previous five (5) years, the County failed to timely file its 2022 annual financial information by one day and the County failed to timely file a notice of financial obligation in January 2024. Such filings have subsequently been made and the required failure to file notices have been provided. The aforementioned continuing disclosure undertakings include undertakings with respect to the issuance of County bonds and notes and undertakings as an "obligated person" with respect to conduit issues. The County has engaged the services of Digital Assurance Certification, L.L.C., to act as dissemination agent to the County with respect to all of the County's outstanding continuing disclosure undertakings. This covenant is being made by the County to assist the purchasers of the Notes in complying with the Rule.

PREPARATION OF OFFICIAL STATEMENT

The County hereby states that it has prepared and reviewed this Official Statement and that the descriptions, statements and financial and statistical information contained herein, including that set forth in APPENDIX A, APPENDIX B and APPENDIX C, are true and correct in all material respects and it will confirm

same to the purchaser of the Notes, by certificates signed by certain County officials and officers. See "CERTIFICATES OF THE COUNTY" herein.

Bond Counsel has participated in the preparation and review of this Official Statement, but has not participated in the collection of financial, statistical or demographic information contained in APPENDIX A, APPENDIX B and APPENDIX C and throughout this Official Statement, nor has Bond Counsel verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but takes responsibility for the information contained under the heading entitled "TAX MATTERS" herein and the information provided in APPENDIX D and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

The Municipal Advisor has participated in the review of this Official Statement but has not participated in the preparation of this Official Statement or in the collection of financial, statistical or demographic information contained in this Official Statement, nor verified the accuracy, completeness or fairness thereof, and, accordingly, takes no responsibility and expresses no opinion with respect thereto, but has reviewed the section under the caption entitled "MUNICIPAL ADVISOR" herein and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

Donohue, Gironda, Doria & Tomkins, LLC, Bayonne, New Jersey, the Auditor to the County (the "Auditor"), has not participated in the preparation or review of the information contained in this Official Statement, except as hereinafter noted, nor has it verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but has reviewed the section under the caption entitled "FINANCIAL STATEMENTS" herein and prepared APPENDIX B to this Official Statement and hereby states that the descriptions, statements and financial and statistical information contained therein are true and correct in all material respects and it will confirm same to the purchaser of the Notes, by a certificate signed by an authorized officer of the Auditor.

County Counsel has not participated in the preparation of the information contained in this Official Statement, nor has he verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but has reviewed the section under the caption entitled "LITIGATION" herein and in APPENDIX A under the caption entitled "LITIGATION" and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

All other information has been obtained from sources which the County considers to be reliable but it makes no warranty, guarantee or other representation with respect to the accuracy and completeness of such information.

RATING

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P" or the "Rating Agency") has assigned a rating of "SP-1+" to the Notes.

An explanation of the significance of the rating on the Notes may be obtained from the Rating Agency at 55 Water Street, New York, New York 10041. Such rating reflects only the view of the Rating Agency, and an explanation of the significance of the rating may be obtained from such Rating Agency. There is no assurance that the rating will continue for any period of time or that it will not be revised or withdrawn entirely by such Rating Agency, if, in the judgment of such Rating Agency, circumstances so warrant. Any revision or withdrawal of the rating may have an adverse effect on the market price of the Notes. Except as set forth in the Disclosure Certificate, the County has not agreed to take any action with respect to any proposed rating change or to bring such rating change, if any, to the attention of the owners of the Notes.

UNDERWRITING

The Notes have been purchased from the County at a public sale by _____, _____, _____ (the "Underwriter") at a price of \$_____ (the "Purchase Price") in accordance with the terms of the Notice of Sale for the Notes

dated February 5, 2026 (the "Notice of Sale"). The Purchase Price of the Notes reflects the par amount of the Notes equal to \$_____, plus a bid premium in the amount of \$_____.

The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at a yield higher than the public offering yield stated on the front cover page hereof.

FINANCIAL STATEMENTS

The balance sheets of the various funds of the County as of December 31, 2024 and 2023 and the statement of operations, together with the notes to the Financial Statements for the years then ended, are presented in APPENDIX B to the Official Statement. The financial statements referred to above have been audited by Donohue, Gironda, Doria & Tomkins, LLC, an independent auditor, as stated in its report appearing in APPENDIX B. Included in APPENDIX C are balance sheets of various funds of the County as of December 31, 2025 (unaudited), 2024, 2023, and 2022 and the related statements of operations for the years ended December 31, 2025 (unaudited), 2024, 2023, and 2022. The information set forth in APPENDIX C was prepared by the County Department of Finance and Administration and was extracted from the annual audited financial statements of the County for the years set forth therein.

MISCELLANEOUS

All quotations from summaries and explanations of the provisions of the laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilation thereof.

This Official Statement is not to be construed as a contract or an agreement between the County and any purchasers or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Notes made hereunder shall, under any circumstances, create any implication that there have been no changes in the affairs of the County, the State or any of their agencies or authorities, since the date hereof.

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

**COUNTY OF HUDSON,
STATE OF NEW JERSEY**

**CHERYL G. FULLER,
Director of the Department of Finance/
County Treasurer**

DATED: February ___, 2026

APPENDIX A

CERTAIN FINANCIAL AND DEMOGRAPHIC INFORMATION CONCERNING THE COUNTY OF HUDSON

COUNTY OF HUDSON

General Information

The County of Hudson (the "County" or "Hudson County"), State of New Jersey (the "State" or "New Jersey") comprises two adjacent peninsulas bounded by Newark Bay, the Passaic and Hackensack Rivers on the west, the Hudson River and New York City on the east, the Kill Van Kull on the south (separating the City of Bayonne and Staten Island, New York) and Bergen County on the north. Hudson County, at 46 square miles, is the smallest of New Jersey's 21 counties. The resident population of Hudson County is approximately 724,854 as per the 2020 Decennial Census issued by the U.S. Census Bureau. With over 15,758 persons per square mile, Hudson County is the most densely populated county in New Jersey.

Twelve (12) municipalities form Hudson County. They are as follows:

| | |
|---------------|-------------|
| Jersey City | Harrison |
| Bayonne | Secaucus |
| North Bergen | Guttenberg |
| Union City | Weehawken |
| West New York | East Newark |
| Kearny | Hoboken |

Located between the City of Newark and New York City, the most populous cities of New Jersey and New York, respectively, Hudson County is in an ideal location for industry as well as commerce. It is estimated that one (1) million persons pass through the County each day. Major transportation arteries that service the County are the New Jersey Turnpike and other regional and interstate highways, the Lincoln and Holland Tunnels and various inter-county motor and rail links, including the Port Authority Trans-Hudson Railway ("PATH") connecting Manhattan with New Jersey. The County is also within a short travel distance of Newark Liberty International Airport in New Jersey and John F. Kennedy International and LaGuardia Airports in New York. Within the County borders are trunk-line railroads, motor freight transport facilities, deep water shipping ports and dockside warehouses that play an important role in exporting goods into world markets and importing raw materials and finished products for distribution throughout the United States.

Although the geographical boundaries of the County have not changed since it was created in 1840, internal,-undeveloped marshland and underdeveloped waterfront areas are being changed to meet both the demand of technological advancement in industry and commerce, as well as the housing needs of the County's population.

County Government

Each county government in New Jersey derives its power as a separate unit of government from the Constitution of the State and State laws.

Counties, however, do not have sovereign power and may not, for instance, pass laws or ordinances that are not consistent with State laws or regulations. This form of government is supported by taxes levied by the governing body of the County and is apportioned among the municipalities that comprise the County according to the ratio of their equalized taxable ratables.

Counties were established in New Jersey around 1675 when small villages and communities combined to establish joint judicial and penal systems because it would be economically impractical for each to have a duplicate system.

Today, county government has complex responsibilities which include, but are not limited to, operating large institutions for the treatment of mental diseases, nursing homes, correctional facilities for those awaiting trial and serving sentences, courthouses for the prosecution of criminal cases and trial for civil matters, police departments and many other services.

Hudson County's Form of Government

On November 3, 1975, the citizens of Hudson County voted to change the form of government, whereby a County Executive is elected at-large and the members of the Board of County Commissioners are elected by district.

This form of government officially is known as the "County Executive Plan" under the Optional County Charter Law, N.J.S.A. 40:41A-1 et seq., as amended and supplemented (the "Optional County Charter Law").

Under the Optional County Charter Law, the County adopted an Administrative Code which establishes the administrative framework of the County, setting forth principles of policy, establishing administrative, operational and organizational forms to conduct County business, providing penalties for violations of the Code and, in effect, serving as the constitution and by-laws under which the County operates.

The County Executive is the chief executive officer of the County and, as such, is required to supervise, direct and control all County administrative departments and to enforce the charter and all laws applicable to the County as well as all ordinances and resolutions adopted by the County. The County Executive's term of office is four (4) years.

The legislative power of the County is vested in the Board of County Commissioners, which is responsible for the adoption of ordinances and resolutions and, in certain designated instances, to give its advice and consent on appointments made by the County Executive.

County Officials

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|-------------------------|---|
| <i>County Executive</i> | Born in Weehawken and raised in Jersey City, Hudson County Executive Craig Guy has spent his entire life in Hudson County and has dedicated his life to public service. As a Jersey City police officer for more than 25 years, he rose to the rank of Lieutenant and worked closely with community groups and civic leaders throughout the city. He then served as Deputy Chief of Staff and Chief of Staff to his predecessor for 21 years, working to improve public education, expand parks and open space, spur economic development, and enhance senior and veterans' services. As President of Hudson County Schools of Technology Board of Education for 16 years, he spearheaded construction of a new state-of-the-art High Tech High School campus in Secaucus and was a leader in the creation of Liberty Science Center High School, a world-class magnet STEM academy that will be part of SciTech City, a major hub of learning and innovation being developed in Jersey City. |
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County
Administrator

On December 30, 2002, Abraham Antun was appointed to serve as Hudson County Administrator.

Previously, he served as Deputy Commissioner of the New Jersey Department of Community Affairs from February 2002 to December 2002. Mr. Antun was originally appointed as Hudson County Administrator in February 1999 and served in that capacity until February 2002. He also served as the Director of the Department of Finance and Administration from 1988 until February 2002.

Mr. Antun is a graduate of St. Peter's College with a Bachelor of Science in Accounting and Economics. He also holds a Master of Business Administration from Seton Hall University. He is licensed by the State as a Certified Municipal Finance Officer, Certified County Finance Officer and Certified Tax Collector.

County Counsel

Alberico De Pierro was appointed to serve as County Counsel in June of 2025. Prior to joining the Hudson County Counsel's Office in August of 2016, Mr. De Pierro was employed in private practice with the De Pierro Radding, LLC firm in Bloomfield, New Jersey. He is also a Trustee with the Hudson County Bar Association and a member of the Attorney Ethics Committee in District VI. Mr. De Pierro is a graduate of Saint Peter's College with a Bachelor of Science in Political Science and is also a graduate of New York Law School receiving a Juris Doctorate. He is admitted to the New Jersey State Bar and the Federal District Court for the District of New Jersey.

Director of Finance
and Administration

Cheryl G. Fuller has been with the County of Hudson and served in various positions since 1988. From 1988 to 1996, she held the position of Division Chief of Accounts and Controls in the Department of Finance and Administration and more recently served as the Deputy Director of the Department. Ms. Fuller has also served as Business Administrator, City Manager and CFO for various New Jersey municipalities. Prior to employment in New Jersey local government she worked in public accounting for seven years.

Ms. Fuller is a graduate of Rutgers University with a Bachelor of Science in Accounting and Economics. She is licensed by the New Jersey Board of Accountancy as a Certified Public Accountant. She is also licensed by the State of New Jersey as a Certified Municipal Finance Officer, Certified County Finance Officer and formerly served as a Qualified Purchasing Agent.

Commissioner
Chairperson

Anthony L. Romano began serving on the County Commissioners in January of 2009; he served as Chairman in 2013. A lifelong resident of the City of Hoboken, he has dedicated his life to advancing the interests of the public. He served on the Hoboken Board of Education from 2006–2009.

Commissioner Romano graduated from St. Peter's University with a B.A. in History and M.S. in Criminal Justice from New Jersey City University. He later went on to complete the Command and Leadership Program at West Point and teaches as an Adjunct Professor at Saint Peter's University.

Commissioner Romano currently serves as Chairman of the Board's Public Safety Committee, Economic Development and Housing Committee, and the Senior Citizens & Veterans Affairs Committee. He is a member of the Hudson County Community College Board of Trustees and its Board of School Estimate, and also serves as a member of the Board's Education Committee, Finance, Budget & Administration Committee, Public Resources Committee, and Tourism and Cultural Affairs Committee.

Commissioner
Vice Chairperson

Fanny J. Cedeño is a resident of Union City where she lives with her husband. She graduated from Emerson High School and is a graduate of Seton Hall University where she obtained a BA in Political Science with a minor in Diplomacy and International Relations. County Commissioner Cedeño started her career in public service by volunteering at a non-profit that provides help with immigration. Currently, she handles constituent relations for the Union City Mayor's Office. Helping her community has always been a priority for her. She was appointed to the Hudson County Board of County Commissioners, representing District 6, in January 2020, replacing County Commissioner Tilo E. Rivas.

Chairperson
Pro Tempore

William O'Dea was elected Commissioner in September 1997. Now serving his eighth full term, County Commissioner O'Dea is the Chairperson of the Public Resources Committee; a member of the following committees: Taskforce on the Homeless; and Liaison to the Workforce Investment Board. This native of Jersey City has previous experience as an elected official, having served two consecutive terms, elected in 1985 and 1989, as a Jersey City Councilman. Currently, Bill O'Dea is Deputy Executive Director of the Elizabeth Development Company, considered the best-administered Enterprise Zone development company in the country. County Commissioner O'Dea is a graduate of St. Peter's Preparatory in Jersey City, where he won the Silver Medal in Oratory Competition and the Silver Medal in Business Law. For his many academic successes, he was included in Who's Who Among American High School Students. Bill graduated magna cum laude with a Bachelors of Science degree from St. John's University. He won Gold Key Awards as a top student in criminal justice and in political science. He was named to "Who's Who in International Business" in 2005 and to "Who's Who in America" in 2006.

County Commissioners

The legislative body of each county in New Jersey is the Board of County Commissioners. In other states, officials holding similar office are known as county supervisors or commissioners.

Hudson County has a nine (9) member Board of County Commissioners, each of whom is elected within a district. The districts are equally proportioned based on population. The board selects one of its members to serve as chairperson, one as vice-chairperson and one as chairperson pro-tempore for a period of one (1) year. The Commissioners' elected term of office is three (3) years.

The legislative power of the County is vested in the Board of County Commissioners. Under the Optional County Charter Law approved by the voters in 1975, the Board of County Commissioners, among other things:

- a. Shall advise and consent to all appointments by the County Executive for which board confirmation is specified under the charter.
- b. Shall pass whatever ordinances and resolutions it deems necessary and proper for the good governance of the County.
- c. Appoints a clerk to the board who serves at the board's pleasure and who keeps the records and minutes of the board.
- d. May pass resolutions of disapproval or dismissal.
- e. May override a veto of the County Executive by a two-thirds vote.
- f. Approves the annual operating and capital budgets.

Public and Non-Public Schools

In the 2020/2021 school year, Hudson County's 12 municipalities had 14 Charter Schools, 87 Early Childhood Centers, 75 public elementary schools, 17 middle schools and 19 high schools. Supplementing these are 2 public special education schools, 2 private schools for the disabled, 6 adult/evening high schools and 1 satellite schools of technology. There are an additional 67 private schools throughout the County, including religious affiliated schools.

In addition, there are institutions of higher learning such as Stevens Institute of Technology (an engineering college), New Jersey City University, St. Peter's College and Hudson County Community College, which awards a two-year Associate Degree.

Vocational-technical education has long been regarded as important to industrial growth within the County. In Bayonne, North Bergen, Harrison, Hoboken, Union City, West New York, Kearny and Jersey City there are vocational education programs for high school students. Vocational education is also provided to adults through the Hudson County Schools of Technology adult evening and adult high school programs.

As of July 2021, there were 99 registered family day care providers and 323 licensed childcare centers registered with the Urban League of Hudson County of which 87 participate in the Pre-K (Abbott) Program in Hudson County.

Source: The Urban League of Hudson County, the New Jersey Department of Education - New Jersey School Directory and the Archdiocese of Newark's School Statistics.

Transportation

General

Hudson County lies on six (6) waterways: the Passaic River, Newark Bay, Kill Van Kull, New York Harbor, the Hackensack River and the Hudson River. Separated physically from Manhattan by the Hudson River, the County is connected via the Holland Tunnel from Jersey City, the Lincoln Tunnel from

Weehawken and the PATH, a modernized rapid transit system with two sets of rail tunnels, below the Hudson River, and six (6) stations in Hudson County located in Jersey City, Hoboken and Harrison.

Air

Within 15 minutes travel time from Hudson County, Newark Liberty International Airport (served by major airlines) has one of the largest and most comprehensive airfreight and new passenger terminals in the eastern United States. "Air Train", the airport's monorail completed in October 2001, connects to the Northeast Corridor Line of New Jersey Transit and Amtrak.

Newark Liberty International Airport is undergoing a redevelopment program, which includes a new \$2.7 billion Terminal A nearing completion. The new terminal will have more space for larger aircraft, and 33 gates which are "common use" with computer systems available to be shared by any airline. The Terminal A project includes a new access roadway network and 2,750 vehicle parking facility. A \$2.05 billion replacement of the airport's Air Train system is anticipated to begin construction in 2021. The planning process is now beginning for the replacement of the airport's Terminal B.

The 2017-2026 Capital Plan for the Port Authority of New York and New Jersey identifies \$2.1 billion in upgrades for the airport. This includes the rehabilitation of runways, taxiways, terminal electrical and HVAC system upgrades, and security systems enhancements.

Rail

New Jersey Transit has an extensive rail system providing passenger service throughout New Jersey and into New York Penn Station. The Hoboken Terminal and Secaucus Junction are currently New Jersey Transit's only stations in Hudson County, but both are major hubs in New Jersey Transit's system. These stations serve to provide convenient and frequent direct or connecting routes to all destinations served by the New Jersey Transit rail system, with Secaucus Junction connecting all but one of New Jersey Transit's ten (10) passenger rail lines. The Hoboken Terminal has connections to the Hudson-Bergen Light Rail, PATH train, and NY Waterway Ferry.

New Jersey Transit currently runs eight (8) separate direct routes to and from Hoboken Terminal:

| | | |
|-------------------------|------------------------|-------------------------------------|
| Bergen County Line | Montclair-Boonton Line | Morristown Line |
| Main Line | Pascack Valley Line | Raritan Valley Line (Weekends Only) |
| North Jersey Coast Line | Gladstone Branch | |

New Jersey Transit currently runs eight (8) separate direct routes to and from Secaucus Junction:

| | | |
|--------------------|--------------------------|-------------------------|
| Bergen County Line | North East Corridor Line | North Jersey Coast Line |
| Morristown Line | Pascack Valley Line | Montclair-Boonton Line |
| Gladstone Branch | Main Line | |

New Jersey Transit also manages the Hudson-Bergen Light Rail, which currently operates daily among twenty four (24) stations from West Side Avenue, Jersey City, 8th Street, Bayonne to Tonelle Avenue, North Bergen. The Light Rail was extended southward in 2011 and now terminates at 8th Street in Bayonne.

The PATH is a rapid rail system that operates within Newark, Harrison, Jersey City and Hoboken in New Jersey and six (6) stations across the Hudson River in New York. The PATH system has thirteen (13) rail stations in total throughout northeastern New Jersey and Manhattan. A temporary station at the World Trade Center reopened on November 23, 2003. A new World Trade Center Transportation Hub opened on March 3, 2016. Designed by Santiago Calatrava, the architecturally significant transportation center known as the Oculus includes a 365,000 square foot shopping mall with 125 retail spaces and connects through a system of underground passageways to office buildings in the World Trade Center Complex, the Brookfield Place shopping mall and World Financial Center office complex, as well as of thirteen (13) lines of the New York City Subway both on site and at the nearby Fulton Center.

In 2018, the Port Authority completed upgrading all signals on the PATH system and installing Positive Train Control on all cars and lines. Positive Train Control is a computerized communications system which will allow for trains to run closer together and more frequently, increasing system capacity, and will improve safety by automatically shutting down trains traveling too fast or too close together.

A new, entirely rebuilt \$265 million station at Harrison opened for westbound service on October 30, 2018 and for eastbound service on June 15, 2019. The reconstructed station features wider and longer platforms which will be able to accommodate 10 car trains.

A project to expand and enhance the PATH system is currently underway. New elevators and escalators, increased ADA accessibility upgrades, as well as flood proofing measures, are under construction at the Exchange Place, Grove Street, Hoboken, and Newport Stations. The PATH Improvement Plan launched in June 2019 is intended to reduce delays and increase capacity and reliability. Modifications to stations on the Newark to World Trade Center line will allow for 9 car trains, and 72 new cars will be purchased for the system, which is expected to increase capacity by 40% on the line by 2022. Extension of the Grove Street Station to lengthen the platforms to allow 9 car trains began in March 2020. Future reconstruction to lengthen platforms at stations to accommodate 10 car trains is under consideration.

Ferry

New York Waterway offers frequent and convenient ferry service into and out of Manhattan from Weehawken, Hoboken and Jersey City to Brookfield Place and Pier 11/Wall Street in lower Manhattan,

where connection is available to NYC Ferry, New York Water Taxi, and additional New York Waterway routes, and to West 39th in midtown Manhattan, where free transfer is available to a variety of "loop" buses.

Liberty Landing Ferry operates one ferry route between Liberty Landing Marina and Warren Street in Jersey City to Brookfield Place/World Financial Center in Manhattan.

Bayonne received \$650,000 from the federal Passenger Ferry Grant Program in 2018 to construct a ferry terminal. In February 2020, Bayonne authorized a lease from the Port Authority of New York and New Jersey for a ferry terminal at the Military Ocean Terminal at Bayonne. Bayonne has also made an agreement for Seastreak, LLC to operate a ferry service. Details of the agreement and service are currently in discussion.

During 2020-2021, the Hudson County Division of Planning led a study to analyze the demand for additional passenger ferry services in Hudson County through the Ferry Service Expansion Study. The final study report was released in July 2021.

Bus

Hudson County is well served by a comprehensive local and regional bus network. An extensive public/private system of bus routes provides intra-county and intra-state service via many local routes.

Major Highways

Hudson County is at the center of the region's highway network, with multiple major routes passing through and serving the County. NJ Route 495 and NJ Route 139 provide connections to New York City via the Lincoln and Holland Tunnels. NJ Route 3 and NJ Route 7 provide east-west connections between the two sections of the County and to other areas of New Jersey. U.S. Routes 1 & 9, NJ Route 440 and the New Jersey Turnpike (Interstate 95) link the County to other areas in New Jersey and to the State of New York. Interstate Route 78 (and its connecting highway NJ Route 185), and Interstate Route 280 provide western links within the State and to destinations beyond.

Connecting the Hudson County peninsula's heavy industrial and waterfront areas is the 8-mile Newark Bay - Hudson County extension of the multi-lane New Jersey Turnpike. The Turnpike interchanges listed below provide direct access and physical proximity to New York City and other key market areas:

| | | | |
|-----|---|--------------------|--|
| 14 | – | Newark, New Jersey | Newark Liberty International Airport |
| 14A | – | Bayonne | Port Jersey: a deep-water container-ship seaport and industrial park and Military Ocean Terminal Bayonne |
| 14B | – | Jersey City | Liberty State Park: the largest urban state park, bordering the Statue of Liberty and Ellis Island |
| 14C | – | Jersey City | Business and residential sections, Holland Tunnel |

The County is also served by the main line of the New Jersey Turnpike, which includes eastern and western spurs. The following exits are located within Hudson County:

| | | | |
|-----|---|--------|--------------------------------|
| 15W | – | Kearny | Interstate 280, Newark, Kearny |
|-----|---|--------|--------------------------------|

| | | | |
|-----|---|----------|--|
| 15X | – | Secaucus | Frank R. Lautenberg Secaucus Junction Station |
| 17 | – | Secaucus | NJ Route 3, Meadowlands Sports Complex, American Dream Meadowlands |

Seaport

Port Jersey Industrial Marine Center, split between Bayonne and Jersey City, is divided into a 100-acre industrial park and a modern 310-acre container port with bulk capabilities, roll-on, roll-off and break-bulk facilities. The adjacent ExpressRail Port Jersey Intermodal Complex comprises 8 tracks for loading and unloading cargo from the terminal and connects with the region's main freight rail network. Port Jersey's geographic location provides excellent access to the sea from the Port of New York's Upper Harbor.

Communications

Newspapers

The Star Ledger, which is widely circulated in the New York City and New Jersey metropolitan areas, is now only available in digital format. The Observer is a local publication that serves Hudson County.

Postal Facilities

One of the largest postal distribution facilities in the entire northeastern United States is located in Jersey City. Additionally, the USPS New Jersey Priority Mail Processing Center is located in Kearny. Local delivery is made from 33 offices throughout the County. Private delivery services UPS and FedEx both have shipping and distribution centers in Secaucus.

Telephone

Verizon New Jersey provides the majority of telephone access lines in the State. It provides voice, data, and fiber optic cable service to residential and business customers.

Electricity and Gas

Public Service Electric & Gas Company ("PSE&G") supplies electric and/or gas service throughout Hudson County and in a 2,500 square mile corridor between New York and Philadelphia. The company is the nation's third largest electric and gas utility. The utility uses fossil fuel generating stations, nuclear power, gas turbines, and pumped storage hydroelectric facilities. Increased reliability is obtained by the company's participation in the Pennsylvania-New Jersey-Maryland (PJM) power pool. PSE&G also supplies natural gas service to the customers in its service area. The bulk of the gas supply is from pipelines from the southwest United States.

Fuel Oil

Hudson County's fuel oil requirements are supplied from various locations. There are three (3) waterfront terminals with ample storage facilities and more than ten (10) reliable retailers who are capable

of trucking oil to customers from one (1) of the terminals located in Jersey City, Bayonne or nearby Port Newark, which boasts terminals owned by most major oil companies in the United States.

Solid Waste

In accordance with its designation as a solid waste management district under the Solid Waste Management Act, the County developed a comprehensive plan for solid waste management within the Hudson County Solid Waste Management District. The original Hudson County Solid Waste Management Plan (the "County Plan") was adopted by the Hudson County Board of County Commissioners (the "County Commissioners") on April 11, 1979 and was approved by the New Jersey Department of Environmental Protection ("DEP") on April 26, 1979. By Ordinance dated November 18, 1985, the County Commissioners designated the Hudson County Improvement Authority as the sole agency responsible for the implementation of the County Plan.

The County Plan has been amended from time to time to encompass significant changes in the Hudson County Solid Waste Management System (the "Solid Waste System") and, as required by the Solid Waste Management Act, to provide adequate planning for the disposal of all solid waste generated in the County. Most recently the County Plan has been amended in response to Atlantic Coast Demolition & Recycling, Inc. v. Board of County Commissioners of Atlantic County, et al., 112 P.3d 652 (1997) ("Atlantic Coast").

The Hudson County Improvement Authority currently has outstanding \$63,165,000 in solid waste system revenue bonds relating to the development of the County Solid Waste System and compliance with state mandated solid waste disposal policies. The current County Plan provides, among other things, for the disposal of all in-County generated type 10 solid waste at SWT&R in Newark and solid waste types 13, 23, 25 and 27 at the New Jersey Meadowlands Commission in Lyndhurst.

The County, in order to fulfill its obligations under its Contingent Sale or Lease Agreement with the Hudson County Improvement Authority, issued \$33,000,000 in bond anticipation notes over a three year period beginning in 2001, for the purchase of the former resource recovery facility located in Kearny, New Jersey and commonly known as the Koppers Site (the "Koppers Site"). The \$33,000,000 in original note proceeds was paid to the Hudson County Improvement Authority for the Koppers Sites and permanently financed in 2012 and 2013. These bonds were retired in October of 2019. The Hudson County Improvement Authority and Hudson County are currently participating in a cooperative effort to sell the site.

Water

The water supply to Hudson County municipalities is either directly provided by or managed through a contract by Suez Water, with the exception of Harrison, which receives its water from the Passaic Valley Water Commission, and East Newark, which receives its water from the North Jersey District Water Supply Commission.

Sewerage

Generally, sewerage operations for Hudson County residents are administered by sewerage authorities either comprised of individual municipalities or groups of neighboring municipalities. Sewerage for Jersey City, Bayonne, Kearny, Harrison and East Newark is processed by the Passaic Valley Sewerage Commission. Sewerage for Hoboken, Union City, Weehawken and West New York is processed by the North Hudson Sewerage Authority. Sewerage for North Bergen and Guttenberg is

processed by the North Bergen Municipal Utilities Authority. Sewerage for Secaucus is processed by the Secaucus Municipal Utilities Authority.

Sources: Economic Profile of Hudson County, Hudson County Chamber of Commerce and Industry, City of Bayonne Water and Sewer Departments, Town of Harrison Sewer Department, and Kearny Water Services. County of Hudson Department of Finance and Administration.

POPULATION OF THE COUNTY

Resident Population

| <u>Municipality</u> | <u>1950</u> | <u>1960</u> | <u>1970</u> | <u>1980</u> | <u>1990</u> | <u>2000</u> | <u>2010</u> | <u>2020</u> | <u>Land Area (Sq. Mi.)</u> |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------------------|
| Bayonne | 77,203 | 74,215 | 72,743 | 65,047 | 61,444 | 61,842 | 63,024 | 71,686 | 5.80 |
| East Newark | 2,173 | 1,872 | 1,922 | 1,923 | 2,157 | 2,377 | 2,406 | 2,594 | 0.10 |
| Guttenberg | 5,566 | 5,118 | 5,754 | 7,340 | 8,268 | 10,807 | 11,176 | 12,017 | 0.20 |
| Harrison | 13,490 | 11,743 | 11,811 | 12,242 | 13,425 | 14,424 | 13,620 | 19,450 | 1.20 |
| Hoboken | 50,676 | 48,441 | 45,380 | 42,460 | 33,397 | 38,577 | 50,005 | 60,419 | 1.28 |
| Jersey City | 299,017 | 276,101 | 260,350 | 223,532 | 228,537 | 240,055 | 247,597 | 292,449 | 14.79 |
| Kearny | 39,952 | 37,472 | 37,585 | 35,735 | 34,874 | 40,513 | 40,684 | 41,999 | 8.77 |
| North Bergen | 41,560 | 42,387 | 47,751 | 47,019 | 48,418 | 58,092 | 60,773 | 63,361 | 5.13 |
| Secaucus | 9,750 | 12,154 | 13,228 | 13,719 | 14,061 | 15,931 | 16,264 | 22,181 | 5.82 |
| Union City | 55,537 | 52,180 | 57,305 | 55,593 | 58,012 | 67,088 | 66,455 | 68,589 | 1.28 |
| Weehawken | 14,830 | 13,504 | 13,383 | 13,168 | 12,385 | 13,501 | 12,554 | 17,197 | 0.80 |
| West New York | 37,683 | 35,547 | 40,627 | 39,194 | 38,125 | 45,768 | 49,708 | 52,912 | 1.01 |
| Hudson County | <u>647,437</u> | <u>610,734</u> | <u>607,839</u> | <u>556,972</u> | <u>553,099</u> | <u>608,975</u> | <u>634,266</u> | <u>724,854</u> | <u>46.19</u> |

Source: 2000 Census of Population and Housing New Jersey and 2010, 2020 Decennial Census U.S. Census Bureau

PROJECTED POPULATION OF THE COUNTY

| | Census on April 1 | Estimates July 1 | Projections to July 1 | Population | Rate of Growth |
|------------------|----------------------|---------------------|--------------------------|------------|-------------------|
| Hudson County | 724,854 | 718,700 | | 718,700 | -.85% |
| | | | 2029 | 747,400 | 3.11% |
| | | | 2034 | 766,500 | 2.56% |

Source: State of NJ Department of Labor and Workforce Development, Labor Market Information, Demographics, Labor Force Projections

TOTAL HOUSING UNITS BY MUNICIPALITY 1980-2020

| <u>Municipality</u> | | | | | | Percent Change | Percent Change | Percent Change | Percent Change |
|--------------------------|----------------|----------------|----------------|----------------|----------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>1980</u> | <u>1990</u> | <u>2000</u> | <u>2010</u> | <u>2020</u> | <u>1980- 1990</u> | <u>1990- 2000</u> | <u>2000- 2010</u> | <u>2010- 2020</u> |
| Bayonne | 26,363 | 26,468 | 26,826 | 27,799 | 29,727 | 0.40% | 1.35% | 3.23% | 6.94% |
| East Newark | 696 | 755 | 799 | 794 | 920 | 8.48 | 5.83 | 0.38 | 15.87 |
| Guttenberg | 4,061 | 4,504 | 4,650 | 4,839 | 5,142 | 10.91 | 3.24 | 12.75 | 6.26 |
| Harrison | 4,618 | 5,120 | 5,254 | 5,228 | 8,594 | 10.87 | 2.62 | -5.56 | 64.38 |
| Hoboken | 16,821 | 17,421 | 19,915 | 26,855 | 30,202 | 3.57 | 14.32 | 27.12 | 12.46 |
| Jersey City | 87,999 | 90,723 | 93,648 | 108,720 | 130,992 | 3.1 | 3.22 | 14.19 | 20.49 |
| Kearny | 13,301 | 13,435 | 13,872 | 14,180 | 15,392 | 1.01 | 3.25 | 3.06 | 8.55 |
| North Bergen | 19,375 | 21,274 | 22,009 | 23,912 | 25,079 | 9.8 | 3.45 | 5.34 | 4.88 |
| Secaucus | 5,502 | 6,013 | 6,385 | 6,846 | 9,316 | 9.29 | 6.19 | -0.52 | 36.08 |
| Union City | 21,500 | 22,592 | 23,741 | 24,931 | 26,455 | 5.08 | 5.09 | 3.58 | 6.11 |
| Weehawken | 5,208 | 5,583 | 6,159 | 6,213 | 9,089 | 7.2 | 10.32 | 0.84 | 46.29 |
| West New York | <u>15,832</u> | <u>15,794</u> | <u>17,360</u> | <u>20,018</u> | <u>21,798</u> | <u>-0.24</u> | <u>9.92</u> | <u>10.93</u> | <u>8.89</u> |
| <i>Hudson County</i> | <u>221,276</u> | <u>229,682</u> | <u>240,618</u> | <u>270,335</u> | <u>312,706</u> | <u>3.80%</u> | <u>4.76%</u> | <u>10.07%</u> | <u>15.67%</u> |

Source: 2000 Census of Population and Housing New Jersey and 2010, 2020 Decennial Census Occupancy Status, U.S. Census Bureau.

Housing Activity

The following table shows the number of dwelling units authorized by building permit in Hudson County through the years 2012 – Year- to Date July 2024.

Dwelling Units Authorized by Building Permit

| <u>Type</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Building Permits | 3,521 | 4,621 | 5,060 | 4,164 | 5,073 | 4,617 | 7,707 | 6,950 | 5,257 | 6,056 | 5,312 | 5,310 |
| Single Units | 130 | 272 | 400 | 338 | 243 | 1,065 | 2,070 | 235 | 416 | 355 | 444 | 949 |
| Multi Units | 3,391 | 4,349 | 4,660 | 3,826 | 4,830 | 3,552 | 5,637 | 6,715 | 4841 | 5,701 | 4,868 | 4,361 |

Source: U.S. Bureau of the Census, Manufacturing and Construction Division. State of New Jersey Department of Labor and Workforce Development

| <u>Municipality</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Bayonne | 286 | 193 | 188 | 63 | 558 | 757 | 1,143 | 878 | 383 | 693 | 336 | 150 |
| East Newark | 60 | - | - | - | 8 | 10 | 14 | 4 | 2 | 8 | 14 | 18 |
| Guttenberg | 8 | 18 | 21 | 2 | 109 | 10 | 40 | 49 | - | 63 | 73 | 106 |
| Harrison | 22 | 468 | 309 | 739 | 1,339 | 45 | 1,289 | 1,089 | 876 | 222 | 88 | 97 |
| Hoboken | 420 | 475 | 743 | 110 | 679 | 221 | 175 | 95 | 112 | 55 | 54 | 59 |
| Jersey City | 1,687 | 2,180 | 2,658 | 1,494 | 1,604 | 2,493 | 4,675 | 3,552 | 3,232 | 3,741 | 2,339 | 2,601 |
| Kearny | 2 | 151 | - | 84 | - | 4 | - | 2 | - | - | 77 | 50 |
| North Bergen | - | - | - | 10 | 31 | 226 | 134 | 124 | 266 | 60 | 290 | 127 |
| Secaucus | 667 | 632 | 657 | 766 | 14 | 65 | 22 | 643 | 5 | 7 | 10 | 10 |
| Union City | 39 | 43 | 94 | 81 | 40 | 95 | 59 | 74 | 110 | 138 | 74 | 69 |
| Weehawken | 226 | 403 | 5 | 558 | 238 | 380 | 2 | 31 | 37 | 599 | 1,031 | 838 |
| West New York | <u>104</u> | <u>58</u> | <u>385</u> | <u>257</u> | <u>453</u> | <u>311</u> | <u>154</u> | <u>409</u> | <u>639</u> | <u>470</u> | <u>926</u> | <u>1,185</u> |
| Hudson County | 3,521 | 4,621 | 5,060 | 4,164 | 5,073 | 4,617 | 7,707 | 6,950 | 5,662 | 6,056 | 5,312 | 5,310 |

Source: U.S. Bureau of the Census, Manufacturing and Construction Division. State of New Jersey Department of Labor and Workforce Development

NEW JERSEY COUNTIES
TOTAL RESIDENTIAL UNITS AUTHORIZED BY BUILDING PERMITS
RESIDENTIAL BUILDING PERMITS AUTHORIZED
2012 – 2023

| COUNTY | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Atlantic County | 484 | 722 | 710 | 1,083 | 1,090 | 996 | 957 | 667 | 804 | 803 | 406 | 672 |
| Bergen County | 2,751 | 3,408 | 2,672 | 3,144 | 3,059 | 2,709 | 3,929 | 3,391 | 4,023 | 4,065 | 3,440 | 3,488 |
| Burlington County | 734 | 1,000 | 892 | 825 | 1,134 | 1,274 | 2,636 | 1,757 | 2,118 | 2,089 | 1,718 | 2,161 |
| Camden County | 1,368 | 1,506 | 1,121 | 553 | 1,400 | 785 | 1,435 | 896 | 908 | 1,222 | 1,007 | 1,018 |
| Cape May County | 658 | 638 | 614 | 642 | 814 | 643 | 863 | 675 | 917 | 844 | 805 | 877 |
| Cumberland County | 219 | 211 | 237 | 134 | 88 | 74 | 135 | 179 | 191 | 150 | 112 | 216 |
| Essex County | 1,463 | 2,617 | 3,214 | 2,386 | 2,317 | 2,057 | 3,224 | 2,704 | 3,462 | 3,472 | 3,786 | 3,364 |
| Gloucester County | 939 | 491 | 736 | 724 | 736 | 640 | 706 | 778 | 755 | 844 | 971 | 1,047 |
| Hudson County | 3,521 | 4,621 | 5,060 | 4,164 | 5,073 | 4,617 | 7,707 | 6,950 | 5,257 | 6,056 | 5,312 | 5,310 |
| Hunterdon County | 199 | 348 | 425 | 355 | 287 | 621 | 684 | 322 | 688 | 577 | 378 | 389 |
| Mercer County | 964 | 368 | 896 | 711 | 605 | 501 | 538 | 832 | 544 | 646 | 978 | 2,256 |
| Middlesex County | 1,652 | 1,901 | 2,990 | 2,351 | 2,812 | 2,737 | 3,007 | 2,759 | 3,269 | 2,480 | 2,331 | 1,971 |
| Monmouth County | 1,663 | 1,484 | 1,399 | 1,933 | 1,474 | 1,897 | 1,587 | 2,641 | 2,350 | 2,392 | 2,556 | 2,840 |
| Morris County | 1,665 | 1,611 | 2,262 | 1,695 | 1,814 | 1,815 | 1,527 | 1,632 | 2,151 | 2,363 | 1,497 | 2,357 |
| Ocean County | 2,171 | 2,937 | 2,621 | 2,635 | 3,437 | 2,283 | 2,258 | 3,651 | 3,758 | 3,551 | 3,744 | 4,434 |
| Passaic County | 838 | 518 | 507 | 397 | 580 | 624 | 1,017 | 1,421 | 1,145 | 1,258 | 850 | 860 |
| Salem County | 38 | 51 | 43 | 50 | 30 | 63 | 68 | 35 | 88 | 114 | 104 | 95 |
| Somerset County | 1,221 | 1,310 | 1,551 | 995 | 831 | 1,309 | 1,708 | 1,913 | 1,261 | 950 | 618 | 678 |
| Sussex County | 262 | 222 | 216 | 169 | 128 | 156 | 172 | 226 | 170 | 267 | 124 | 184 |
| Union County | 1,111 | 1,966 | 2,185 | 1,594 | 1,091 | 2,312 | 2,316 | 2,664 | 3,281 | 3,082 | 1,963 | 1,749 |
| Warren County | <u>278</u> | <u>244</u> | <u>289</u> | <u>257</u> | <u>126</u> | <u>108</u> | <u>167</u> | <u>304</u> | <u>189</u> | <u>321</u> | <u>443</u> | <u>630</u> |
| <u>New Jersey</u> | <u>24,199</u> | <u>28,174</u> | <u>30,640</u> | <u>26,797</u> | <u>28,926</u> | <u>28,221</u> | <u>36,641</u> | <u>36,397</u> | <u>37,329</u> | <u>37,546</u> | <u>33,143</u> | <u>36,596</u> |

Source: U.S. Census Bureau, Manufacturing & Construction Division, New Jersey Department of Labor and Workforce Development

Unemployment

Listed below is a year-by-year compilation of annual average labor force and unemployment figures for Hudson County, New Jersey.

COMPARATIVE UNEMPLOYMENT DATA

| | County Unemployment | | State Unemployment | National Unemployment |
|-------------|---------------------|--------------------|-----------------------|-----------------------|
| | Labor | as % of Civilian | as % of Civilian | as % of Civilian |
| <u>Year</u> | <u>Force</u> | <u>Labor Force</u> | <u>Labor Force</u> | <u>Labor Force</u> |
| 2007 | 291,092 | 4.9 | 4.2 | 4.6 |
| 2008 | 295,201 | 6.3 | 5.4 | 5.8 |
| 2009 | 301,525 | 10.3 | 8.9 | 9.3 |
| 2010 | 356,088 | 9.7 | 9.7 | 9.6 |
| 2011 | 360,540 | 9.0 | 9.4 | 8.9 |
| 2012 | 364,434 | 9.0 | 9.4 | 8.1 |
| 2013 | 363,646 | 8.0 | 8.4 | 7.4 |
| 2014 | 364,563 | 6.3 | 6.7 | 6.2 |
| 2015 | 367,809 | 5.3 | 5.7 | 5.3 |
| 2016 | 381,070 | 4.5 | 4.9 | 4.9 |
| 2017 | 384,994 | 4.1 | 4.5 | 4.4 |
| 2018 | 387,587 | 3.6 | 4.0 | 3.9 |
| 2019 | 399,709 | 3.1 | 3.5 | 3.7 |
| 2020 | 393,546 | 9.7 | 9.5 | 8.1 |
| 2021 | 387,193 | 6.9 | 6.7 | 5.3 |
| 2022 | 401,167 | 3.6 | 3.9 | 3.6 |
| 2023 | 415,081 | 4.0 | 4.3 | 3.6 |
| 2024 | 419,415 | 4.2 | 4.5 | 4.0 |

Source: Department of Labor and Workforce Development, Employment and Wages, Unemployment Rates and Labor Force Estimates

Economy

The following chart shows the distribution of the Bergen-Hudson-Passaic Metropolitan Statistical Area labor force by industry group for the years 2011 through 2023.

BERGEN-HUDSON-PASSAIC MSA Nonagricultural Wage and Salary Employment Trends (Data in thousands)

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Goods Producing | 86.0 | 87.0 | 88.3 | 89.2 | 90.1 | 90.9 | 91.7 | 84.9 | 86.0 | 88.9 | 89.7 | 88.9 |
| Manufacturing | 58.3 | 57.8 | 57.9 | 58.7 | 59.3 | 60.2 | 60.4 | 55.5 | 56.3 | 58.4 | 59.6 | 59.3 |
| Mining, Logging, and Construction | 27.7 | 29.2 | 30.4 | 30.5 | 30.7 | 30.8 | 31.4 | 29.4 | 29.7 | 30.4 | 30.1 | 29.6 |
| Service Producing | 796.7 | 804.3 | 813.7 | 823.9 | 834.7 | 837.5 | 843.9 | 764.7 | 800.2 | 848.3 | 867.6 | 866.5 |
| Trade, Transportation, and Utilities | 203.1 | 205.5 | 207.3 | 207.6 | 209.5 | 210.8 | 212.4 | 195.6 | 201.5 | 211.6 | 212.0 | 209.4 |
| Information | 17.7 | 18.7 | 19.1 | 19.0 | 19.0 | 18.3 | 18.4 | 18.1 | 20.0 | 22.1 | 23.1 | 20.4 |
| Financial Activities | 72.3 | 69.4 | 70.3 | 73.1 | 76.7 | 77.5 | 76.7 | 73.5 | 77.3 | 82.5 | 83.6 | 81.8 |
| Professional and Business Services | 143.7 | 140.9 | 142.4 | 143.2 | 142.7 | 141.4 | 141.6 | 129.2 | 135.9 | 143.2 | 144.8 | 137.5 |
| Education and Health Services | 142.2 | 146.9 | 150.2 | 154.3 | 158.6 | 159.6 | 162.3 | 149.4 | 156.2 | 163.0 | 170.6 | 177.7 |
| Leisure and Hospitality | 66.4 | 67.8 | 69.6 | 71.4 | 72.9 | 75.6 | 77.4 | 56.2 | 65.6 | 76.6 | 81.3 | 84.7 |
| Other Services | 34.4 | 35.8 | 36.3 | 36.9 | 36.9 | 37.2 | 37.9 | 30.6 | 32.2 | 34.9 | 36.7 | 37.5 |
| Government | <u>116.9</u> | <u>119.4</u> | <u>118.5</u> | <u>118.5</u> | <u>118.2</u> | <u>117.2</u> | <u>117.4</u> | <u>112.1</u> | <u>111.5</u> | <u>114.2</u> | <u>115.5</u> | <u>117.6</u> |
| Total | <u>882.8</u> | <u>891.3</u> | <u>902.0</u> | <u>913.1</u> | <u>924.8</u> | <u>928.4</u> | <u>935.7</u> | <u>849.6</u> | <u>886.2</u> | <u>937.1</u> | <u>957.2</u> | <u>955.3</u> |

Source: New Jersey Department of Labor and Workforce Development, Employment and Wages, Division of Economic and Demographic Research, Current Employment Statistics

**NEW JERSEY
ESTIMATED OCCUPATIONAL EMPLOYMENT PROJECTIONS**

| Occupation Title | 2020 | 2032 Projected Employment | Numeric Change | Total Percent Change |
|--|----------------------|---------------------------------|-------------------|----------------------------|
| | Actual Employment | | | |
| Total, All Occupations | 4,491,700 | 4,707,800 | 216,100 | 4.8 |
| Management Occupations | 328,400 | 351,250 | 22,850 | 7.0 |
| Business and Financial Operations Occupations | 299,450 | 311,350 | 11,900 | 4.0 |
| Computer and Mathematical Occupations | 159,500 | 176,200 | 16,700 | 10.5 |
| Architecture and Engineering Occupations | 56,000 | 58,950 | 2,950 | 5.2 |
| Life, Physical, and Social Science Occupations | 45,900 | 49,600 | 3,700 | 8.0 |
| Community and Social Service Occupations | 78,500 | 85,750 | 7,200 | 9.1 |
| Legal Occupations | 39,800 | 41,250 | 1,450 | 3.6 |
| Education, Training, and Library Occupations | 305,250 | 320,100 | 14,850 | 4.9 |
| Arts, Design, Entertainment, Sports, and Media Occupations | 72,350 | 74,300 | 1,950 | 2.7 |
| Healthcare Practitioners and Technical Occupations | 254,100 | 279,100 | 25,000 | 9.8 |
| Healthcare Support Occupations | 191,700 | 222,200 | 30,500 | 15.9 |
| Protective Service Occupations | 114,350 | 113,950 | -400 | -0.4 |
| Food Preparation and Serving Related Occupations | 288,050 | 311,350 | 23,300 | 8.1 |
| Building and Grounds Cleaning and Maintenance Occupations | 149,150 | 153,350 | 4,200 | 2.8 |
| Personal Care and Service Occupations | 141,250 | 157,800 | 16,550 | 11.7 |
| Sales and Related Occupations | 403,600 | 398,300 | -5,300 | -1.3 |
| Office and Administrative Support Occupations | 591,300 | 558,950 | -32,350 | -5.5 |
| Farming, Fishing, and Forestry Occupations | 4,200 | 4,200 | 0 | 1.0 |
| Construction and Extraction Occupations | 144,500 | 151,750 | 7,250 | 5.0 |
| Installation, Maintenance, and Repair Occupations | 149,600 | 154,950 | 5,350 | 3.6 |
| Production Occupations | 178,750 | 180,950 | 2,200 | 1.2 |
| Transportation and Material Moving Occupations | 496,050 | 552,200 | 56,150 | 11.3 |

Source: New Jersey Department of Labor and Workforce Development, Employment and Wages, Industry and Occupational Employment Projection

25 Largest Taxpayers 2025

| | <u>Taxpayer</u> | <u>Total Assessed Value</u> |
|----|-------------------------------------|-----------------------------|
| 1 | GSJC LAND LLC | \$ 391,226,200.00 |
| 2 | 101 HUDSON RE LLC % THE BICH GROUP | 351,950,000.00 |
| 3 | SL H.O. 2&3, LLC & H.O., 2A, LLC | 291,437,500.00 |
| 4 | ONE JS TOWER NO.U.R. CO. LLC%KABR | 228,924,500.00 |
| 5 | HANCOCK S-REIT JCITY CORP. | 221,137,300.00 |
| 6 | NOC VII C/O UBS R.E. LEASE ADMIN | 218,564,500.00 |
| 7 | LIBERTY TOWERS TIC I & II, LLC. | 215,000,000.00 |
| 8 | WAVE PROPERTY LLC | 214,856,700.00 |
| 9 | TOWN COVE JC U/R INC. C/O AVALONBAY | 214,660,000.00 |
| 10 | MEPT NEWPORT TWR.LLC.%ALTUS GROUP | 208,608,500.00 |
| 11 | 5851 WEST SIDE ASSOC LLC % B WANG | 201,578,895.00 |
| 12 | SL HARBORSIDE OWNER 5, LLC | 198,700,000.00 |
| 13 | 545 WASHINGTON ASSOC.FEE LP C/O HBI | 194,319,700.00 |
| 14 | ELLIPSE BUILDING LLC | 190,000,000.00 |
| 15 | DORIC APARTMENT CO % MANAGEMENT CO | 188,000,000.00 |
| 16 | JPMORGAN CHASE BANK, NATIONAL ASSOC | 181,869,500.00 |
| 17 | NEWPORT CENTRE, LLC % PROP. TAX | 181,866,000.00 |
| 18 | LHN II,LLC % ATTN:MANAGEMENT OFFICE | 178,573,500.00 |
| 19 | FIRST ST. LLC.&ONE URBAN LLC.&LKD | 178,000,000.00 |
| 20 | NEWPORT CENTRE | 177,185,200.00 |
| 21 | UE TONNELLE COMMONS % URBAN EDGE | 174,405,700.00 |
| 22 | 90 COLUMBUS CO., LLC % PANEPINTO PR | 172,500,000.00 |
| 23 | GRAND LHN III U.R.,LLC | 170,000,000.00 |
| 24 | PROVOST SQUARE I URBAN RENEWAL, LLC | 165,783,800.00 |
| 25 | MC SOHO LOFTS TIC I & II, LLC | 160,113,000.00 |
| | | \$ 5,269,260,495.00 |

Source: Hudson County Board of Taxation.

HCEDC TOP EMPLOYERS IN HUDSON COUNTY 1,000 OR MORE

| <u>Company</u> | <u>City</u> | <u># of Employees</u> |
|---------------------------------------|--------------------|------------------------------|
| Insurance Service Office Inc. | Jersey City | 6,495 |
| United States Postal Service | Secaucus | 6,000 |
| John Wiley & Son Inc. | Hoboken | 5,700 |
| Vitamin Shoppe, Inc. | Secaucus | 5,686 |
| Hoboken University Medical Center | Hoboken | 5,037 |
| UBS Financial Svc. | Weehawken | 5,000 |
| Goya Foods, Inc. | Secaucus | 4,000 |
| Goldman Sachs & Co. Inc. | Jersey City | 3,782 |
| Kuehn & Nagel, Inc. | Jersey City | 3,300 |
| City of Jersey City | Jersey City | 3,171 |
| County of Hudson | Jersey City | 2,800 |
| Delta Galil USA, Inc. (DE CORP) | Secaucus | 2,530 |
| United States Postal Service | Jersey City | 2,200 |
| Healthcare Staffing & Consultant LLC. | Jersey City | 2,000 |
| Pershing LLC. / Mellon Bank | Jersey City | 2,000 |
| Hanover Direct, Inc. | Weehawken | 1,975 |
| Jersey City Medical Center | Jersey City | 1,942 |
| Bayonne Hospital | Bayonne | 1,867 |
| New Jersey City University | Jersey City | 1,663 |
| Jersey City Board of Education | Jersey City | 1,661 |
| City of Bayonne | Bayonne | 1,627 |
| Imperial Bag & Paper Co. Inc. | Jersey City | 1,627 |
| JP Morgan Chase Bank | Jersey City | 1,592 |
| Marsh USA, Inc. | Hoboken | 1,500 |
| Citigroup Inc. | Jersey City | 1,500 |
| A & M (2015) LLC | North Bergen | 1,500 |
| National Retail System Inc. | North Bergen | 1,500 |
| The Children's Place Retail Stores | Secaucus | 1,500 |
| Palisades General Hospital | North Bergen | 1,432 |
| AvePoint Inc. | Jersey City | 1,400 |
| Bayonne Board of Education | Bayonne | 1,322 |
| Christ Hospital Health Service | Jersey City | 1,206 |
| Hartz Mountain Industries Inc. | Secaucus | 1,200 |
| I.P.C. Systems Inc. | Jersey City | 1,150 |
| Fidelity Investments | Jersey City | 1,000 |
| Ashley Stewart LTD | Secaucus | 1,000 |
| West New York Board of Education | West New York | 1,000 |

Source: Hudson County Economic Development Corp., Major Employers List, November 2024.

County Tax Rates

The following schedule shows the Hudson County tax rate per \$1,000.00 based on equalized valuations.

In 2004, the County established an Open Space, Recreation, Farmland and Historic Preservation Trust Fund. This fund was duly approved by the Hudson County voters in November 2003. The open space tax is limited to 10 cents per \$1,000 County equalized valuation.

| <u>Year</u> | <u>County Purpose</u> | <u>County Open Space</u> |
|-------------|-----------------------|--------------------------|
| 2025 | \$3.4053094 | 0.100 |
| 2024 | 3.5942302 | 0.100 |
| 2023 | 3.5200328 | 0.074 |
| 2022 | 3.7716827 | 0.500 |
| 2021 | 3.8468808 | 0.004 |
| 2020 | 3.9005212 | 0.004 |
| 2019 | 4.2206682 | 0.100 |
| 2018 | 4.4428968 | 0.100 |
| 2017 | 4.8300150 | 0.100 |
| 2016 | 5.2564566 | 0.100 |
| | | |
| | | |
| | | |

Source: County of Hudson, Department of Finance and Administration.

**HUDSON COUNTY
ASSESSED VALUATIONS OF LAND AND IMPROVEMENT BY CLASS**

| <u>Year</u> | <u>Total</u> | <u>Class 1 Vacant Land</u> | <u>Class 2 Residential</u> | <u>Class 4a Commercial</u> | <u>Class 4b Industrial</u> | <u>Class 4c Apartments</u> |
|-------------|------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| 2025 | \$94,704,960,515 | \$4,254,112,402 | \$48,294,641,509 | \$23,537,066,511 | \$6,859,049,519 | \$11,760,090,604 |
| 2024 | 92,806,811,805 | 4,760,298,302 | 47,459,941,899 | 22,112,855,911 | 6,673,716,619 | 11,799,999,074 |
| 2023 | 86,313,825,374 | 4,315,298,049 | 44,450,935,210 | 20,433,485,522 | 6,664,699,319 | 10,449,407,274 |
| 2022 | 87,271,712,119 | 4,315,298,049 | 44,450,935,210 | 20,433,485,522 | 7,622,586,064 | 10,449,407,274 |
| 2021 | 74,503,637,707 | 3,590,140,434 | 39,659,004,056 | 16,828,771,463 | 5,321,893,700 | 9,103,828,054 |
| 2020 | 72,788,034,022 | 3,752,253,334 | 38,877,643,535 | 15,869,979,403 | 5,370,245,600 | 8,917,912,150 |
| 2019 | 63,535,423,349 | 3,653,293,162 | 33,935,535,312 | 14,668,898,975 | 4,496,673,600 | 6,781,022,300 |
| 2018 | 62,212,588,184 | 3,855,693,727 | 33,037,114,342 | 14,263,122,665 | 4,574,112,600 | 6,482,544,850 |
| 2017 | 31,158,397,783 | 849,409,973 | 18,545,205,021 | 6,221,516,519 | 2,504,043,940 | 3,038,222,330 |
| 2016 | 30,622,018,695 | 877,241,128 | 18,421,359,838 | 5,994,663,669 | 2,445,830,530 | 2,882,923,530 |
| 2015 | 30,386,776,195 | 838,973,628 | 18,255,451,065 | 5,945,021,942 | 2,478,909,730 | 2,868,419,830 |
| 2014 | 30,125,470,431 | 859,134,341 | 18,124,654,565 | 5,889,291,355 | 2,379,814,780 | 2,872,575,390 |

Source: Hudson County Board of Taxation.

**HUDSON COUNTY
NET VALUATIONS AS EQUALIZED**

| <u>Year</u> | <u>Land</u> | <u>Improvements</u> | <u>Land and Improvements</u> | <u>Personal Property</u> | <u>Net Valuation Taxable</u> | <u>Valuation as Equalized</u> | <u>Net Valuation Taxable Divided by Valuations Equalized</u> |
|-------------|------------------|---------------------|----------------------------------|------------------------------|----------------------------------|-----------------------------------|--|
| 2025 | \$37,624,933,450 | \$57,259,663,592 | \$94,955,286,268 | \$112,247,787 | \$94,817,208,302 | \$135,677,445,893 | 69.88 |
| 2024 | 37,632,961,926 | 55,649,938,532 | 93,282,900,458 | 119,525,474 | 92,926,337,279 | 122,245,837,135 | 76.02 |
| 2023 | 34,770,107,773 | 52,045,715,843 | 86,815,823,616 | 104,740,043 | 86,418,565,417 | 119,174,058,426 | 72.50 |
| 2022 | 33,380,352,623 | 50,460,044,193 | 83,840,396,816 | 104,033,669 | 83,241,150,143 | 107,406,878,201 | 77.50 |
| 2021 | 29,694,898,630 | 45,521,116,999 | 75,216,015,629 | 96,867,279 | 74,600,504,986 | 104,972,568,786 | 71.06 |
| 2020 | 29,571,958,334 | 43,216,075,688 | 72,788,034,022 | 93,943,203 | 72,881,977,225 | 100,425,077,769 | 72.57 |
| 2019 | 25,994,619,585 | 38,291,841,867 | 64,286,461,452 | 94,156,072 | 63,629,579,421 | 89,914,731,453 | 70.77 |
| 2018 | 26,145,973,310 | 36,399,942,381 | 62,545,915,691 | 92,433,903 | 62,305,022,087 | 82,447,156,922 | 75.56 |
| 2017 | 11,624,736,347 | 19,616,075,756 | 31,240,812,103 | 43,023,905 | 31,201,421,688 | 73,311,701,142 | 42.56 |
| 2016 | 11,584,280,860 | 19,123,062,915 | 30,707,343,775 | 45,384,383 | 30,667,403,078 | 65,392,301,602 | 46.90 |
| 2015 | 11,541,236,011 | 18,932,646,664 | 30,473,882,675 | 46,315,097 | 30,433,091,292 | 61,590,191,081 | 49.41 |
| 2014 | 11,516,820,400 | 18,683,448,751 | 30,200,269,201 | 43,445,405 | 30,168,915,836 | 58,176,635,774 | 51.86 |

Source: Hudson County Board of Taxation.

HUDSON COUNTY
Tax Levy - County Purpose

| | <u>2025</u> | 2024 | 2023 | 2022 | 2021 |
|---------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Bayonne | \$37,334,587 | \$35,861,047 | \$32,482,459 | \$31,471,880 | \$30,621,554 |
| East Newark | 1,051,817 | 1,021,873 | 926,088 | 829,617 | 890,309 |
| Guttenberg | 4,529,464 | 4,825,277 | 4,289,099 | 4,350,131 | 4,610,525 |
| Harrison | 7,446,491 | 6,995,668 | 6,257,556 | 6,111,098 | 5,799,928 |
| Hoboken | 70,000,869 | 68,080,037 | 64,717,793 | 63,893,966 | 67,663,978 |
| Jersey City | 195,556,972 | 180,851,328 | 183,624,499 | 175,146,367 | 176,115,034 |
| Kearny | 21,882,735 | 21,931,421 | 20,404,450 | 19,198,375 | 17,776,455 |
| North Bergen | 35,851,022 | 36,130,551 | 34,163,101 | 33,055,226 | 26,586,250 |
| Secaucus | 26,661,059 | 20,452,622 | 20,590,082 | 19,780,072 | 21,835,292 |
| Union City | 22,794,655 | 22,186,210 | 18,663,611 | 18,132,239 | 18,209,823 |
| Weehawken | 14,358,223 | 14,876,482 | 14,645,691 | 14,035,541 | 15,797,308 |
| West New York | <u>15,712,983</u> | <u>14,968,359</u> | <u>13,416,446</u> | <u>13,176,366</u> | <u>13,274,423</u> |
| Total | <u>\$453,180,877</u> | <u>\$429,180,876</u> | <u>\$414,180,876</u> | <u>\$399,180,876</u> | <u>\$399,180,876</u> |

Source: County of Hudson, Department of Finance and Administration; Hudson County Board of Taxation.

HUDSON COUNTY
Tax Levy – County Open Space

| | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|---------------|---------------------|---------------------|--------------------|--------------------|------------------|
| Bayonne | \$1,097,995 | \$1,000,121 | \$693,127 | \$418,489 | \$32,013 |
| East Newark | 30,888 | 28,431 | 19,686 | 11,080 | 935.23 |
| Guttenberg | 133,369 | 134,590 | 91,382 | 57,866 | 4,824 |
| Harrison | 218,754 | 194,861 | 133,028 | 81,165 | 6,054 |
| Hoboken | 2,058,428 | 1,926,090 | 1,379,772 | 852,115 | 71,013 |
| Jersey City | 5,941,504 | 5,281,038 | 3,994,597 | 2,368,479 | 186,960 |
| Kearny | 642,130 | 610,213 | 434,014 | 253,849 | 18,541 |
| North Bergen | 1,068,014 | 1,009,855 | 730,511 | 439,914 | 28,015 |
| Secaucus | 789,210 | 575,672 | 443,233 | 265,378 | 22,801 |
| Union City | 677,289 | 618,443 | 398,118 | 241,217 | 19,020 |
| Weehawken | 443,194 | 424,504 | 312,160 | 204,138 | 16,540 |
| West New York | <u>466,972</u> | <u>420,766</u> | <u>287,777</u> | <u>176,654</u> | <u>14,069</u> |
| Total | <u>\$13,567,745</u> | <u>\$12,224,584</u> | <u>\$8,917,406</u> | <u>\$5,370,344</u> | <u>\$420,784</u> |

Source: County of Hudson, Board of Taxation

**TAX-EXEMPT PROPERTIES IN HUDSON COUNTY
2025 ASSESSED VALUATION**

| | |
|---------------------------|-------------------------|
| Public Schools | \$ 2,814,597,100 |
| Schools other than Public | 1,068,064,300 |
| Public Property | 9,755,342,870 |
| Church and Charities | 1,681,137,300 |
| Cemeteries | 251,407,900 |
| Miscellaneous | <u>15,338,158,029</u> |
| Total | <u>\$30,908,707,499</u> |

Source: Hudson County Board of Taxation.

Tax Collections

County taxes are payable quarterly by the various municipalities. Payment is required from the municipality in total and is not based on collections of taxes by the municipality. Accordingly, the County has achieved a constant 100% collections percentage.

The following table is the current real property tax collection record for the years 2015 through 2024.

| <u>Fiscal Year</u> | <u>County</u> | <u>County</u> | <u>Uncollected at End of</u> |
|----------------------------|--------------------|---------------------------------|--------------------------------|
| <u>Beginning January 1</u> | <u>Purpose Tax</u> | <u>Open</u> <u>Space Tax</u> | <u>Fiscal Year December 31</u> |
| 2025 | \$453,180,876 | \$13,567,745 | -0- |
| 2024 | 429,180,876 | 12,224,583 | -0- |
| 2023 | 414,180,976 | 8,917,406 | -0- |
| 2022 | 399,180,876 | 5,370,344 | -0- |
| 2021 | 399,180,876 | 420,784 | -0- |
| 2020 | 386,680,876 | 419,184 | -0- |
| 2019 | 374,180,876 | 8,991,473 | -0- |
| 2018 | 361,680,876 | 8,244,716 | -0- |
| 2017 | 350,543,753 | 7,331,170 | -0- |
| 2016 | 337,343,753 | 6,539,530 | -0- |

Source: County of Hudson, Department of Finance and Administration.

**COMPARATIVE SCHEDULE OF
FUND BALANCES - CURRENT FUND**

| Calendar Year | Balance 31-Dec | Utilized in Budget of Succeeding Year |
|--------------------------|---------------------------|--|
| 2024 | \$59,919,068 | 52,000,000 |
| 2023 | 57,990,709 | 42,000,000 |
| 2022 | 56,593,108 | 42,000,000 |
| 2021 | 45,792,554 | 35,000,000 |
| 2020 | 49,258,668 | 34,100,000 |
| 2019 | 58,460,654 | 48,616,355 |
| 2018 | 55,672,205 | 47,000,000 |
| 2017 | 67,058,803 | 67,058,803 |
| 2016 | 38,057,426 | 34,614,535 |
| 2015 | 26,642,751 | 23,500,000 |
| 2014 | 25,565,615 | 22,500,000 |

Source: County of Hudson, Department of Finance and Administration.

**SUMMARY OF COUNTY DEBT
DECEMBER 31, 2025**

| | |
|--|---------------------------|
| Bonds and Notes Issued, Loans and Guarantees | \$ 678,485,732 |
| Authorized But Not Issued-Bonds and Notes | <u>995,541</u> |
| Total Bonds and Notes Issued and Authorized but Not Issued | <u>679,481,273</u> |
| Issued: | |
| Green Acres Loan Payable | 995,541 |
| Serial Bonds and Notes Issued | 572,573,099 |
| Self-Liquidating Bonds | - |
| Guarantees – Hudson County Improvement Authority | - |
| Total Issued Bonds and Notes, Loans and Guarantees | <u>573,568,640</u> |
| Authorized But Not Issued: | |
| Serial Bonds and Notes Authorized but Not Issued | <u>105,912,633</u> |
| Total Serial Bonds and Notes, Loans and Guarantees Issued and Not Issued | <u>679,481,273</u> |
| Statutory Deductions | |
| Funds on hand for payments of bonds and notes | 18,477,883 |
| Self-Liquidating Bonds | - |
| Serial Bonds and Notes Authorized But Not Issued | 52,875,663 |
| Guarantees – Hudson County Improvement Authority | - |
| Total Statutory Deductions | <u>71,353,546</u> |
| Net Debt | <u>\$ 608,127,727</u> |
| Average Equalized Valuation of Real Property (Years 2023-2025) | \$132,280,522,071 |
| Gross Debt as a Percentage of Equalized Valuations | 0.514% |
| Net Debt as a Percentage of Equalized Valuations | 0.460% |
| Gross Debt per Capita – 2020 Census: 724,854 | \$937 |
| Net Debt per Capita – 2020 Census: 724,854 | \$839 |
| Borrowing Power: | |
| 2% of Average Equalized Valuation Basis | \$ 2,645,610,441 |
| Net Debt | <u>608,127,727</u> |
| Remaining Borrowing Power: | <u>\$ 2,037,482,715</u> |

Source: County of Hudson, Department of Finance and Administration.

**STATUTORY DEBT
DECEMBER 31, 2024**

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|---|--------------------------|--------------------------|------------------------|
| Total Bonds and Notes for Self-Liquidating Purposes | \$ -- | \$ -- | \$ -- |
| Total Serial Bonds and Notes Issued and Authorized But Not Issued | \$679,481,273 | \$71,353,546 | \$608,127,727 |
| Total | \$679,481,273 | \$71,353,546 | \$608,127,727 |
| Average Equalized Valuation of Real Property (Years 2023-2025) | | | \$132,280,522,071 |
| Statutory Net Debt as a Percent of Valuation | | | 0.460% |

Source: County of Hudson, Department of Finance and Administration.

**COUNTY OF HUDSON
DEBT STATEMENT AS OF DECEMBER 31, 2024
AUTHORIZED BUT NOT ISSUED**

| | | | | |
|----|-------------|------------|--|--------------------------|
| 1 | 354-07-1997 | 7/10/1997 | School of Technology Improvements | 50,000.00 |
| 2 | 502-10-1997 | 10/09/1997 | Green Acres-Washington/Lincoln Parks | 157,716.00 |
| 3 | 502-10-1997 | 10/09/1997 | Bayonne Park - Green Acres | 3,500.00 |
| 4 | 502-10-1997 | 10/09/1997 | Laurel Hill Extension - Green Acres | 69,997.50 |
| 5 | 331-06-1998 | 06/25/1998 | School of Technology - Improvements | 20,000.00 |
| 6 | 512-11-2000 | 11/21/2000 | Various Capital Improvements | 211,146.00 |
| 7 | 155-04-2005 | 04/14/2005 | Various Capital Improvements | 250,000.00 |
| 8 | 447-10-2005 | 10/27/2005 | Open Space Trust Fund | 200.00 |
| 9 | 267-06-2006 | 06/22/2006 | Various Capital Improvements | 438.40 |
| 10 | 268-06-2006 | 06/22/2006 | Green Acres Project | 1,050,000.00 |
| 11 | 534-11-2007 | 11/20/2007 | Open Space Trust Fund | 190.00 |
| 12 | 389-09-2008 | 09/10/2008 | HC Community - 2008 Improvements | 362,000.00 |
| 13 | 331-07-2010 | 07/08/2010 | 14th Street Viaduct | 7,068,104.77 |
| 14 | 189-04-2011 | 04/28/2011 | Various Capital Improvements | 1,111,500.00 |
| 15 | 416-09-2011 | 09/22/2011 | Acquire 830 Bergen Ave Property | 396,763.00 |
| 16 | 237-04-2012 | 04/26/2012 | Various 2012 Capital Improvements | 991,070.00 |
| 17 | 117-2-2018 | 02/28/2018 | Justice Complex Master Plan | 346,000.00 |
| 18 | 527-9-2018 | 09/13/2018 | Energy Savings Refunding Bond | 3,480,000.00 |
| 19 | 192-3-2019 | 03/28/2019 | 2019 Road and Bridge Improvements | 4,887,322.12 |
| 20 | 328-5-2020 | 05/27/2020 | Various Road and Bridge Improvements | 3,909,523.00 |
| 21 | 244-4-2021 | 04/09/2021 | 2021 Road and Bridge Improvements | 4,610,000.00 |
| 22 | 249-4-2022 | 04/28/2022 | 2022 ROAD AND BRIDGE IMPROVEMENTS | 5,400,110.00 |
| 23 | 54-1-2025 | 01/23/2025 | 2025 CAPITAL IMPROV AND ACQUISITION | 34,215,161.00 |
| 24 | 118-2-2025 | 02/27/2025 | 2025 ROAD AND BRIDGE IMPROVEMENTS | 10,556,649.00 |
| 25 | 317-6-2025 | 06/12/2025 | 2025 PARK IMPROVEMENTS | 18,631,180.00 |
| 26 | 563-9-2025 | 09/25/2025 | HCST VARIOUS IMPROVEMENTS - FY 2025 | 1,500,000.00 |
| 27 | 564-9-2025 | 09/25/2025 | HCCC CHAPTER 12 VARIOUS IMPROVEMENTS - FY 2026 | 6,634,062.00 |
| | | | | <u>\$ 105,912,632.79</u> |

Source: County of Hudson, Department of Finance and Administration.

**SCHEDULE OF ANNUAL DEBT SERVICE PAYMENTS
FOR PRINCIPAL AND INTEREST THROUGH MATURITY FOR
GENERAL BONDED DEBT ISSUED AND OUTSTANDING***

| Calendar Year | Principal | Interest | Total Debt Service |
|---------------|---------------|---------------|--------------------|
| 2026 | 29,803,750.00 | 10,944,095.17 | 40,747,845.17 |
| 2027 | 31,091,875.00 | 9,878,065.56 | 40,969,940.56 |
| 2028 | 29,485,625.00 | 8,788,140.70 | 38,273,765.70 |
| 2029 | 27,767,500.00 | 7,716,821.76 | 35,484,321.76 |
| 2030 | 28,830,625.00 | 6,716,019.86 | 35,546,644.86 |
| 2031 | 25,487,500.00 | 5,716,118.20 | 31,203,618.20 |
| 2032 | 19,800,000.00 | 4,903,183.77 | 24,703,183.77 |
| 2033 | 18,165,000.00 | 4,270,830.65 | 22,435,830.65 |
| 2034 | 18,135,000.00 | 3,693,418.15 | 21,828,418.15 |
| 2035 | 18,350,000.00 | 3,230,527.52 | 21,580,527.52 |
| 2036 | 19,146,000.00 | 2,772,515.02 | 21,918,515.02 |
| 2037 | 18,995,000.00 | 2,295,368.76 | 21,290,368.76 |
| 2038 | 18,465,000.00 | 1,826,081.26 | 20,291,081.26 |
| 2039 | 18,650,000.00 | 1,360,700.00 | 20,010,700.00 |
| 2040 | 18,170,000.00 | 869,550.00 | 19,039,550.00 |
| 2041 | 14,620,000.00 | 435,200.00 | 15,055,200.00 |

* Excludes debt service on the County's Certificates of Participation, Lease Revenue Bond Issues, Bond Anticipation Notes, Green Acres Trust Loans, and Merrill Lynch Redevelopment Project.

Source: County of Hudson, Department of Finance and Administration.

**SCHEDULE OF ANNUAL LOAN PAYMENTS FOR PRINCIPAL AND INTEREST FOR THE
NEXT FOURTEEN YEARS FOR GREEN ACRES TRUST LOAN PROGRAMS**

| <u>Calendar Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Loan Payment</u> |
|--------------------------|------------------|-----------------|-------------------------------|
| 2026 | 198,923.96 | 18,921.15 | 217,845.11 |
| 2027 | 130,849.15 | 15,281.35 | 146,130.50 |
| 2028 | 133,479.21 | 12,651.29 | 146,130.50 |
| 2029 | 120,538.63 | 10,046.08 | 130,584.71 |
| 2030 | 122,961.45 | 7,623.25 | 130,584.70 |
| 2031 | 125,432.97 | 5,151.92 | 130,584.89 |
| 2032 | 127,954.18 | 2,630.53 | 130,584.71 |
| 2033 | 35,401.32 | 354.01 | 35,755.33 |

Source: County of Hudson, Department of Finance and Administration.

Bond Anticipation Notes

As of February 27th, 2025, the County has \$210,954,561 Bond Anticipation Notes outstanding that are due on February 26th, 2026.

Casino-in-the-Park Project

In December 2017, the Casino-in-the-Park, originally opened in 1950, closed its doors after the prior tenant's lease expired. In January 2020, the Authority issued \$7,500,000 in Federally Taxable County-Guaranteed Lease Revenue Bonds, Series 2020 (Casino in the Park Project) in order to partially demolish, and the subsequent construction of and improvements to, a building known as Casino-in-the-Park, located within Lincoln Park in the City of Jersey City, New Jersey, in order to create facilities for the recreation and entertainment of the public, which facilities will include a banquet hall. Due to additional project costs anticipated as a result of the COVID-19 health emergency, supplemental bonds were issued in the amount of \$2,500,000.

Under the Lease Agreement, the County will lease the existing Facilities to the Authority for a term of thirty (30) years, commencing upon the execution of the Sublease Agreement, and in exchange for the Authority's undertaking the management of the demolition and the construction of the Facilities, the procurement of the Subtenant, and the Subtenant's sublease of the Facilities as hereinafter described, the County has agreed to pay to the Authority certain "Basic Rent" and "Additional Rent" for the Facilities.

The following is a schedule of the lease payments on the Bonds through maturity:

Casino-in-the-Park Project, series 2020

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Lease Payment</u> |
|-------------|------------------|-----------------|----------------------|
| 2026 | 165,000.00 | 244,279.20 | 409,279.20 |
| 2027 | 170,000.00 | 239,254.20 | 409,254.20 |
| 2028 | 175,000.00 | 234,079.20 | 409,079.20 |
| 2029 | 180,000.00 | 228,754.20 | 408,754.20 |
| 2030 | 190,000.00 | 223,204.20 | 413,204.20 |
| 2031 | 195,000.00 | 216,876.38 | 411,876.38 |
| 2032 | 200,000.00 | 209,831.56 | 409,831.56 |
| 2033 | 210,000.00 | 202,519.21 | 412,519.21 |
| 2034 | 215,000.00 | 194,939.33 | 409,939.33 |
| 2035 | 225,000.00 | 187,091.93 | 412,091.93 |
| 2036 | 230,000.00 | 178,977.01 | 408,977.01 |
| 2037 | 240,000.00 | 170,594.56 | 410,594.56 |
| 2038 | 250,000.00 | 161,855.41 | 411,855.41 |
| 2039 | 260,000.00 | 152,759.56 | 412,759.56 |
| 2040 | 270,000.00 | 143,104.51 | 413,104.51 |
| 2041 | 280,000.00 | 132,882.76 | 412,882.76 |
| 2042 | 290,000.00 | 122,289.31 | 412,289.31 |
| 2043 | 300,000.00 | 111,324.16 | 411,324.16 |
| 2044 | 310,000.00 | 99,987.31 | 409,987.31 |
| 2045 | 325,000.00 | 88,185.83 | 413,185.83 |
| 2046 | 335,000.00 | 75,919.73 | 410,919.73 |
| 2047 | 345,000.00 | 63,281.93 | 408,281.93 |
| 2048 | 360,000.00 | 50,179.50 | 410,179.50 |
| 2049 | 375,000.00 | 36,519.53 | 411,519.53 |
| 2050 | 390,000.00 | 22,302.01 | 412,302.01 |
| 2051 | 405,000.00 | 7,526.93 | 412,526.93 |
| Total | \$7,050,000.00 | \$4,048,473.66 | \$11,098,473.66 |

Casino-in-the-Park Project, series 2021

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Lease Payment</u> |
|--------------------|-------------------------|------------------------|-----------------------------|
| 2026 | 60,000.00 | 71,123.50 | 131,123.50 |
| 2027 | 60,000.00 | 70,241.50 | 130,241.50 |
| 2028 | 60,000.00 | 68,855.50 | 128,855.50 |
| 2029 | 65,000.00 | 67,469.50 | 132,469.50 |
| 2030 | 65,000.00 | 65,968.00 | 130,968.00 |
| 2031 | 65,000.00 | 64,466.50 | 129,466.50 |
| 2032 | 65,000.00 | 62,965.00 | 127,965.00 |
| 2033 | 70,000.00 | 60,950.00 | 130,950.00 |
| 2034 | 70,000.00 | 58,780.00 | 128,780.00 |
| 2035 | 75,000.00 | 56,610.00 | 131,610.00 |
| 2036 | 75,000.00 | 54,285.00 | 129,285.00 |
| 2037 | 80,000.00 | 51,960.00 | 131,960.00 |
| 2038 | 80,000.00 | 49,480.00 | 129,480.00 |
| 2039 | 85,000.00 | 47,000.00 | 132,000.00 |
| 2040 | 85,000.00 | 44,365.00 | 129,365.00 |
| 2041 | 90,000.00 | 41,730.00 | 131,730.00 |
| 2042 | 90,000.00 | 38,940.00 | 128,940.00 |
| 2043 | 95,000.00 | 35,970.00 | 130,970.00 |
| 2044 | 95,000.00 | 32,835.00 | 127,835.00 |
| 2045 | 100,000.00 | 29,700.00 | 129,700.00 |
| 2046 | 105,000.00 | 26,400.00 | 131,400.00 |
| 2047 | 105,000.00 | 22,935.00 | 127,935.00 |
| 2048 | 110,000.00 | 19,470.00 | 129,470.00 |
| 2049 | 115,000.00 | 15,840.00 | 130,840.00 |
| 2050 | 120,000.00 | 12,045.00 | 132,045.00 |
| 2051 | 120,000.00 | 8,085.00 | 128,085.00 |
| 2052 | 125,000.00 | 4,125.00 | 129,125.00 |
| Total | \$2,390,000.00 | \$1,254,600.00 | \$3,644,600.00 |

Hudson County Courthouse Project

In October 2020, the Authority issued \$342,240,000 in County Secured Lease Revenue Bonds, Series 2020 (Hudson County Courthouse Project) for the purpose of financing the acquisition of the Project Site and the construction, furnishing and equipping thereon of a new county courthouse complex and related facilities (collectively, the “Facilities”) in the City of Jersey City, New Jersey. The Facilities, to be known as the Frank J. Guarini Justice Complex, includes a new courthouse building of approximately 405,000 square feet (the “New Courthouse”) together with a parking structure for County and judicial employees and related facilities, and will be constructed on a site owned by the County (the “Project Site”), located directly across the street from the present courthouse located at 595 Newark Avenue (the “Existing Courthouse”) and diagonally across from the historic Brennan Courthouse. The Project is being undertaken as a redevelopment project pursuant to the Local Redevelopment and Housing Law (codified in N.J.S.A. 40A:12A-1 et seq.).

The New Courthouse will house the County’s criminal courts, family courts and landlord tenant court, as well as offices for the County Surrogate, the County Prosecutor and court administration and holding facilities for prisoners, all of which functions are presently housed in the Existing Courthouse. The County’s civil courts will continue to be housed in the Brennan Courthouse. Following construction of the New Courthouse, it is expected that the Existing Courthouse will be demolished and converted into a public park.

Under the Lease Agreement, the County will lease the Project Site to the Authority for nominal consideration, and the Authority will cause the Facilities to be constructed thereon. In addition, under the Lease Agreement the Authority will lease the Facilities, together with the Project Site, back to the County for the “Facilities Lease Term”, commencing on the date of issuance of the Bonds and terminating when all Bonds (and any Additional Bonds issued to refund them) are no longer Outstanding under the Bond Resolution. During the Facilities Lease Term, the County will pay to the Authority certain “Basic Rent” and “Additional Rent.”

As agent for the County under the terms of the Lease Agreement, and as the redevelopment entity designated by the City of Jersey City to undertake the Project, the Authority shall be responsible for the construction of the Facilities. The Authority is pursuing a negotiated process based upon value engineering and expects to conclude negotiations by the end of October 2020. Construction of the Facilities is expected to commence within thirty days thereof, with completion projected in Spring 2024. A portion of the proceeds of the Bonds will be deposited into the Bond Service Fund at closing, in an amount estimated to be sufficient to provide for the payment of interest on the Bonds through October 1, 2021.

The following is the annual debt service schedule associated with the bonds:

| Year | Principal | Interest | Debt Service |
|-------------|------------------|-----------------|---------------------|
| 2026 | 7,500,000 | 12,392,150.00 | 19,892,150.00 |
| 2027 | 7,500,000 | 12,017,150.00 | 19,517,150.00 |
| 2028 | 7,500,000 | 11,642,150.00 | 19,142,150.00 |
| 2029 | 7,500,000 | 11,267,150.00 | 18,767,150.00 |
| 2030 | 7,500,000 | 10,892,150.00 | 18,392,150.00 |
| 2031 | 7,500,000 | 10,517,150.00 | 18,017,150.00 |
| 2032 | 10,640,000 | 10,217,150.00 | 20,857,150.00 |

| | | | |
|-------|---------------|---------------|---------------|
| 2033 | 11,065,000 | 9,791,550.00 | 20,856,550.00 |
| 2034 | 11,510,000 | 9,348,950.00 | 20,858,950.00 |
| 2035 | 11,855,000 | 9,003,650.00 | 20,858,650.00 |
| 2036 | 12,210,000 | 8,648,000.00 | 20,858,000.00 |
| 2037 | 12,575,000 | 8,281,700.00 | 20,856,700.00 |
| 2038 | 12,955,000 | 7,904,450.00 | 20,859,450.00 |
| 2039 | 13,340,000 | 7,515,800.00 | 20,855,800.00 |
| 2040 | 13,740,000 | 7,115,600.00 | 20,855,600.00 |
| 2041 | 14,290,000 | 6,566,000.00 | 20,856,000.00 |
| 2042 | 14,860,000 | 5,994,400.00 | 20,854,400.00 |
| 2043 | 15,000,000 | 5,400,000.00 | 20,400,000.00 |
| 2044 | 15,000,000 | 4,800,000.00 | 19,800,000.00 |
| 2045 | 15,000,000 | 4,200,000.00 | 19,200,000.00 |
| 2046 | 15,000,000 | 3,600,000.00 | 18,600,000.00 |
| 2047 | 15,000,000 | 3,000,000.00 | 18,000,000.00 |
| 2048 | 15,000,000 | 2,400,000.00 | 17,400,000.00 |
| 2049 | 15,000,000 | 1,800,000.00 | 16,800,000.00 |
| 2050 | 15,000,000 | 1,200,000.00 | 16,200,000.00 |
| 2051 | 15,000,000 | 600,000.00 | 15,600,000.00 |
| TOTAL | \$334,040,000 | \$211,799,450 | \$545,839,450 |

FACILITY LEASE REVENUE BONDS

County Services Building Project (County Plaza)

On April 1, 2005 the Authority issued \$29,505,000 aggregate principal amount of its County Secured Lease Revenue Bonds, Series 2005 (County Services Building Project), to provide funds to (a) acquire real property that consists of a seven-story building with approximately 340,000 square feet of space located on 9.67 acres of land at 257 Cornelison Avenue in Jersey City, (b) acquire, renovate and improve real property that consists of 2.85 acres of land at 180 Baldwin Avenue in Jersey City, (c) pay twelve months capitalized interest on such bonds, (d) establish a bond reserve fund pursuant to resolution adopted by the Authority and (e) pay the costs and expenses associated with the issuance of such bonds. Further, the County shall contribute \$7,700,000 toward the acquisition and renovation of the facilities described in (a) and (b) above. Pursuant to the provisions of a Lease Agreement dated as of April 1, 2005 by and between the Authority and the County, as amended and supplemented, the County shall make lease payments to the Authority. These payments under the Lease Agreement are sufficient to pay the principal of and interest on the bonds when scheduled. The County's payment obligation under the Lease Agreement is a general obligation. Capitalized interest paid upon issuance covered September 1, 2005 through March 1, 2007 interest requirements.

On July 11, 2007 the Authority issued an additional \$27,490,000 principal amount of its County Secured Lease Revenue Bonds, Series 2007 (County Services Building Completion Project) to provide additional funds to complete the renovation of the real property. The Authority and the County entered

into an amended Lease Agreement whereby the County will make additional lease payments to the Authority. Capitalized interest covered September 1, 2007 through a portion of September 2008.

In January of 2013, \$25,460,000 of Refunding Bonds (Series 2013 Bonds) were issued to advance refund a portion of the outstanding Series 2005 Lease Revenue Bonds maturing on various dates through 2035. On September 14 of 2016, \$4,925,000 of Refunding Bonds were issued to advance refund a portion of the outstanding County Secured Lease Revenue Bonds, Series 2007.

The following are the combined lease payments to be paid by the County from 2026 through final maturity.

| <u>Year</u> | <u>Lease Payment</u> | <u>Principal</u> | <u>Interest</u> |
|-------------|----------------------|------------------|-----------------|
| 2026 | 3,668,325.00 | 2,490,000.00 | 1,178,325.00 |
| 2027 | 3,653,350.00 | 2,570,000.00 | 1,083,350.00 |
| 2028 | 3,662,125.00 | 2,670,000.00 | 992,125.00 |
| 2029 | 3,661,712.50 | 2,760,000.00 | 901,712.50 |
| 2030 | 3,651,750.00 | 2,840,000.00 | 811,750.00 |
| 2031 | 3,651,312.50 | 2,935,000.00 | 716,312.50 |
| 2032 | 3,650,831.25 | 3,035,000.00 | 615,831.25 |
| 2033 | 5,228,543.75 | 4,765,000.00 | 463,543.75 |
| 2034 | 5,228,481.25 | 4,955,000.00 | 273,481.25 |
| 2035 | 5,232,306.25 | 5,140,000.00 | 92,306.25 |

Source: County of Hudson, Department of Finance and Administration.

Lincoln Park Golf Course Project

In June 2011, the Authority issued County-Guaranteed Lease Revenue Bonds, Series 2011 (Lincoln Park Golf Project). The Authority has leased the Project Site from the County in exchange for a lump rent payment equivalent to net bond proceeds pursuant to a lease agreement. Also pursuant to the Lease Agreement, which will be coterminous with the term of the Bonds, the County will lease the Project Site back from the Authority for a stream of rent payments that will be sufficient to pay debt service on the Bonds (the "Lease Payments"). The Lease Payments and debt service are structured to pace the anticipated revenues from the facility, which are anticipated to increase over the life of the Bonds. This stream of Lease Payments will secure the Bonds, which will be further secured by a guaranty of the County.

The following is a schedule of the remaining lease payments on the Bonds through maturity.

| <u>Year</u> | <u>Lease Payment</u> | <u>Principal</u> | <u>Interest</u> |
|-------------|----------------------|------------------|-----------------|
| 2026 | 696,550.76 | 455,000.00 | 241,550.76 |
| 2027 | 700,882.41 | 465,000.00 | 235,882.41 |
| 2028 | 738,810.66 | 510,000.00 | 228,810.66 |
| 2029 | 740,112.96 | 520,000.00 | 220,112.96 |
| 2030 | 740,113.21 | 530,000.00 | 210,113.21 |
| 2031 | 744,203.58 | 545,000.00 | 199,203.58 |
| 2032 | 737,546.05 | 550,000.00 | 187,546.05 |
| 2033 | 784,602.85 | 610,000.00 | 174,602.85 |
| 2034 | 785,217.53 | 625,000.00 | 160,217.53 |
| 2035 | 779,912.33 | 635,000.00 | 144,912.33 |
| 2036 | 781,921.75 | 655,000.00 | 126,921.75 |
| 2037 | 781,373.25 | 675,000.00 | 106,373.25 |
| 2038 | 824,511.50 | 740,000.00 | 84,511.50 |
| 2039 | 821,336.50 | 760,000.00 | 61,336.50 |
| 2040 | 827,389.00 | 790,000.00 | 37,389.00 |
| 2041 | 827,591.75 | 815,000.00 | 12,591.75 |

Source: County of Hudson, Department of Finance and Administration.

THE COUNTY VOCATIONAL-TECHNICAL SCHOOLS PROJECT

The Bonds were issued to provide funds to (a) finance the design, construction and equipping of the School, including Site work and athletic facilities, (b) pay capitalized interest on the Bonds to and including May 1, 2018, (c) fund a Bond Reserve Requirement for the Bonds (as defined herein) and (d) pay certain costs of issuance of the Bonds.

The School is constructed on an approximate 20-acre site owned by the County and located in the Laurel Hill section of the Meadowlands in the Town of Secaucus within the County (the "Site") and

has replaced HCST's older and outdated school facility located in the Township of North Bergen within the County.

The School is a three-story facility, situated over an enclosed parking garage, with approximately 340,000 square feet of educational and related administrative space. The New Jersey Department of Education ("NJDOE") has approved the School for a functional capacity of 1,500 students, grades 9-12.

There are three classroom wings within the School, consisting of 34 academic classrooms, 15 science classrooms, 9 media classrooms, 4 vocational workshops, 8 digital media classrooms, a dance studio, 2 art studios, 3 music studios and rehearsal rooms, 2 culinary arts classrooms, a TV production studio, a fabrication lab, a black box theater, an auditorium with a stage, a cafeteria, a media center, a weight room and related fitness rooms, a yoga room, a judo room, a cross-fit room, and a gymnasium.

Legal Authorization for School Construction and Financing Structure

Pursuant to Section 7G-5a of the Education Law (N.J.S.A. Title 18A) (the "County Vocational School District School Construction Law"), boards of education of county vocational school districts may request applicable county improvement authorities to (i) construct county vocational school district school facilities projects and (ii) issue their bonds to finance such projects, and any annual State Debt Service Aid awarded by NJDOE to any such projects shall be paid on such county improvement authority bonds. Additionally, county improvement authorities are permitted to undertake such projects via a "design-build contract" process, and are generally exempt from otherwise applicable State public bidding laws and regulations, for so long as such authorities comply with all other applicable statutory and regulatory requirements relating to public school design and construction, and procure all required NJDOE approvals in connection therewith.

The HCST Board of Education has requested the Authority to undertake the School project on a "design-build contract" basis on its behalf in accordance with the requirements of the County Vocational School District School Construction Law, and the Authority has agreed to do so.

1. The County, as the owner of the Site, has entered into a 75-year, Ground Lease Agreement, dated as of May 1, 2016, with HCST, under which the County will lease the Site to HCST (the "75-Year Ground Lease Agreement").

2. HCST, as the lessee of the Site, has entered into a 35-year, Ground Sublease Agreement, dated as of May 1, 2016, with the Authority, under which HCST will sublease the Site to the Authority, and the Authority will undertake the School design/build process (the "35-Year Ground Sublease Agreement").

3. The Authority, as the sub lessee of the Site, will enter into a 35-year, Ground Sublease and School Facilities Lease Agreement, dated as of May 1, 2016, with the County, under which the Authority will sublease the Site and lease the School to the County (the "Lease Agreement"). The County's unconditional obligation to timely make all Basic Rent payments under the Lease Agreement is the principal security for the Bonds.

4. The County, as a second sub lessee of the Site, has entered into a 35-year, Ground and School Facilities Sublease Agreement, dated as of May 1, 2016, with HCST, under which the County will sublease the Site and School to HCST, and HCST will operate the School (the "35-Year Ground and School Facilities Sublease Agreement").

5. The terms of the 35-Year Ground Sublease Agreement, Lease Agreement and 35-Year Ground and School Facilities Sublease Agreement (collectively, the “35-Year Leases”) are coterminous with the term of the Bonds. Upon expiration of such 35-Year Leases, the County shall be the fee owner of the Site and the School and shall continue to lease same to HCST for the remainder of the term of the 75-Year Ground Lease Agreement.

State Debt Service Aid Awarded to County for School

NJDOE has issued a “Final Eligible Costs Letter” (the “FEC Letter”) to HCST, setting forth the awarded State Aid to the County for the construction of the School. Such FEC Letter (i) approved \$147,275,002 in “final aid eligible costs” for the School (the “DSA Eligible Costs”), and (ii) awarded 59% in annual State debt service aid (“DSA”) for such DSA Eligible Costs.

The following is a schedule of the lease payments on the HCIA Vo-Tech County Secured Lease Revenue Bonds through maturity.

| <u>Year</u> | <u>Lease Payment</u> | <u>Principal</u> | <u>Interest</u> |
|-------------|----------------------|------------------|-----------------|
| 2026 | 9,981,350.00 | 2,800,000.00 | 7,181,350.00 |
| 2027 | 9,979,987.50 | 2,935,000.00 | 7,044,987.50 |
| 2028 | 9,976,750.00 | 3,075,000.00 | 6,901,750.00 |
| 2029 | 9,979,000.00 | 3,235,000.00 | 6,744,000.00 |
| 2030 | 9,980,575.00 | 3,390,000.00 | 6,590,575.00 |
| 2031 | 9,981,250.00 | 3,545,000.00 | 6,436,250.00 |
| 2032 | 9,981,475.00 | 3,720,000.00 | 6,261,475.00 |
| 2033 | 9,980,725.00 | 3,910,000.00 | 6,070,725.00 |
| 2034 | 9,980,225.00 | 4,110,000.00 | 5,870,225.00 |
| 2035 | 9,979,475.00 | 4,320,000.00 | 5,659,475.00 |
| 2036 | 9,977,975.00 | 4,540,000.00 | 5,437,975.00 |
| 2037 | 9,980,100.00 | 4,775,000.00 | 5,205,100.00 |
| 2038 | 9,980,225.00 | 5,020,000.00 | 4,960,225.00 |
| 2039 | 9,977,850.00 | 5,275,000.00 | 4,702,850.00 |
| 2040 | 9,977,350.00 | 5,545,000.00 | 4,432,350.00 |
| 2041 | 9,977,975.00 | 5,830,000.00 | 4,147,975.00 |
| 2042 | 9,978,975.00 | 6,130,000.00 | 3,848,975.00 |
| 2043 | 9,979,600.00 | 6,445,000.00 | 3,534,600.00 |
| 2044 | 9,979,100.00 | 6,775,000.00 | 3,204,100.00 |
| 2045 | 9,976,725.00 | 7,120,000.00 | 2,856,725.00 |
| 2046 | 9,981,475.00 | 7,490,000.00 | 2,491,475.00 |
| 2047 | 9,977,375.00 | 7,880,000.00 | 2,097,375.00 |
| 2048 | 9,977,518.75 | 8,305,000.00 | 1,672,518.75 |
| 2049 | 9,979,693.75 | 8,755,000.00 | 1,224,693.75 |
| 2050 | 9,977,718.75 | 9,225,000.00 | 752,718.75 |
| 2051 | 9,980,281.25 | 9,725,000.00 | 255,281.25 |

Source: County of Hudson, Department of Finance and Administration.

Hudson County Command Center Project General Obligation Recovery Zone Economic Development Bonds

On December 22, 2010, the County, through the Hudson County Improvement Authority, issued \$20,700,000 aggregate principal amount of General Obligation Recovery Zone Economic Development Bonds (Hudson County Command Center) to provide funds to (a) finance the acquisition of an existing warehouse building (the Command Center) located at Kearny, New Jersey, for use by the County as a storage space and a Command Center for the County's Office of Emergency Management, storage space and a Command Center for the County Correctional Center and an archive record storage facility for the Hudson County Prosecutor's Office and (b) pay costs of issuance associated with Project and the Bonds.

Recovery Zone Economic Development Bonds ("Economic Development Bonds") are a type of taxable Build America Bond. These bonds must be used in designated "recovery zones" to finance projects with a "qualified economic development purpose", including financing capital expenditures paid or incurred with respect to property located in a recovery zone, expenditures for public infrastructure and construction of public facilities and expenditures for job training and educational programs. The key feature of Economic Development Bonds is the ability of the issuer to receive an interest subsidy payment from the U.S. Treasury equal to 45% of the interest payments on the bonds. The interest subsidy payment effectively lowers the interest costs of the issuer.

The following is the debt service schedule associated with these bonds. The debt shown on this schedule is gross and does not include the interest subsidy payments expected from the U.S. Treasury.

Hudson County Improvement Authority
\$20,700,000 Federally Taxable Recovery Zone Economic Development Bonds

| <u>Year</u> | <u>Principal</u> | <u>Coupon</u> | <u>Interest</u> | <u>Total Debt Service</u> |
|-------------|------------------|---------------|-----------------|-------------------------------|
| 2026 | 1,400,000 | 6.928% | 484,960 | 1,884,960 |
| 2027 | 1,400,000 | 6.928% | 387,968 | 1,787,968 |
| 2028 | 1,400,000 | 6.928% | 290,976 | 1,690,976 |
| 2029 | 1,400,000 | 6.928% | 193,984 | 1,593,984 |
| 2030 | 1,400,000 | 6.928% | 96,992 | 1,496,992 |

Source: County of Hudson, Department of Finance and Administration.

COUNTY BUDGET AND STATEMENTS OF REVENUES AND EXPENDITURES

Pension Benefits

All eligible County employees participate in the Public Employees' Retirement System ("PERS"), the Consolidated Police and Firemen's Pension Fund and the Police and Firemen's Retirement System ("PFRS") of New Jersey. The Division of Pensions within the New Jersey Department of Treasury is the administrator of the funds and charges municipalities and counties annually for their respective contributions. The plans are funded annually based on the projected benefit method with aggregate level normal cost and frozen initial unfunded accrued liability. The County is ultimately liable for funding of the pension plans by increases in future billings from the State. Information as to the comparison of the actuarially computed values of vested benefits with the systems' assets is not available from the State Division of Pensions and, therefore, is not presented. The following is a comparative schedule of combined contributions for the four-year period:

| | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|---|------------------------|------------------------|------------------------|------------------------|
| <u>Contributory Plans</u> | | | | |
| Public Employees' Retirement System | \$21,686,098.00 | \$21,235,929.00 | \$20,284,242.00 | \$18,401,797.00 |
| Consolidated Police & Fireman's Retirement Fund | 100.00 | 100.00 | 25,000.00 | 25,000.00 |
| Police & Fireman's Retirement System | 21,828,288.00 | 21,566,104.00 | 21,301,119.00 | 17,964,533.00 |
| Defined Contribution Retirement Program | <u>110,000</u> | <u>105,000</u> | <u>85,000</u> | <u>85,000</u> |
| Total | <u>\$43,624,486.00</u> | <u>\$42,907,133.00</u> | <u>\$41,695,361.00</u> | <u>\$36,476,330.00</u> |

Source: County of Hudson, Department of Finance and Administration.

In accordance with law, the County adopted early retirement incentive programs for eligible employees covered by PFRS and the PERS. As a result of the employees' early retirements, the County created unfunded accrued liabilities to the PFRS and the PERS (collectively, the "Pension Liabilities"). Such Pension Liabilities are paid by the County annually out of the County's general fund.

The Early Retirement Refinancing Act, P.L. 2002, c. 42, permits municipalities and school districts to issue bonds to fund the cost of retiring the present value of the unfunded accrued liability due and owing for early retirement incentive benefits.

The proceeds of the Bonds were used by the County to (i) pay the present value of the Pension Liabilities, and (ii) pay the cost of issuance of the Bonds.

The County also administers several contributory pension plans which are closed to new memberships. Following is a comparative schedule of combined contributions for the four-year period:

| | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|-----------------------|-----------------------|
| Hudson County Employee's Pension Fund | \$500,000.00 | \$500,000.00 | \$900,000.00 | \$1,000,000.00 |
| Court Attendants' Pension Fund | <u>120,000.00</u> | <u>180,000.00</u> | <u>280,000.00</u> | <u>325,000.00</u> |
| Total | <u>\$620,000.00</u> | <u>\$680,000.00</u> | <u>\$1,180,000.00</u> | <u>\$1,325,000.00</u> |

Source: County of Hudson, Department of Finance and Administration.

The County also awards non-contributory pensions by resolution of the Board of County Commissioners for certain veterans and County employees who were not eligible to join other pension plans. Following is a comparative schedule of combined contributions for the four-year period:

| | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Non-Contributory Pension Fund | \$1,980,000.00 | \$2,100,000.00 | \$2,340,000.00 | \$2,400,000.00 |
| Veterans' Pension Fund | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Total | <u>\$1,980,000.00</u> | <u>\$2,100,000.00</u> | <u>\$2,340,000.00</u> | <u>\$2,400,000.00</u> |

Source: County of Hudson, Department of Finance and Administration.

Health Benefits

Pursuant to Chapter 78, P.L. 2011, the Pension and Benefit Reform Law, the majority of County employees as of July 1, 2015, are contributing at YEAR 4 of the required salary contribution schedule based on the level of insurance coverage and salary. Effective January 1, 2016, all County employees are contributing at YEAR 4.

Annual Audit

The entire annual audit report for the year ended December 31, 2024 is on file with the Clerk of the Board of Commissioners and is available for review during business hours.

APPENDIX B

**AUDIT REPORT OF THE COUNTY OF HUDSON
FOR THE CALENDAR YEARS ENDED DECEMBER 31, 2024 AND 2023**

COUNTY OF HUDSON
NEW JERSEY

REPORT OF AUDIT
(WITHOUT SUPPLEMENTARY INFORMATION)

FOR THE YEAR ENDED
DECEMBER 31, 2024

COUNTY OF HUDSON
REPORT OF AUDIT
(Without Supplementary Information)
DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and Member of the Board of County Commissioners
County of Hudson, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements – regulatory basis of the County of Hudson, New Jersey (the “County”), which comprise the comparative balance sheets – regulatory basis, of each Fund and the comparative statement of General Fixed Assets – regulatory basis, as of December 31, 2024 and 2023, and the related comparative statements of operations and changes in fund balance – regulatory basis, statement of revenues – regulatory basis and statement of appropriations – regulatory basis, of the Current Fund and Affordable Housing Utility Operating Fund, and the related statement of changes in fund balance – regulatory basis, of the General Capital Fund, for the years then ended, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the comparative financial position – regulatory basis, of each Fund and General Fixed Assets of the County as of December 31, 2024 and 2023, the respective operations and changes in fund balance – regulatory basis, revenues – regulatory basis and appropriations – regulatory basis of the Current Fund and Affordable Housing Utility Operating Fund, the changes in fund balance – regulatory basis of the General Capital Fund, for the years then ended, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the County as of December 31, 2024 and 2023, and the changes in its financial position for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context, but is not required by the financial reporting provisions of the Division. Our opinion on the basic financial statements is not affected by the missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2025, on our consideration of the County's internal control over financial reporting and 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.


DONOHUE, GIRONDA, DORIA & TOMKINS, LLC
Certified Public Accountants


MARK W. BEDNARZ
RMA No. 547

Secaucus, New Jersey
June 23, 2025

COUNTY OF HUDSON
CURRENT FUND
AS OF DECEMBER 31, 2024 AND 2023

EXHIBIT A

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

| | 2024 | 2023 |
|---|--------------------------|--------------------------|
| <u>Assets</u> | | |
| Current Fund: | | |
| Cash and Cash Equivalents | \$ 167,503,163.15 | \$ 228,505,000.12 |
| Cash - Change Funds | 700.00 | 700.00 |
| | <u>167,503,863.15</u> | <u>228,505,700.12</u> |
| Receivables and Other Assets with Full Reserves: | | |
| Added and Omitted Taxes | 6,074,942.38 | 3,177,709.61 |
| Interfunds Receivable | | |
| Due from General Capital Fund | 113,856.92 | - |
| Due from Trust Fund | 739,533.24 | 1,009,126.73 |
| | <u>6,928,332.54</u> | <u>4,186,836.34</u> |
| Total Current Fund | <u>174,432,195.69</u> | <u>232,692,536.46</u> |
| Federal and State Grant Fund: | | |
| Cash and Cash Equivalents | 69,626,683.83 | 39,297,787.42 |
| Interfunds Receivable: | | |
| Due from Current Fund | - | 5,597,668.94 |
| Due from General Capital Fund | 953,077.08 | 7,072,006.76 |
| Federal and State Grants Receivable | 76,899,961.11 | 71,923,443.60 |
| Total Federal and State Grant Fund | <u>147,479,722.02</u> | <u>123,890,906.72</u> |
| Total Assets | <u>\$ 321,911,917.71</u> | <u>\$ 356,583,443.18</u> |
| <u>Liabilities, Reserves and Fund Balance</u> | | |
| Current Fund: | | |
| Appropriation Reserves | \$ 18,028,579.51 | \$ 49,311,197.61 |
| Encumbrances Payable | 19,253,910.04 | 19,187,463.15 |
| Contracts and Commitments Payable | 62,377,134.50 | 78,705,665.73 |
| Prepaid Revenues | 1,686,729.67 | 1,463,322.30 |
| Due to State of New Jersey | 2,515,209.74 | 1,695,842.35 |
| Interfunds Payable: Federal and State Grants Fund | - | 5,597,668.94 |
| Reserve for: | | |
| Forfeited Bail | 737,137.50 | 726,137.50 |
| Tax Rebate on Capital Investments | 2,450,000.00 | 2,450,000.00 |
| Unclaimed Property | 432,109.76 | 312,890.09 |
| HCST Summer Youth Program | 70,331.55 | 70,331.55 |
| County College (EFA) Interest | 33,652.40 | 33,652.40 |
| Compensated Absences | - | 10,960,818.69 |
| | <u>107,584,794.67</u> | <u>170,514,990.31</u> |
| Reserve for Receivable and Other Assets | 6,928,332.54 | 4,186,836.34 |
| Fund Balance | 59,919,068.48 | 57,990,709.81 |
| Total Current Fund | <u>174,432,195.69</u> | <u>232,692,536.46</u> |
| Federal and State Grant Fund: | | |
| Reserve for Federal and State Grants | | |
| Appropriated | 92,339,965.07 | 72,126,879.71 |
| Encumbered | 55,086,707.39 | 51,156,394.11 |
| Unappropriated | 53,049.56 | 607,632.90 |
| Total Federal and State Grant Fund | <u>147,479,722.02</u> | <u>123,890,906.72</u> |
| Total Liabilities, Reserves and Fund Balance | <u>\$ 321,911,917.71</u> | <u>\$ 356,583,443.18</u> |

See Accompanying Notes to the Financial Statements.

COUNTY OF HUDSON
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

EXHIBIT A-1

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS

| | 2024 | 2023 |
|--|-------------------------|-------------------------|
| <u>Revenue and Other Income Realized</u> | | |
| Fund Balance Utilized | \$ 42,000,000.00 | \$ 42,000,000.00 |
| Miscellaneous Revenue Realized | 275,761,685.18 | 278,154,889.87 |
| Receipts from Current Taxes | 429,180,876.11 | 414,180,876.11 |
| Non-Budget Revenue | 6,006,563.25 | 11,629,305.99 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 3,568,538.41 | 2,871,267.07 |
| Cancel Reserve for Compensated Absences | 8,000,000.00 | - |
| Contracts and Commitments Canceled | 24,520,522.18 | 27,160,233.54 |
| Prior Year Interfunds Returned | 1,009,126.73 | 1,005,849.81 |
| Grant Cancellations & Adjustments | 12,980.67 | 168,173.68 |
| Grant Chargebacks | 1,701,861.18 | 450,147.61 |
| Reserves Cancelled | 170,728.80 | - |
| | <u>791,932,882.51</u> | <u>777,620,743.68</u> |
| <u>Expenditures</u> | | |
| Budget Appropriations: | | |
| Operations | | |
| Salaries and Wages | 242,062,104.00 | 232,840,316.00 |
| Other Expenses | 352,607,281.84 | 323,296,588.50 |
| Capital Improvements | 47,606,914.42 | 74,849,453.56 |
| Debt Service | 41,382,827.94 | 41,327,640.96 |
| Deferred Charges | 500,000.00 | 500,000.00 |
| Statutory Expenditures | 61,837,233.00 | 60,215,461.00 |
| | <u>745,996,361.20</u> | <u>733,029,460.02</u> |
| Refund of Prior Year Revenue | 14,244.76 | 184,555.92 |
| Capital Grant Reimbursement | 1,140,527.72 | - |
| Interfund Advances Originating in Current Year | 853,390.16 | 1,009,126.73 |
| | <u>748,004,523.84</u> | <u>734,223,142.67</u> |
| Statutory Excess to Fund Balance | 43,928,358.67 | 43,397,601.01 |
| Fund Balance, January 1 | <u>57,990,709.81</u> | <u>56,593,108.80</u> |
| | 101,919,068.48 | 99,990,709.81 |
| Decreased by: | | |
| Utilization as Anticipated Revenue | 42,000,000.00 | 42,000,000.00 |
| Fund Balance, December 31 | <u>\$ 59,919,068.48</u> | <u>\$ 57,990,709.81</u> |

See Accompanying Notes to the Financial Statements.

STATEMENT OF REVENUES - REGULATORY BASIS

| | Adopted Budget | Added by NJSA 40A:4-87 | Realized | Excess (Deficit) |
|---|-------------------------|---------------------------|-------------------------|---------------------|
| <u>SURPLUS</u> | <u>\$ 42,000,000.00</u> | <u>\$ -</u> | <u>\$ 42,000,000.00</u> | <u>\$ -</u> |
| <u>MISCELLANEOUS REVENUES</u> | | | | |
| LOCAL REVENUES | | | | |
| County Clerk | 187,200.00 | - | 194,455.31 | 7,255.31 |
| Register of Deeds | 8,984,000.00 | - | 8,778,341.66 | (205,658.34) |
| Surrogate | 296,800.00 | - | 276,790.72 | (20,009.28) |
| Sheriff | 1,006,500.00 | - | 916,238.21 | (90,261.79) |
| Interest on Investments and Deposits | 6,500,000.00 | - | 10,449,940.50 | 3,949,940.50 |
| Intoxicated Driver Resource Center Fees | 290,000.00 | - | 293,245.00 | 3,245.00 |
| Parks & Recreation | 9,898.15 | - | 26,500.00 | 16,601.85 |
| Title IV-D, Social Security Act - Child Support Program | 765,000.00 | - | 939,889.91 | 174,889.91 |
| Maintenance of: | | | | |
| State Prisoners in County Institutions | 2,750,000.00 | - | 1,687,959.72 | (1,062,040.28) |
| Other Inmates in County Institutions | 18,254,250.00 | - | 13,792,099.00 | (4,462,151.00) |
| Federal Inmates in County Institutions | 13,719,510.00 | - | 14,962,616.81 | 1,243,106.81 |
| Federal & State Contracts - Indirect Cost Allocation | 5,875,000.00 | - | 5,783,617.03 | (91,382.97) |
| | <u>58,638,158.15</u> | <u>-</u> | <u>58,101,693.87</u> | <u>(536,464.28)</u> |
| STATE AID WITHOUT OFFSETTING APPROPRIATIONS | | | | |
| County College Bonds (NJSA 18A:64A-22.6) | 3,227,283.95 | - | 2,875,135.97 | (352,147.98) |
| Meadowview Hospital | 29,408,626.00 | - | 31,619,392.92 | 2,210,766.92 |
| N.J. School Building Aid | 4,654,997.00 | - | 4,648,088.00 | (6,909.00) |
| | <u>37,290,906.95</u> | <u>-</u> | <u>39,142,616.89</u> | <u>1,851,709.94</u> |
| 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 | 2,633,477.00 | - | 2,641,608.00 | 8,131.00 |
| Psychiatric Facilities (C.73,P.L. 1990): | | | | |
| Division of Developmental Disabilities (DDD), Assessment Program | 79,000.00 | - | 81,521.12 | 2,521.12 |
| | <u>2,712,477.00</u> | <u>-</u> | <u>2,723,129.12</u> | <u>10,652.12</u> |
| PUBLIC AND PRIVATE REVENUES | | | | |
| Federal and State Grants | | | | |
| Alliance to Prevent Alcohol and Drug Abuse | - | 270,478.00 | 270,478.00 | - |
| Hudson County Correction and Rehabilitation | - | 11,000,000.00 | 11,000,000.00 | - |
| Hudson County Correction and Rehabilitation | - | 3,200,000.00 | 3,200,000.00 | - |
| County Reentry Coordinators (CRC) Program | - | 200,000.00 | 200,000.00 | - |
| Sr Citizens & Disabled Residents Transportation | 1,880,842.00 | - | 1,880,842.00 | - |
| NJ Council on Arts - Block Grant | 335,000.00 | - | 335,000.00 | - |
| NJ Destination Marketing Organization | - | 252,000.00 | 252,000.00 | - |
| County History Partnership Program | 95,233.00 | - | 95,233.00 | - |
| Comprehensive Alcohol Services | 1,372,630.00 | - | 1,372,630.00 | - |
| County Based Innovation Project Opioid | 40,793.00 | 244,756.00 | 285,549.00 | - |
| Recreational Opportunities For Individuals with Disabilities | - | 35,000.00 | 35,000.00 | - |
| New Jersey Historic Trust Preservation Fund | 713,550.00 | - | 713,550.00 | - |
| LEAP Fellowship Grant | - | 75,000.00 | 75,000.00 | - |
| Data-Driven Decision Making: Org. EnhancementProgram | - | 75,000.00 | 75,000.00 | - |
| Hudson County Housing First Grant | - | 500,000.00 | 500,000.00 | - |
| Hudson County Housing First Re-Entry Pilot Program | - | 7,000,000.00 | 7,000,000.00 | - |
| Local Recreation Improvement Grant | - | 70,000.00 | 70,000.00 | - |
| Work First New Jersey | - | 4,025,985.00 | 4,025,985.00 | - |
| Work First New Jersey - DOL Supplemental | - | 2,195,046.00 | 2,195,046.00 | - |
| Juvenile Justice Commission - Partnership | 1,049,334.00 | - | 1,049,334.00 | - |
| Community Programs - Clients of Family Court | 307,803.00 | - | 307,803.00 | - |
| Body Armor Replacement Grant | 50,898.83 | - | 50,898.83 | - |
| Insurance Fraud Reimbursement Program | 300,000.00 | - | 300,000.00 | - |
| Juvenile Detention Alternatives Initiative | 60,000.00 | - | 60,000.00 | - |
| Law Enforcement Officers Training and Equipment | 6,323.00 | 11,249.00 | 17,572.00 | - |
| Clean Communities Grant | - | 24,990.41 | 24,990.41 | - |
| Youth Incentive Program | 47,669.00 | - | 47,669.00 | - |
| Human Services Advisory Council | - | 69,419.00 | 69,419.00 | - |
| Child Advocacy Center - Multidisciplinary Team Fund | 19,460.00 | 58,138.00 | 77,598.00 | - |

See Accompanying Notes to the Financial Statements.

STATEMENT OF REVENUES - REGULATORY BASIS

| | Adopted Budget | Added by NJSA 40A:4-87 | Realized | Excess (Deficit) |
|---|----------------------|---------------------------|----------------------|-----------------------|
| PUBLIC AND PRIVATE REVENUES | | | | |
| Federal and State Grants | | | | |
| GUSNIP Produce Prescription Grant Program | \$ 2,600.00 | \$ 50,000.00 | \$ 52,600.00 | \$ - |
| COVID ARP - Commodity Supplemental Food Program (Hudson Food Pantry Program) | - | 5,000,000.00 | 5,000,000.00 | - |
| Hudson County SANE/SART Program | 191,808.00 | - | 191,808.00 | - |
| Multi-Jurisdictional Gang, Gun, Narcotics Task Force | 108,301.00 | - | 108,301.00 | - |
| Workforce Investment Act | - | 4,306,996.00 | 4,306,996.00 | - |
| WIOA Data Reporting and Analysis Allocation | - | 12,971.00 | 12,971.00 | - |
| Subregional Transportation Planning Grant | - | 156,620.00 | 156,620.00 | - |
| Hudson County Safe Communities Program | - | 81,040.00 | 81,040.00 | - |
| Pedestrian Safety, Education & Enforcement Fund | - | 80,000.00 | 80,000.00 | - |
| Highway Sustained Safety Grant | - | 140,000.00 | 140,000.00 | - |
| Enhanced Mobility for Seniors and Disabled | - | 150,000.00 | 150,000.00 | - |
| Environmental Justice Government-to-Government | - | 1,000,000.00 | 1,000,000.00 | - |
| Tuberculosis Health Services Grant | - | 318,116.00 | 318,116.00 | - |
| Tuberculosis Health Services Grant | 287,774.00 | - | 287,774.00 | - |
| Area Plan Grant - Aging | 4,847,788.00 | 3,181,737.00 | 8,029,525.00 | - |
| State Health Insurance Assistance Program (SHIP) | - | 42,000.00 | 42,000.00 | - |
| Homeless & Family Shelter Strategy Program | 2,752,600.00 | - | 2,752,600.00 | - |
| Ending the HIV Epidemic - Ryan White Parts A and B | 714,800.00 | 2,535,200.00 | 3,250,000.00 | - |
| Supportive Assistance to Individuals and Families | - | 756,583.00 | 756,583.00 | - |
| HIV Emergency Relief Formula Grant | 1,263,314.00 | 1,554,324.00 | 2,817,638.00 | - |
| HIV Emergency Relief Supplemental Grant | - | 1,659,727.00 | 1,659,727.00 | - |
| Minority Aids Interactive Program | 126,569.00 | 311,365.00 | 437,934.00 | - |
| State Homeland Security Grant | - | 418,138.25 | 418,138.25 | - |
| Urban Areas Security Initiative (UASI) | - | 236,000.00 | 236,000.00 | - |
| Emergency Management Assistance Funding | - | 55,000.00 | 55,000.00 | - |
| American Rescue Plan (ARP) | | | | |
| Coronavirus State and Local Fiscal Recovery Funds | - | 19,914,768.22 | 19,914,768.22 | - |
| Jersey City Rental Assistance Program | 1,000,000.00 | - | 1,000,000.00 | - |
| National Opioid Settlement Fund | - | 987,255.13 | 987,255.13 | - |
| Grants for Arts Projects Program | - | 50,000.00 | 50,000.00 | - |
| | <u>17,575,089.83</u> | <u>72,304,902.01</u> | <u>89,879,991.84</u> | <u>-</u> |
| OTHER SPECIAL ITEMS | | | | |
| County Clerk, P.L. 2001 C. 370 | 72,800.00 | - | 75,621.51 | 2,821.51 |
| Register of Deeds, P.L. 2001 C. 370 | 2,246,000.00 | - | 2,194,585.42 | (51,414.58) |
| Surrogate, P.L. 2001 C. 370 | 263,200.00 | - | 245,455.92 | (17,744.08) |
| Sheriff, P.L. 2001 C. 370 | 643,500.00 | - | 585,791.65 | (57,708.35) |
| Maintenance of Federal Inmates in County Institutions | 2,421,090.00 | - | 2,640,461.79 | 219,371.79 |
| Added and Omitted Taxes | 3,292,502.80 | - | 3,292,502.80 | - |
| PILOT Payments, County Share (NJSA 40A:20-1 et.) | 7,300,000.00 | - | 9,391,472.31 | 2,091,472.31 |
| Division of Social Services (Welfare) | 51,524,407.00 | - | 48,413,938.99 | (3,110,468.01) |
| Motor Vehicle Fines (N.J.S.A. 39:5.41) | 2,500,000.00 | - | 2,500,000.00 | - |
| State of NJ - Lease of Court Space | 130,000.00 | - | 135,989.23 | 5,989.23 |
| Meadowview Campus-Treatment Leases | 850,000.00 | - | 800,520.42 | (49,479.58) |
| Open Space Tax Debt Service | 418,583.76 | - | 418,583.76 | - |
| Reserve to Pay Bonds | 7,000,000.00 | - | 7,000,000.00 | - |
| American Rescue Plan Revenue Replacement | 556,734.00 | - | 556,734.07 | 0.07 |
| ARRA Recovery Zone Bonds Subsidy | 300,333.60 | - | 162,595.59 | (137,738.01) |
| Reserve for American Rescue Plan - Revenue Replacement | <u>7,500,000.00</u> | <u>-</u> | <u>7,500,000.00</u> | <u>-</u> |
| | <u>87,019,151.16</u> | <u>-</u> | <u>85,914,253.46</u> | <u>(1,104,897.70)</u> |
| Total Miscellaneous Revenues | 203,235,783.09 | 72,304,902.01 | 275,761,685.18 | 221,000.08 |

STATEMENT OF REVENUES - REGULATORY BASIS

| | Adopted Budget | Added by NJSA 40A:4-87 | Realized | Excess (Deficit) |
|---|--------------------------|---------------------------|--------------------------|------------------------|
| <u>AMOUNT TO BE RAISED BY TAXATION</u> | | | | |
| County Purpose Tax | \$ 429,180,876.11 | \$ - | \$ 429,180,876.11 | \$ - |
| Budget Totals | 674,416,659.20 | 72,304,902.01 | 746,942,561.29 | 221,000.08 |
| Non-Budget Revenues | - | - | 6,006,563.25 | 6,006,563.25 |
| | <u>\$ 674,416,659.20</u> | <u>\$ 72,304,902.01</u> | <u>\$ 752,949,124.54</u> | <u>\$ 6,227,563.33</u> |
| Miscellaneous Revenues Anticipated | | | | |
| Federal and State Grants | | | \$ 89,879,991.84 | |
| Added & Omitted Taxes Collected in Prior Year | | | 114,793.19 | |
| Added & Omitted Taxes Collected in Current Year | | | 3,177,709.61 | |
| Revenues Collected in Prior Year | | | 1,348,279.51 | |
| Interfunds | | | 12,253,312.43 | |
| Reappropriated ARP Funding | | | 7,500,000.00 | |
| Cash Receipts | | | 161,487,598.60 | |
| Total Miscellaneous Revenues Realized | | | 275,761,685.18 | |
| County Purpose Tax | | | 429,180,876.11 | |
| Fund Balance Realized | | | 42,000,000.00 | |
| Total Budget Revenues | | | <u>\$ 746,942,561.29</u> | |

COUNTY OF HUDSON
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT A-2a

STATEMENT OF REVENUES - REGULATORY BASIS
ANALYSIS OF NON-BUDGET REVENUES

| | Cash Receipts | Pepaid Revenue Applied | Total |
|---|------------------------|---------------------------|------------------------|
| Increased by Cash Received for: | | | |
| Interest on Delinquent Taxes | \$ 306.50 | \$ - | \$ 306.50 |
| Salary Refunds | 235,514.92 | - | 235,514.92 |
| NJ Superior Court - Service Agreements | 48,266.60 | - | 48,266.60 |
| Payment in Lieu of Taxes | 315.00 | - | 315.00 |
| Riverview Cable TV Right of Way | 20.00 | - | 20.00 |
| Special Civil - Fines | 1,739.00 | - | 1,739.00 |
| County Fines/ATS | 38,185.13 | - | 38,185.13 |
| Settlement of Claims | 207.20 | - | 207.20 |
| Various Reimbursements-Fringe & Indirect | 449,308.65 | - | 449,308.65 |
| Welfare Reimbursements-Fringe & Indirect | 1,429,234.59 | - | 1,429,234.59 |
| Prisoner Maintenance - Jail | 2,654.00 | - | 2,654.00 |
| Reimb. To County for Inmate Medical Co-Pay | 4,472.00 | - | 4,472.00 |
| County Sheriff's GPS Electronic Monitoring | 166,500.00 | - | 166,500.00 |
| Commissions - Vending Machines | 12,783.03 | - | 12,783.03 |
| Mental Administrator-Salary Reimb. | 12,000.00 | - | 12,000.00 |
| Miscellaneous Receipts | 671,551.17 | 249.60 | 671,800.77 |
| Division of Aging - State Aid | 58,000.00 | - | 58,000.00 |
| Penalty for Returned Check | 25.00 | - | 25.00 |
| FEMA Reimbursements | 222,396.97 | - | 222,396.97 |
| HC Chest Clinic | 13,764.00 | - | 13,764.00 |
| Meadowview Utilities Payment | 300,023.00 | - | 300,023.00 |
| Criminal Alien Assistance Grant | 304,982.00 | - | 304,982.00 |
| SSA Recoveries | 27,200.00 | - | 27,200.00 |
| Motion Pictures Video and Photo Prod. Location | 49,933.49 | - | 49,933.49 |
| Public Safety Training Center Fees | 31,160.00 | - | 31,160.00 |
| County Option Hospital Fee Pilot Program | 1,637,920.04 | - | 1,637,920.04 |
| Video Visitation Commissions | 871.44 | - | 871.44 |
| State of NJ Gross Income Tax Refunds | 1,101.10 | - | 1,101.10 |
| County Fire Marshal Fees | 6,293.00 | - | 6,293.00 |
| Union City Reimbursement - Traffic Signal Parts | 93,953.00 | - | 93,953.00 |
| Pension Pay Refunds | 115,785.03 | - | 115,785.03 |
| Dominican Parade Refund | 1,000.00 | - | 1,000.00 |
| Account Balance Adjustments | 4.74 | - | 4.74 |
| Other Receipts | 67,416.47 | - | 67,416.47 |
| Culture and Heritage Event Fees | 1,426.58 | - | 1,426.58 |
| Total Non-Budget Revenues Received in Cash | <u>\$ 6,006,313.65</u> | <u>\$ 249.60</u> | <u>\$ 6,006,563.25</u> |

See Accompanying Notes to the Financial Statements.

COUNTY OF HUDSON
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT A-3
Sheet 1 of 7

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

| | Appropriated | | Paid or Charged | Expended | | Unexpended Balances Canceled |
|---|-------------------|--------------------|--------------------|--------------|---------------|------------------------------------|
| | Adopted Budget | Modified Budget | | Encumbered | Reserved | |
| LEGISLATIVE | | | | | | |
| Board of County Commissioners | | | | | | |
| Salaries and Wages | \$ 1,205,018.00 | \$ 1,130,018.00 | \$ 958,534.82 | \$ - | \$ 171,483.18 | \$ - |
| Other Expenses | 271,000.00 | 271,000.00 | 159,422.46 | 74,975.37 | 36,602.17 | - |
| Clerk of the Board | | | | | | |
| Salaries and Wages | 356,759.00 | 371,759.00 | 359,451.82 | - | 12,307.18 | - |
| Other Expenses | 66,400.00 | 66,400.00 | 51,657.62 | 13,774.85 | 967.53 | - |
| | 1,899,177.00 | 1,839,177.00 | 1,529,066.72 | 88,750.22 | 221,360.06 | - |
| ADMINISTRATIVE AND EXECUTIVE | | | | | | |
| County Administrator | | | | | | |
| Salaries and Wages | 1,040,388.00 | 1,040,388.00 | 1,000,503.06 | - | 39,884.94 | - |
| Other Expenses | 1,700,000.00 | 1,700,000.00 | 1,056,405.50 | 398,923.92 | 244,670.58 | - |
| County Executive | | | | | | |
| Salaries and Wages | 1,716,716.00 | 1,716,716.00 | 1,561,273.38 | - | 155,442.62 | - |
| Other Expenses | 106,000.00 | 106,000.00 | 87,590.95 | 810.00 | 17,599.05 | - |
| Law Department | | | | | | |
| Salaries and Wages | 3,996,011.00 | 3,621,011.00 | 3,430,025.04 | - | 190,985.96 | - |
| Other Expenses | 2,220,972.00 | 2,220,972.00 | 1,184,744.39 | 869,657.13 | 166,570.48 | - |
| Office of Consumer Protection | | | | | | |
| Salaries and Wages | 100.00 | 100.00 | - | - | 100.00 | - |
| Other Expenses | 9,910.00 | 9,910.00 | 3,742.22 | 1,768.96 | 4,398.82 | - |
| Planning Board | | | | | | |
| Salaries and Wages | 100.00 | 100.00 | - | - | 100.00 | - |
| Other Expenses | 61,140.00 | 61,140.00 | 45,412.08 | 14,984.06 | 743.86 | - |
| Public Safety Training Center | | | | | | |
| Salaries and Wages | 665,086.00 | 665,086.00 | 637,178.06 | - | 27,907.94 | - |
| Other Expenses | 205,840.00 | 155,840.00 | 32,997.84 | 28,397.25 | 94,444.91 | - |
| Office of Cultural and Heritage Affairs | | | | | | |
| Salaries and Wages | 933,573.00 | 933,573.00 | 903,770.09 | - | 29,802.91 | - |
| Other Expenses | 864,446.00 | 864,446.00 | 650,000.77 | 186,113.97 | 28,331.26 | - |
| Public Employees Award Program | 100.00 | 100.00 | - | - | - | 100.00 |
| | 13,520,382.00 | 13,095,382.00 | 10,593,643.38 | 1,500,655.29 | 1,000,983.33 | 100.00 |
| DEPARTMENT OF FINANCE AND ADMINISTRATION | | | | | | |
| Division of Personnel | | | | | | |
| Salaries and Wages | 1,467,967.00 | 1,442,967.00 | 1,361,915.66 | - | 81,051.34 | - |
| Other Expenses | 528,215.00 | 528,215.00 | 365,457.36 | 116,954.35 | 45,803.29 | - |
| Director of Finance and Administration | | | | | | |
| Salaries and Wages | 680,846.00 | 680,846.00 | 652,257.49 | - | 28,588.51 | - |
| Other Expenses | 20,000.00 | 20,000.00 | 9,666.59 | 3,249.70 | 7,083.71 | - |
| Audit Services | 250,000.00 | 250,000.00 | - | 25,000.00 | 225,000.00 | - |
| Division of Accounts and Controls | | | | | | |
| Salaries and Wages | 1,207,275.00 | 1,207,275.00 | 1,160,855.13 | - | 46,419.87 | - |
| Other Expenses | 144,264.00 | 144,264.00 | 26,181.93 | 18,711.60 | 99,370.47 | - |
| Division of Purchasing | | | | | | |
| Salaries and Wages | 718,864.00 | 693,864.00 | 628,305.29 | - | 65,558.71 | - |
| Other Expenses | 54,205.00 | 54,205.00 | 30,696.25 | 6,163.00 | 17,345.75 | - |
| Office of Grants Management | | | | | | |
| Salaries and Wages | 477,293.00 | 392,293.00 | 296,523.27 | - | 95,769.73 | - |
| Other Expenses | 122,150.00 | 122,150.00 | 103,119.00 | 12,859.00 | 6,172.00 | - |
| Division of Information Technologies | | | | | | |
| Salaries and Wages | 139,247.00 | 99,247.00 | 79,187.00 | - | 20,060.00 | - |
| Other Expenses | 4,030,562.00 | 4,030,562.00 | 3,218,275.42 | 762,119.10 | 50,167.48 | - |
| Division of Tax Assessments | | | | | | |
| Salaries and Wages | 525,805.00 | 525,805.00 | 505,431.78 | - | 20,373.22 | - |
| Other Expenses | 6,750.00 | 6,750.00 | 1,551.94 | 1,379.52 | 3,818.54 | - |
| Division of Housing & Community Development | | | | | | |
| Salaries and Wages | 177,385.00 | 177,385.00 | 94,864.23 | - | 82,520.77 | - |
| Other Expenses | 630,182.00 | 630,182.00 | 123,971.76 | 398,433.71 | 107,776.53 | - |
| Insurance | | | | | | |
| Liability Insurance | 3,400,000.00 | 3,400,000.00 | 3,400,000.00 | - | - | - |
| Worker Compensation | 3,400,000.00 | 3,400,000.00 | 3,400,000.00 | - | - | - |
| Group Plans for Employees | 55,800,000.00 | 55,800,000.00 | 54,676,692.24 | 142,764.27 | 780,543.49 | 200,000.00 |
| Health Benefit Waiver | 500,000.00 | 500,000.00 | 496,404.27 | - | 3,595.73 | - |
| | 74,281,010.00 | 74,106,010.00 | 70,631,356.61 | 1,487,634.25 | 1,787,019.14 | 200,000.00 |

See Accompanying Notes to the Financial Statements.

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

| | Appropriated | | Expended | | | Unexpended |
|--|-----------------|-----------------|-----------------|--------------|--------------|------------|
| | Adopted | Modified | Paid or | Encumbered | Reserved | Balances |
| | Budget | Budget | Charged | | | Canceled |
| CONSTITUTIONAL OFFICES | | | | | | |
| County Clerk | | | | | | |
| Salaries and Wages | \$ 1,830,587.00 | \$ 1,755,587.00 | \$ 1,681,451.34 | \$ - | \$ 74,135.66 | \$ - |
| Other Expenses | 64,650.00 | 64,650.00 | 39,328.93 | 8,076.99 | 17,244.08 | - |
| Register of Deeds and Mortgages | | | | | | |
| Salaries and Wages | 2,510,730.00 | 2,460,730.00 | 2,327,319.66 | - | 133,410.34 | - |
| Other Expenses | 83,406.00 | 83,406.00 | 32,817.58 | 14,914.57 | 35,673.85 | - |
| Prosecutor's Office | | | | | | |
| Salaries and Wages | 27,764,212.00 | 26,464,212.00 | 24,903,887.17 | - | 1,560,324.83 | - |
| Other Expenses | 4,105,803.00 | 4,105,803.00 | 2,902,318.11 | 1,140,270.94 | 63,213.95 | - |
| | 36,359,388.00 | 34,934,388.00 | 31,887,122.79 | 1,163,262.50 | 1,884,002.71 | - |
| THE JUDICIARY | | | | | | |
| County Surrogate | | | | | | |
| Salaries and Wages | 1,626,554.00 | 1,576,554.00 | 1,490,653.05 | - | 85,900.95 | - |
| Other Expenses | 112,782.00 | 112,782.00 | 60,113.44 | 27,195.38 | 25,473.18 | - |
| Probation Department | | | | | | |
| Other Expenses | 100.00 | 100.00 | - | - | 100.00 | - |
| Title IV-D Social Security Act | | | | | | |
| Other Expenses | 100.00 | 100.00 | - | - | 100.00 | - |
| | 1,739,536.00 | 1,689,536.00 | 1,550,766.49 | 27,195.38 | 111,574.13 | - |
| REGULATION | | | | | | |
| County Clerk Elections | | | | | | |
| Other Expenses | 26,350.00 | 26,350.00 | 21,157.46 | 2,633.74 | 2,558.80 | - |
| Special Election Expense | 1,780,000.00 | 2,280,000.00 | 2,199,228.55 | 216.00 | 80,555.45 | - |
| Board of Elections | | | | | | |
| Salaries and Wages | 845,341.00 | 970,341.00 | 924,106.11 | - | 46,234.89 | - |
| Other Expenses | 349,525.00 | 349,525.00 | 304,578.16 | 42,014.80 | 2,932.04 | - |
| Special Election Expense | 1,150,000.00 | 1,950,000.00 | 1,891,604.06 | - | 58,395.94 | - |
| Superintendent of Elections | | | | | | |
| Other Expenses | 3,788,534.00 | 3,788,534.00 | 3,060,110.63 | 715,092.74 | 13,330.63 | - |
| Weights and Measures | | | | | | |
| Salaries and Wages | 637,599.00 | 612,599.00 | 539,866.69 | - | 72,732.31 | - |
| Other Expenses | 500.00 | 500.00 | - | 104.40 | 395.60 | - |
| Sheriff's Office | | | | | | |
| Salaries and Wages | 39,361,776.00 | 40,986,776.00 | 40,488,617.56 | - | 498,158.44 | - |
| Other Expenses | 2,605,000.00 | 2,455,000.00 | 1,665,323.55 | 789,169.52 | 506.93 | - |
| Medical Examiner | | | | | | |
| Other Expenses | 2,521,000.00 | 2,521,000.00 | 1,910,081.31 | 610,918.68 | 0.01 | - |
| | 53,065,625.00 | 55,940,625.00 | 53,004,674.08 | 2,160,149.88 | 775,801.04 | - |
| DEPARTMENT OF PLANNING AND BUSINESS OPPORTUNITY | | | | | | |
| Office of Data Analytics | | | | | | |
| Salaries and Wages | 204,161.00 | 204,161.00 | 156,553.84 | - | 47,607.16 | - |
| Other Expenses | 17,160.00 | 17,160.00 | 11,833.91 | 3,097.81 | 2,228.28 | - |
| Office of Business Opportunity & Community Service | | | | | | |
| Salaries and Wages | 523,073.00 | 523,073.00 | 461,279.02 | - | 61,793.98 | - |
| Other Expenses | 65,680.00 | 65,680.00 | 35,621.33 | 23,620.47 | 6,438.20 | - |
| Division of Planning | | | | | | |
| Salaries and Wages | 860,488.00 | 860,488.00 | 822,061.53 | - | 38,426.47 | - |
| Other Expenses | 62,053.00 | 62,053.00 | 35,812.98 | 26,138.76 | 101.26 | - |
| Office of Digital Information | | | | | | |
| Salaries and Wages | 669,651.00 | 669,651.00 | 615,765.02 | - | 53,885.98 | - |
| Other Expenses | 98,000.00 | 98,000.00 | 90,596.85 | 2,349.38 | 5,053.77 | - |
| Director of Planning and Business Opportunity | | | | | | |
| Salaries and Wages | 610,826.00 | 610,826.00 | 581,065.14 | - | 29,760.86 | - |
| Other Expenses | 127,018.00 | 127,018.00 | 89,791.28 | 24,242.08 | 12,984.64 | - |
| | 3,238,110.00 | 3,238,110.00 | 2,900,380.90 | 79,448.50 | 258,280.60 | - |
| DEPARTMENT OF PARKS | | | | | | |
| Division of Parks | | | | | | |
| Salaries and Wages | 9,496,702.00 | 9,146,702.00 | 8,805,946.89 | - | 340,755.11 | - |
| Other Expenses | 4,350,000.00 | 4,300,000.00 | 3,198,638.92 | 880,360.67 | 221,000.41 | - |
| Utilities | 2,750,000.00 | 2,750,000.00 | 2,393,077.93 | 134,183.22 | 222,738.85 | - |
| Director of Parks | | | | | | |
| Salaries and Wages | 715,276.00 | 615,276.00 | 534,483.88 | - | 80,792.12 | - |
| Other Expenses | 37,300.00 | 37,300.00 | 6,929.80 | 16,322.82 | 14,047.38 | - |
| | 17,349,278.00 | 16,849,278.00 | 14,939,077.42 | 1,030,866.71 | 879,333.87 | - |

See Accompanying Notes to the Financial Statements.

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

| | Appropriated | | Expended | | | Unexpended |
|--|-------------------|--------------------|--------------------|--------------|--------------|----------------------|
| | Adopted Budget | Modified Budget | Paid or Charged | Encumbered | Reserved | Balances Canceled |
| DEPARTMENT OF ROADS & PUBLIC PROPERTY | | | | | | |
| Division of Central Services | | | | | | |
| Salaries and Wages | \$ 678,536.00 | \$ 678,536.00 | \$ 622,881.42 | \$ - | \$ 55,654.58 | \$ - |
| Other Expenses | 542,000.00 | 542,000.00 | 440,679.66 | 60,673.09 | 40,647.25 | - |
| Division of Engineering | | | | | | |
| Salaries and Wages | 1,796,288.00 | 1,696,288.00 | 1,595,770.02 | - | 100,517.98 | - |
| Other Expenses | 75,280.00 | 75,280.00 | 38,750.85 | 20,662.69 | 15,866.46 | - |
| Construction Board of Appeals | | | | | | |
| Other Expenses | 24,500.00 | 24,500.00 | 1,402.86 | 2,520.00 | 20,577.14 | - |
| Office of Emergency Management | | | | | | |
| Salaries and Wages | 564,513.00 | 564,513.00 | 459,297.38 | - | 105,215.62 | - |
| Other Expenses | 90,100.00 | 110,100.00 | 85,584.99 | 24,501.68 | 13.33 | - |
| Division of Roads and Bridges | | | | | | |
| Salaries and Wages | 2,102,600.00 | 2,047,600.00 | 1,937,162.46 | - | 110,437.54 | - |
| Other Expenses | 943,926.00 | 943,926.00 | 772,705.14 | 162,926.27 | 8,294.59 | - |
| Office of Traffic Signals and Signs | | | | | | |
| Salaries and Wages | 776,086.00 | 776,086.00 | 745,081.76 | - | 31,004.24 | - |
| Other Expenses | 280,500.00 | 330,500.00 | 164,869.38 | 164,830.83 | 799.79 | - |
| County Bridges | | | | | | |
| Other Expenses | 100.00 | 100.00 | - | - | 100.00 | - |
| Joint Bridges | | | | | | |
| Salaries and Wages | 127,360.00 | 157,360.00 | 143,512.06 | - | 13,847.94 | - |
| Other Expenses | 140,550.00 | 140,550.00 | 23,439.82 | 14,055.00 | 103,055.18 | - |
| Director of Roads & Public Property | | | | | | |
| Salaries and Wages | 992,854.00 | 942,854.00 | 857,662.39 | - | 85,191.61 | - |
| Other Expenses | 50,500.00 | 110,500.00 | 74,076.73 | 2,804.87 | 33,618.40 | - |
| Division of Buildings and Grounds | | | | | | |
| Salaries and Wages | 15,015,806.00 | 14,815,806.00 | 14,325,572.59 | - | 490,233.41 | - |
| Other Expenses | 6,231,000.00 | 6,211,000.00 | 4,272,118.60 | 1,007,297.67 | 931,583.73 | - |
| Fuel | 100.00 | 100.00 | - | - | 100.00 | - |
| Telephone, Water & Light | 8,500,000.00 | 8,500,000.00 | 7,442,654.50 | 875,897.28 | 181,448.22 | - |
| Motor Pool | | | | | | |
| Salaries and Wages | 1,121,050.00 | 1,021,050.00 | 950,061.10 | - | 70,988.90 | - |
| Other Expenses | 1,201,250.00 | 1,251,250.00 | 1,134,392.89 | 66,791.91 | 50,065.20 | - |
| Utilities | 825,000.00 | 725,000.00 | 435,155.31 | 193,386.44 | 96,458.25 | - |
| Lighting of Highways & Bridges | 1,200,000.00 | 1,200,000.00 | 1,123,162.62 | 6,500.00 | 70,337.38 | - |
| | 43,279,899.00 | 42,864,899.00 | 37,645,994.53 | 2,602,847.73 | 2,616,056.74 | - |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | | | |
| Division of Children and Youth Services | | | | | | |
| Salaries and Wages | 291,049.00 | 291,049.00 | 167,426.36 | - | 123,622.64 | - |
| Other Expenses | 3,347,610.00 | 3,347,610.00 | 2,212,784.69 | 860,278.90 | 274,546.41 | - |
| Food and Kitchen Supplies | 100.00 | 100.00 | - | - | 100.00 | - |
| Office of Transportation Services | | | | | | |
| Salaries and Wages | 70,000.00 | 70,000.00 | 70,000.00 | - | - | - |
| Other Expenses | 2,500.00 | 2,500.00 | 2,500.00 | - | - | - |
| Director of Health and Human Services | | | | | | |
| Salaries and Wages | 1,092,601.00 | 842,601.00 | 751,487.75 | - | 91,113.25 | - |
| Other Expenses | 1,079,707.00 | 1,079,707.00 | 545,571.89 | 524,832.04 | 9,303.07 | - |
| Office of Specialized Health Services | | | | | | |
| Salaries and Wages | 211,537.00 | 136,537.00 | - | - | 136,537.00 | - |
| Other Expenses | 35,000.00 | 35,000.00 | - | 3,500.00 | 31,500.00 | - |
| Division of Aging | | | | | | |
| Salaries and Wages | 74,000.00 | 74,000.00 | 74,000.00 | - | - | - |
| Other Expenses | - | - | - | - | - | - |
| Office of Veteran's Affairs | | | | | | |
| Salaries and Wages | 23,500.00 | 23,500.00 | 10,519.16 | - | 12,980.84 | - |
| Other Expenses | 27,000.00 | 27,000.00 | 27,000.00 | - | - | - |
| Office of Inclusion and Accessibility | | | | | | |
| Salaries and Wages | 214,731.00 | 214,731.00 | 205,180.44 | - | 9,550.56 | - |
| Other Expenses | 119,950.00 | 119,950.00 | 32,906.92 | 28,163.41 | 58,879.67 | - |
| Office of Public Health Services | | | | | | |
| Salaries and Wages | 670,544.00 | 870,544.00 | 683,114.90 | - | 187,429.10 | - |
| Other Expenses | 2,257,065.00 | 2,257,065.00 | 1,702,686.91 | 543,692.42 | 10,685.67 | - |
| Division of Mental Health & Addiction Services | | | | | | |
| Salaries and Wages | 382,484.00 | 382,484.00 | 324,835.88 | - | 57,648.12 | - |
| Other Expenses | 100.00 | 100.00 | - | - | 100.00 | - |
| Diagnostic Shelter Program - Contractual | 246,995.00 | 246,995.00 | 148,070.00 | 37,960.00 | 60,965.00 | - |
| Office of Food and Health Equity | | | | | | |
| Salaries and Wages | 61,713.00 | 61,713.00 | 46,494.61 | - | 15,218.39 | - |
| Other Expenses | 15,000.00 | 15,000.00 | - | 1,500.00 | 13,500.00 | - |

See Accompanying Notes to the Financial Statements.

COUNTY OF HUDSON
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT A-3
Sheet 4 of 7

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

| | Appropriated | | Expended | | | Unexpended |
|--|-------------------|--------------------|--------------------|--------------|---------------|----------------------|
| | Adopted Budget | Modified Budget | Paid or Charged | Encumbered | Reserved | Balances Canceled |
| HEALTH AND HUMAN SERVICES (continued) | | | | | | |
| Meadowview Psychiatric Hospital | | | | | | |
| Salaries and Wages | \$ 16,067,009.00 | \$ 15,917,009.00 | \$ 15,365,083.01 | \$ - | \$ 551,925.99 | \$ - |
| Other Expenses | 3,264,888.00 | 3,064,888.00 | 1,919,345.03 | 805,704.36 | 339,838.61 | - |
| Food and Kitchen Supplies | 1,750,000.00 | 1,750,000.00 | 1,403,855.61 | 255,697.10 | 90,447.29 | - |
| Aid to Handicapped Adults | 70,000.00 | 70,000.00 | - | - | 70,000.00 | - |
| Children's Center for Special Needs | 75,000.00 | 75,000.00 | 38,061.45 | 36,938.55 | - | - |
| Aid to County Branch | 47,000.00 | 47,000.00 | 26,181.93 | 20,818.07 | - | - |
| Visiting Homemaker Service | 5,700.00 | 5,700.00 | 228.00 | 5,472.00 | - | - |
| Maintenance of Patients in State Institutions for: | | | | | | |
| Mental Disease N.J.S.A. 30:4-79 | 5,337,048.00 | 5,387,048.00 | 5,336,832.92 | - | 50,215.08 | - |
| Project C.A.A.R.E. | 1,142,460.00 | 1,142,460.00 | 565,321.90 | 506,092.40 | 71,045.70 | - |
| | 37,982,291.00 | 37,557,291.00 | 31,659,489.36 | 3,630,649.25 | 2,267,152.39 | - |
| DEPARTMENT OF FAMILY SERVICES | | | | | | |
| County Welfare Agency | | | | | | |
| Salaries and Wages | 7,690,000.00 | 7,690,000.00 | 7,690,000.00 | - | - | - |
| Other Expenses | 340,000.00 | 340,000.00 | 340,000.00 | - | - | - |
| Director of Family Services | | | | | | |
| Salaries and Wages | 48,000.00 | 48,000.00 | 48,000.00 | - | - | - |
| Other Expenses | 52,000.00 | 52,000.00 | 52,000.00 | - | - | - |
| Office of Workforce Development | | | | | | |
| Salaries and Wages | 34,000.00 | 34,000.00 | 34,000.00 | - | - | - |
| Other Expenses | 500.00 | 500.00 | - | 500.00 | - | - |
| County Assistance Programs | 611,000.00 | 611,000.00 | 611,000.00 | - | - | - |
| | 8,775,500.00 | 8,775,500.00 | 8,775,000.00 | 500.00 | - | - |
| DEPARTMENT OF CORRECTIONS AND REHABILITATION | | | | | | |
| Adult Correctional Center | | | | | | |
| Salaries and Wages | 45,325,662.00 | 45,925,662.00 | 45,391,393.66 | - | 534,268.34 | - |
| Salaries and Wages-ARP | 556,734.00 | 556,734.00 | 556,734.00 | - | - | - |
| Salaries and Wages-ARP Reserve | 7,500,000.00 | 7,500,000.00 | 7,500,000.00 | - | - | - |
| Other Expenses | 18,490,000.00 | 18,490,000.00 | 14,800,957.02 | 1,964,891.20 | 1,724,151.78 | - |
| Food and Kitchen Supplies | 9,000,000.00 | 8,875,000.00 | 7,618,323.99 | 1,028,205.31 | 228,470.70 | - |
| Municipal Authorities and Utilities | 885,000.00 | 985,000.00 | 938,680.34 | 46,000.00 | 319.66 | - |
| | 81,757,396.00 | 82,332,396.00 | 76,806,089.01 | 3,039,096.51 | 2,487,210.48 | - |
| DEPARTMENT OF EDUCATION | | | | | | |
| Superintendent of Schools | | | | | | |
| Salaries and Wages | 252,576.00 | 252,576.00 | 176,859.97 | - | 75,716.03 | - |
| Other Expenses | 20,000.00 | 20,000.00 | 6,477.53 | 2,000.00 | 11,522.47 | - |
| Hudson County Community College | 21,515,919.00 | 21,515,919.00 | 21,515,919.00 | - | - | - |
| Reimbursements for Residents Attending Out of County | | | | | | |
| Two Year Colleges (NJSA 18A:64A-23) | 125,000.00 | 125,000.00 | 97,441.82 | - | 27,558.18 | - |
| Vocational School | 38,850,000.00 | 38,850,000.00 | 38,850,000.00 | - | - | - |
| | 60,763,495.00 | 60,763,495.00 | 60,646,698.32 | 2,000.00 | 114,796.68 | - |
| DEPARTMENT OF HOUSING AND COMMUNITY REINTEGRATION | | | | | | |
| Division of Housing and Community Development | | | | | | |
| Salaries and Wages | 27,000.00 | 27,000.00 | 27,000.00 | - | - | - |
| Other Expenses | 60,000.00 | 60,000.00 | 60,000.00 | - | - | - |
| Office of Social Services | | | | | | |
| Salaries and Wages | 100.00 | 100.00 | - | - | 100.00 | - |
| Other Expenses | 1,000.00 | 1,000.00 | 884.81 | - | 115.19 | - |
| Director of Housing & Community Reintegration | | | | | | |
| Salaries and Wages | 149,000.00 | 149,000.00 | 148,301.81 | - | 698.19 | - |
| Other Expenses | 500.00 | 500.00 | 69.27 | - | 430.73 | - |
| Division of Community Reintegration | | | | | | |
| Salaries and Wages | 295,000.00 | 295,000.00 | 295,000.00 | - | - | - |
| Other Expenses | 6,000.00 | 6,000.00 | 6,000.00 | - | - | - |
| | 538,600.00 | 538,600.00 | 537,255.89 | - | 1,344.11 | - |

See Accompanying Notes to the Financial Statements.

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

| | Appropriated | | Expended | | | Unexpended |
|---|------------------|------------------|------------------|---------------|-----------------|---------------|
| | Adopted | Modified | Paid or | | | Balances |
| | Budget | Budget | Charged | Encumbered | Reserved | Canceled |
| DEPARTMENT OF FAMILY SERVICES AND REINTEGRATION | | | | | | |
| County Welfare Agency | | | | | | |
| Salaries and Wages | \$ 31,679,851.00 | \$ 32,379,851.00 | \$ 30,717,218.64 | \$ - | \$ 1,412,632.36 | \$ 250,000.00 |
| Other Expenses | 28,580,697.00 | 28,580,697.00 | 27,008,645.52 | 1,088,307.79 | 283,743.69 | 200,000.00 |
| Director of Family Services and Reintegration | | | | | | |
| Salaries and Wages | 1,133,494.00 | 933,494.00 | 806,079.79 | - | 127,414.21 | - |
| Other Expenses | 1,205,038.00 | 955,038.00 | 314,289.88 | 352,134.11 | 288,614.01 | - |
| Division of Workforce Development | | | | | | |
| Salaries and Wages | 203,699.00 | 203,699.00 | 134,811.29 | - | 68,887.71 | - |
| Other Expenses | 41,430.00 | 41,430.00 | - | 3,805.66 | 37,624.34 | - |
| County Assistance Programs | 2,703,471.00 | 2,703,471.00 | 2,654,447.00 | - | 49,024.00 | - |
| Division of Community Reintegration | | | | | | |
| Salaries and Wages | 1,940,307.00 | 1,315,307.00 | 1,145,104.91 | - | 170,202.09 | - |
| Other Expenses | 112,680.00 | 112,680.00 | 21,285.45 | 29,944.89 | 61,449.66 | - |
| | 67,600,667.00 | 67,225,667.00 | 62,801,882.48 | 1,474,192.45 | 2,499,592.07 | 450,000.00 |
| DEPARTMENT OF AGING AND VETERANS' AFFAIRS | | | | | | |
| Director of Aging and Veterans' Affairs | | | | | | |
| Salaries and Wages | 511,416.00 | 511,416.00 | 459,723.04 | - | 51,692.96 | - |
| Other Expenses | 233,000.00 | 233,000.00 | 193,151.20 | 16,057.13 | 23,791.67 | - |
| Office of Transportation Services | | | | | | |
| Salaries and Wages | 398,500.00 | 398,500.00 | 295,374.16 | - | 103,125.84 | - |
| Other Expenses | 667,100.00 | 667,100.00 | 283,875.61 | 346,757.97 | 36,466.42 | - |
| Division on Aging | | | | | | |
| Salaries and Wages | 320,029.00 | 320,029.00 | 273,030.00 | - | 46,999.00 | - |
| Other Expenses | 39,450.00 | 39,450.00 | 29,836.28 | 5,163.90 | 4,449.82 | - |
| Office of Veteran's Affairs | | | | | | |
| Salaries and Wages | 23,429.00 | 23,429.00 | 10,106.63 | - | 13,322.37 | - |
| Other Expenses | 48,300.00 | 48,300.00 | 7,897.30 | 7,630.00 | 32,772.70 | - |
| | 2,241,224.00 | 2,241,224.00 | 1,552,994.22 | 375,609.00 | 312,620.78 | - |
| UNCLASSIFIED | | | | | | |
| Administration of Debt Service | 650,000.00 | 750,000.00 | 690,997.50 | 52,500.00 | 6,502.50 | - |
| Ethics Board | | | | | | |
| Salaries and Wages | 8,637.00 | 8,637.00 | 8,442.98 | - | 194.02 | - |
| Other Expenses | 12,000.00 | 12,000.00 | - | 1,200.00 | 10,800.00 | - |
| Volunteer Fire Co. Instruction - N.J.S.A. 40:23-89 | 4,000.00 | 4,000.00 | - | - | 4,000.00 | - |
| Advertisements and Announcements | 400,000.00 | 400,000.00 | 313,943.91 | 40,000.00 | 46,056.09 | - |
| | 1,074,637.00 | 1,174,637.00 | 1,013,384.39 | 93,700.00 | 67,552.61 | - |
| Subtotal Operations | 505,466,215.00 | 505,166,215.00 | 468,474,876.59 | 18,756,557.67 | 17,284,680.74 | 650,100.00 |
| Detail: | | | | | | |
| Salaries and Wages | 243,397,104.00 | 242,312,104.00 | 233,015,457.19 | - | 9,046,646.81 | 250,000.00 |
| Other Expenses | 262,069,111.00 | 262,854,111.00 | 235,459,419.40 | 18,756,557.67 | 8,238,033.93 | 400,100.00 |
| PUBLIC AND PRIVATE PROGRAMS | | | | | | |
| Matching Funds for Grants | 75,000.00 | 75,000.00 | - | - | 75,000.00 | - |
| Federal and State Grants | | | | | | |
| Alliance to Prevent Alcohol and Drug Abuse | - | 270,478.00 | 270,478.00 | - | - | - |
| HC Correction and Rehabilitation | - | 11,000,000.00 | 11,000,000.00 | - | - | - |
| HC Correction and Rehabilitation | - | 3,200,000.00 | 3,200,000.00 | - | - | - |
| County Reentry Coordinators (CRC) | - | 200,000.00 | 200,000.00 | - | - | - |
| Sr Cit. & Disabled Residents Transportation | 1,880,842.00 | 1,880,842.00 | 1,880,842.00 | - | - | - |
| NJ Council on Arts - Block Grant | 335,000.00 | 335,000.00 | 335,000.00 | - | - | - |
| NJ Destination Marketing Organization | - | 252,000.00 | 252,000.00 | - | - | - |
| County History Partnership Program | 95,233.00 | 95,233.00 | 95,233.00 | - | - | - |
| Comprehensive Alcohol Services | 1,565,909.00 | 1,565,909.00 | 1,565,909.00 | - | - | - |
| County Based Innovation Project Opioid | 40,793.00 | 285,549.00 | 285,549.00 | - | - | - |
| Recreational Opportunities For Disabled | - | 35,000.00 | 35,000.00 | - | - | - |
| NJ Historic Trust Preservation Fund | 713,550.00 | 713,550.00 | 713,550.00 | - | - | - |
| LEAP Fellowship Grant | - | 75,000.00 | 75,000.00 | - | - | - |
| Data-Driven Decision Making: Program | | | | | | |
| Organizational EnhancementProgram | - | 75,000.00 | 75,000.00 | - | - | - |
| HC Housing First Grant | - | 500,000.00 | 500,000.00 | - | - | - |
| HC Housing First Re-Entry Pilot Program | - | 7,000,000.00 | 7,000,000.00 | - | - | - |
| Local Recreation Improvement Grant | - | 70,000.00 | 70,000.00 | - | - | - |
| Work First New Jersey | - | 4,025,985.00 | 4,025,985.00 | - | - | - |
| Work First New Jersey - DOL Supplemental | - | 2,195,046.00 | 2,195,046.00 | - | - | - |

See Accompanying Notes to the Financial Statements.

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

| | Appropriated | | | Expended | | Unexpended |
|--|-------------------|--------------------|--------------------|---------------|---------------|----------------------|
| | Adopted Budget | Modified Budget | Paid or Charged | Encumbered | Reserved | Balances Canceled |
| PUBLIC AND PRIVATE PROGRAMS | | | | | | |
| Federal and State Grants | | | | | | |
| Juvenile Justice Commission - Partnership | \$ 1,049,334.00 | \$ 1,049,334.00 | \$ 1,049,334.00 | \$ - | \$ - | \$ - |
| Clients of Family Court | 307,803.00 | 307,803.00 | 307,803.00 | - | - | - |
| Body Armor Replacement Grant | 50,898.83 | 50,898.83 | 50,898.83 | - | - | - |
| Insurance Fraud Reimbursement Program | 300,000.00 | 300,000.00 | 300,000.00 | - | - | - |
| Juvenile Detention Alternatives Initiative | 60,000.00 | 60,000.00 | 60,000.00 | - | - | - |
| Law Enforcement Officers Training/Equip. | 6,323.00 | 17,572.00 | 17,572.00 | - | - | - |
| Clean Communities Grant | - | 24,990.41 | 24,990.41 | - | - | - |
| Youth Incentive Program | 47,669.00 | 47,669.00 | 47,669.00 | - | - | - |
| Human Services Advisory Council | - | 69,419.00 | 69,419.00 | - | - | - |
| Child Advocacy Center - | | | | | | |
| Multidisciplinary Team Fund | 19,460.00 | 77,598.00 | 77,598.00 | - | - | - |
| GUSNIP Produce Prescription Grant | 2,600.00 | 52,600.00 | 52,600.00 | - | - | - |
| COVID ARP - Commodity Supplemental | | | | | | |
| Hudson Food Pantry Program | - | 5,000,000.00 | 5,000,000.00 | - | - | - |
| Hudson County SANE/SART Program | 191,808.00 | 191,808.00 | 191,808.00 | - | - | - |
| Multi-Jurisdictional Gang, Gun, | | | | | | |
| Narcotics Task Force | 108,301.00 | 108,301.00 | 108,301.00 | - | - | - |
| Workforce Investment Act | - | 4,306,996.00 | 4,306,996.00 | - | - | - |
| WIOA Data Reporting/Analysis Allocation | - | 12,971.00 | 12,971.00 | - | - | - |
| Subregional Transportation Planning Grant | - | 156,620.00 | 156,620.00 | - | - | - |
| Hudson County Safe Communities Program | - | 81,040.00 | 81,040.00 | - | - | - |
| Pedestrian Safety, Education & Enforcement | - | 80,000.00 | 80,000.00 | - | - | - |
| Highway Sustained Safety Grant | - | 140,000.00 | 140,000.00 | - | - | - |
| Enhanced Mobility for Seniors and Disabled | - | 150,000.00 | 150,000.00 | - | - | - |
| Environmental Justice Government Program | - | 1,000,000.00 | 1,000,000.00 | - | - | - |
| Tuberculosis Health Services Grant | - | 318,116.00 | 318,116.00 | - | - | - |
| Tuberculosis Health Services Grant | 287,774.00 | 287,774.00 | 287,774.00 | - | - | - |
| Area Plan Grant - Aging | 4,847,788.00 | 8,029,525.00 | 8,029,525.00 | - | - | - |
| State Health Insurance Assistance Program | - | 42,000.00 | 42,000.00 | - | - | - |
| Homeless & Family Shelter Strategy Prog. | 2,752,600.00 | 2,752,600.00 | 2,752,600.00 | - | - | - |
| Ending the HIV Epidemic - | | | | | | |
| Ryan White Parts A and B | 714,800.00 | 3,250,000.00 | 3,250,000.00 | - | - | - |
| Supportive Assistance to | | | | | | |
| Individuals and Families | - | 756,583.00 | 756,583.00 | - | - | - |
| HIV Emergency Relief Formula Grant | 1,263,314.00 | 2,817,638.00 | 2,817,638.00 | - | - | - |
| HIV Emergency Relief Supplemental Grant | - | 1,659,727.00 | 1,659,727.00 | - | - | - |
| Minority Aids Interactive Program | 126,569.00 | 437,934.00 | 437,934.00 | - | - | - |
| State Homeland Security Grant | - | 418,138.25 | 418,138.25 | - | - | - |
| Urban Areas Security Initiative (UASI) | - | 236,000.00 | 236,000.00 | - | - | - |
| Emergency Management Assistance Funding | - | 55,000.00 | 55,000.00 | - | - | - |
| American Rescue Plan (ARP) Coronavirus | | | | | | |
| State and Local Fiscal Recovery Funds | - | 19,914,768.22 | 19,914,768.22 | - | - | - |
| Jersey City Rental Assistance Program | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | - | - | - |
| National Opioid Settlement Fund | - | 987,255.13 | 987,255.13 | - | - | - |
| Grants for Arts Projects Program | - | 50,000.00 | 50,000.00 | - | - | - |
| Total Public and Private Programs | 17,843,368.83 | 90,148,270.84 | 90,073,270.84 | - | 75,000.00 | - |
| Total Operations | 523,309,583.83 | 595,314,485.84 | 558,548,147.43 | 18,756,557.67 | 17,359,680.74 | 650,100.00 |
| Contingent | 30,000.00 | 30,000.00 | - | - | 5,000.00 | 25,000.00 |
| Total Operations Including Contingent | 523,339,583.83 | 595,344,485.84 | 558,548,147.43 | 18,756,557.67 | 17,364,680.74 | 675,100.00 |
| Detail: | | | | | | |
| Salaries and Wages | 243,397,104.00 | 242,312,104.00 | 233,015,457.19 | - | 9,046,646.81 | 250,000.00 |
| Other Expenses | 279,942,479.83 | 353,032,381.84 | 325,532,690.24 | 18,756,557.67 | 8,318,033.93 | 425,100.00 |
| CAPITAL IMPROVEMENTS | | | | | | |
| Capital Improvement Fund | 3,000,000.00 | 3,000,000.00 | 3,000,000.00 | - | - | - |
| Facility Lease Revenue Bonds: | | | | | | |
| Various Projects | 9,657,071.22 | 9,657,071.22 | 9,657,071.22 | - | - | - |
| County Plaza | 3,433,450.00 | 3,433,450.00 | 3,433,450.00 | - | - | - |
| County Secured Lease Revenue Bonds - | | | | | | |
| Vocational Tech | 10,485,175.00 | 10,485,175.00 | 10,485,175.00 | - | - | - |
| Casino in the Park | 539,068.20 | 539,068.20 | 539,068.20 | - | - | - |
| Courthouse | 20,492,150.00 | 20,492,150.00 | 20,492,150.00 | - | - | - |
| | 47,606,914.42 | 47,606,914.42 | 47,606,914.42 | - | - | - |

See Accompanying Notes to the Financial Statements.

COUNTY OF HUDSON
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT A-3
Sheet 7 of 7

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

| | Appropriated | | Expended | | | Unexpended Balances Canceled |
|---|-------------------|--------------------|--------------------|------------------|------------------|------------------------------------|
| | Adopted Budget | Modified Budget | Paid or Charged | Encumbered | Reserved | |
| COUNTY DEBT SERVICE | | | | | | |
| Payment of Bond Principal | | | | | | |
| (a) County College Bonds | \$ 765,000.00 | \$ 765,000.00 | \$ 765,000.00 | \$ - | \$ - | \$ - |
| (b) State Aid - County College Bonds | 4,803,000.00 | 4,803,000.00 | 4,803,000.00 | - | - | - |
| (c) Vocational School Bonds | 7,435,000.00 | 7,435,000.00 | 7,435,000.00 | - | - | - |
| (d) Other Bonds | 14,945,625.00 | 14,945,625.00 | 14,945,625.00 | - | - | - |
| Interest on Bonds | | | | | | |
| (a) County College Bonds | 334,118.76 | 334,118.76 | 334,118.76 | - | - | - |
| (b) State Aid - County College Bonds | 1,651,567.90 | 1,651,567.90 | 1,651,567.90 | - | - | - |
| (c) Vocational School Bonds | 2,059,937.42 | 2,059,937.42 | 2,059,937.42 | - | - | - |
| (d) Other Bonds | 8,721,158.46 | 8,721,158.46 | 8,721,158.46 | - | - | - |
| Interest on Notes | | | | | | |
| Open Space Bonds | 245,000.00 | 245,000.00 | 245,000.00 | - | - | - |
| Interest on Open Space Bonds | 173,583.76 | 173,583.76 | 173,583.76 | - | - | - |
| Green Trust Loan Program | 298,836.65 | 298,836.65 | 248,836.64 | - | - | 50,000.01 |
| | 41,432,827.95 | 41,432,827.95 | 41,382,827.94 | - | - | 50,000.01 |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES | | | | | | |
| Deferred Charges | | | | | | |
| Deferred Charges to Future Taxation - Unfunded: | | | | | | |
| Roads & Bridges Ord. 300-5-2024 | 500,000.00 | 500,000.00 | 500,000.00 | - | - | - |
| Statutory Expenditures | | | | | | |
| Contribution To: | | | | | | |
| Public Employee Retirement System | 21,235,929.00 | 21,235,929.00 | 21,235,928.45 | - | 0.55 | - |
| Social Security System | 14,550,000.00 | 14,850,000.00 | 14,849,750.25 | - | 249.75 | - |
| Police and Fire Retirement System | 21,566,104.00 | 21,566,104.00 | 21,566,103.84 | - | 0.16 | - |
| County Pension & Retirement Fund | 500,000.00 | 500,000.00 | 500,000.00 | - | - | - |
| Defined Contribution Retirement Plan | 105,000.00 | 105,000.00 | 88,882.51 | - | 16,117.49 | - |
| N.J. State Disability Insurance | 1,000,000.00 | 1,000,000.00 | 875,782.97 | - | 124,217.03 | - |
| Unemployment Compensation Insurance | 300,000.00 | 300,000.00 | - | - | 300,000.00 | - |
| Consolidated Police & Fire Pension | 100.00 | 100.00 | - | - | 100.00 | - |
| Court Attendant Pension Fund | 180,000.00 | 180,000.00 | 117,137.16 | - | 62,862.84 | - |
| Non-Contributory County Pension | 2,100,000.00 | 2,100,000.00 | 1,939,749.05 | - | 160,250.95 | - |
| Veterans Pension Fund | 100.00 | 100.00 | - | - | 100.00 | - |
| | 62,037,233.00 | 62,337,233.00 | 61,673,334.23 | - | 663,898.77 | - |
| JUDGMENTS | 100.00 | 100.00 | - | - | - | 100.00 |
| TOTAL GENERAL APPROPRIATIONS | \$ 674,416,659.20 | \$ 746,721,561.21 | \$ 709,211,224.02 | \$ 18,756,557.67 | \$ 18,028,579.51 | \$ 725,200.01 |
| Budget as Adopted | | \$ 674,416,659.20 | | | | |
| Added by N.J.S.A. 40A:4-87 | | 72,304,902.01 | | | | |
| | | 746,721,561.21 | | | | |
| Appropriations Canceled | | 725,200.01 | | | | |
| | | \$ 745,996,361.20 | | | | |
| Capital Improvement Fund | | | \$ 3,000,000.00 | | | |
| Deferred Charges | | | 500,000.00 | | | |
| Self Insurance Trust Fund Expenditures | | | 9,800,000.00 | | | |
| Federal and State Grant Appropriations | | | 90,073,270.84 | | | |
| Interfund Subtotal | | | 103,373,270.84 | | | |
| Other Commitments | | | 23,705.83 | | | |
| Cash Disbursed | | | 605,814,247.35 | | | |
| | | | \$ 709,211,224.02 | | | |

See Accompanying Notes to the Financial Statements.

**COUNTY OF HUDSON
TRUST FUND
AS OF DECEMBER 31, 2024 AND 2023**

Exhibit B

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

| | 2024 | 2023 |
|---|--------------------------|-------------------------|
| <u>Assets</u> | | |
| Cash and Cash Equivalents | | |
| Community Development | \$ 398,907.32 | \$ 914,992.63 |
| State Unemployment | 5,461,254.92 | 4,751,187.13 |
| Self Insurance | 5,146,364.71 | 9,052,359.96 |
| Other Trust | 61,616,278.88 | 50,598,180.32 |
| | 72,622,805.83 | 65,316,720.04 |
| Community Development Programs Receivable | 27,673,396.86 | 30,756,845.83 |
| Total Assets | <u>\$ 100,296,202.69</u> | <u>\$ 96,073,565.87</u> |
| <u>Liabilities and Reserves</u> | | |
| Reserve for: | | |
| Encumbrances | \$ 27,375,463.47 | \$ 25,764,040.26 |
| Due to Current Fund | 739,533.24 | 1,009,126.73 |
| Community Development Programs | 19,354,766.77 | 21,564,822.52 |
| Self-Insurance Fund | 4,705,119.25 | 9,051,260.96 |
| State Unemployment Insurance Fund | 5,432,406.26 | 4,722,338.47 |
| Reserves and Special Deposits: | | |
| Dedicated Revenues | 19,840,905.88 | 17,521,630.33 |
| Motor Vehicle Fines | 2,701,666.47 | 2,564,528.82 |
| Confiscated Cash Seized on Arrest | 800,526.56 | 800,526.56 |
| Other Cash Reserves | 241,664.04 | 251,694.14 |
| Accumulated Absences | 5,008,322.49 | 2,708,033.78 |
| County Open Space | 13,654,582.80 | 10,115,563.30 |
| Fund Balance | 441,245.46 | - |
| Total Liabilities and Reserves | <u>\$ 100,296,202.69</u> | <u>\$ 96,073,565.87</u> |

See Accompanying Notes to Financial Statements.

**COUNTY OF HUDSON
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2024 AND 2023**

EXHIBIT C

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

| | 2024 | 2023 |
|---|--------------------------|--------------------------|
| <u>Assets</u> | | |
| Cash and Cash Equivalents | \$ 70,656,118.23 | \$ 3,571,375.03 |
| State Road Aid Allotments Receivable | 97,908,296.69 | 88,356,178.45 |
| Grants Receivable - Other | 4,213,550.00 | 3,500,000.00 |
| Due From State - Green Acres Program II | 7,287,440.50 | 3,966,440.50 |
| Deferred Charges to Future Taxation: | | |
| Funded | 385,355,328.01 | 406,458,046.21 |
| Unfunded | 252,548,879.34 | 226,236,957.34 |
| Total Assets | <u>\$ 817,969,612.77</u> | <u>\$ 732,088,997.53</u> |
| <u>Liabilities, Reserves and Fund Balance</u> | | |
| Interfunds Payable | | |
| Due to Current Fund | \$ 113,856.92 | \$ - |
| Due to Federal and State Grants Fund | 953,077.08 | 7,072,006.76 |
| Reserve for Youth Consultation Services | 130,934.65 | 130,934.65 |
| General Serial and Term Bonds Payable | 377,248,000.00 | 397,189,000.00 |
| Bergen Ave Refunding Bonds | 6,886,250.00 | 7,826,875.00 |
| Capital Improvement Fund | 3,525,464.17 | 1,910,632.17 |
| Retained Percentages Due Contractors | 651,397.77 | 923,028.84 |
| Contracts Payable | 77,221,881.84 | 44,639,616.94 |
| Reserve for Payment of Debt | 13,248,129.43 | 18,796,307.74 |
| Reserve for State Road Aid Allotments | 2,142,499.87 | 2,142,499.87 |
| Green Acres Loans Payable | 1,221,078.01 | 1,442,171.21 |
| Bond Anticipation Notes Payable | 140,605,157.00 | - |
| Reserve for Dedicated Reserves | 5,005,349.42 | 3,506,329.42 |
| Reserve for Preliminary Expense | 534,334.25 | 751,140.00 |
| Improvement Authorizations: | | |
| Funded | 81,120,851.12 | 125,896,670.58 |
| Unfunded | 105,622,577.21 | 118,983,010.23 |
| Fund Balance | <u>1,738,774.03</u> | <u>878,774.12</u> |
| Total Liabilities, Reserves, and Fund Balance | <u>\$ 817,969,612.77</u> | <u>\$ 732,088,997.53</u> |
| Bonds and Notes Authorized But Not Issued | <u>\$ 111,943,722.34</u> | <u>\$ 226,236,957.34</u> |

See Accompanying Notes to the Financial Statements.

**COUNTY OF HUDSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT C-1

STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS

| | <u>2024</u> | <u>2023</u> |
|-------------------------------------|-------------------------------|-----------------------------|
| Increased by: | | |
| Legal Settlements | \$ 860,000.00 | \$ - |
| Improvement Authorization Cancelled | <u>0.01</u> | <u>-</u> |
| | <u>860,000.01</u> | <u>-</u> |
| Decreased by: | | |
| Adjustment | <u>0.10</u> | <u>-</u> |
| Net Change in Fund Balance | 859,999.91 | - |
| Balance, Beginning of Year | <u>878,774.12</u> | <u>878,774.12</u> |
| Balance, End of Year | <u><u>\$ 1,738,774.03</u></u> | <u><u>\$ 878,774.12</u></u> |

See Accompanying Notes to the Financial Statements.

COUNTY OF HUDSON
AFFORDABLE HOUSING UTILITY FUND
AS OF DECEMBER 31, 2024 AND 2023

EXHIBIT D

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

| | 2024 | 2023 |
|---|----------------------|----------------------|
| <u>Assets</u> | | |
| Operating Fund: | | |
| Cash and Cash Equivalents | \$ 404,788.19 | \$ 398,315.80 |
| Interfund Receivable | 503.24 | 340.13 |
| | <u>405,291.43</u> | <u>398,655.93</u> |
| Capital Fund: | | |
| Cash and Cash Equivalents: | <u>203,986.08</u> | <u>203,822.97</u> |
| Total Assets | <u>\$ 609,277.51</u> | <u>\$ 602,478.90</u> |
| <u>Liabilities, Reserves and Fund Balance</u> | | |
| Operating Fund: | | |
| Reserve for Receivables | \$ 503.24 | \$ 340.13 |
| Fund Balance | 404,788.19 | 398,315.80 |
| | <u>405,291.43</u> | <u>398,655.93</u> |
| Capital Fund: | | |
| Interfund Payable | 503.24 | 340.13 |
| Improvement Authorizations - Funded | 203,482.84 | 203,482.84 |
| | <u>203,986.08</u> | <u>203,822.97</u> |
| Total Liabilities, Reserves and Fund Balance | <u>\$ 609,277.51</u> | <u>\$ 602,478.90</u> |

See Accompanying Notes to Financial Statements.

**COUNTY OF HUDSON
AFFORDABLE HOUSING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT D-1

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS**

| | <u>2024</u> | <u>2023</u> |
|--|-----------------------------|-----------------------------|
| <u>Revenue and Other Income Realized</u> | | |
| Fund Balance Utilized | \$ 250.00 | \$ 250.00 |
| Other Credits to Income: | | |
| Non-Budget Revenues | 6,635.50 | 6,707.77 |
| Prior Year Interfunds Returned | <u>340.13</u> | <u>177.14</u> |
| | <u>7,225.63</u> | <u>7,134.91</u> |
| <u>Expenditures</u> | | |
| Current Year Interfunds Advanced | <u>503.24</u> | <u>340.13</u> |
| Statutory Excess to Fund Balance | 6,722.39 | 6,794.78 |
| Fund Balance, January 1 | <u>398,315.80</u> | <u>391,771.02</u> |
| | 405,038.19 | 398,565.80 |
| Decreased by: | | |
| Utilized as Anticipated Revenue | <u>250.00</u> | <u>250.00</u> |
| Fund Balance, December 31 | <u><u>\$ 404,788.19</u></u> | <u><u>\$ 398,315.80</u></u> |

See Accompanying Notes to Financial Statements.

**COUNTY OF HUDSON
AFFORDABLE HOUSING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT D-2

STATEMENT OF REVENUES - REGULATORY BASIS

| | Adopted Budget | Realized | Excess (Deficit) |
|-------------------------------|-------------------|--------------------|---------------------|
| Operating Surplus Anticipated | \$ 250.00 | \$ 250.00 | \$ - |
| Budget Totals | 250.00 | 250.00 | - |
| Non-Budget Revenues | | | |
| Interest on Deposits | - | 6,635.50 | 6,635.50 |
| | <u>\$ 250.00</u> | <u>\$ 6,885.50</u> | <u>\$ 6,635.50</u> |
| Capital Interest | | \$ 163.11 | |
| Operating Interest | | 6,472.39 | |
| | | <u>\$ 6,635.50</u> | |

See Accompanying Notes to Financial Statements.

COUNTY OF HUDSON
AFFORDABLE HOUSING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT D-3

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

| | Appropriations | | Expended | | Cancelled |
|-------------------------|------------------|------------------|-----------------|-------------|------------------|
| | Budet | Modified Budget | Paid or Charged | Reserved | |
| Operations: | | | | | |
| Other Expenses | \$ 250.00 | \$ 250.00 | \$ - | \$ - | \$ 250.00 |
| | <u>\$ 250.00</u> | <u>\$ 250.00</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 250.00</u> |
| Budget as Adopted | | \$ 250.00 | | | |
| Appropriations Canceled | | <u>250.00</u> | | | |
| | | <u>\$ -</u> | | | |

COUNTY OF HUDSON
GENERAL FIXED ASSETS
AS OF DECEMBER 31, 2024 AND 2023

EXHIBIT E

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

| | <u>2024</u> | <u>2023</u> |
|------------------------------------|--------------------------|--------------------------|
| <u>Assets</u> | | |
| Land, Easements and Right of Way | \$ 103,390,756.49 | \$ 103,488,764.82 |
| Land Improvements | 4,900,162.39 | 4,880,988.39 |
| Construction / Buildings | 334,779,789.06 | 334,492,474.95 |
| Machinery and Equipment | 128,410,595.64 | 123,023,057.94 |
| Licensed Vehicles | <u>36,836,105.14</u> | <u>31,815,407.30</u> |
| Total Assets | <u>\$ 608,317,408.72</u> | <u>\$ 597,700,693.40</u> |
| <u>Investment in Fixed Assets</u> | | |
| Investment in General Fixed Assets | <u>\$ 608,317,408.72</u> | <u>\$ 597,700,693.40</u> |

See Accompanying Notes to the Financial Statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The County of Hudson, New Jersey (the “County”) functions independently through a county executive plan form of government pursuant to New Jersey Statutes Annotated (N.J.S.A.) Title 40, Chapter 41A. The governing body consists of a county executive, elected to a four-year term, and a board of nine commissioners, who are elected to concurrent three-year terms. The purpose of the County is to provide general county services and conduct general county affairs, as provided for by the County’s various departments, offices, agencies and programs. The County also has certain oversight responsibilities towards local governments that are located within the County’s geographical boundaries, including its twelve municipalities.

The financial statements of the County include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the County, as required by N.J.S.A. 40A:5-5. Governmental Accounting Standards Board (“GASB”) establishes criteria to be used to determine which component units should be included in the financial statements of the primary government (the County). Inasmuch, its administrative operations activity of the Department of Family Services, Division of Welfare is a Department of the County, as well as those of other County Departments, are blended with that of the County. The State of New Jersey, Department of Community Affairs, Division of Local Government Services, (the “Division”) requires the financial statements of the County to be reported separately from its component units. If the provisions of GASB had been complied with, the following component units would have been discretely presented with the financial statements of the County:

| | |
|-------------------------------------|---|
| Hudson County Community College | Hudson County Schools of Technology |
| Hudson County Improvement Authority | Hudson County Workforce Development Board |

Audit reports of the component units are available at the offices of each of the respective component units.

BASIS OF PRESENTATION

GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund categories to be used by general purpose 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 financial statements of the County have been prepared in conformity with accounting principles and practices prescribed by the Division, which differ from GAAP. Such principles and practices prescribed by the Division are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the County accounts for its financial transactions through the following separate funds and account group, which differ from the fund structure required by GAAP.

Current Fund – This is the general fund of the County and is used to record income and expenditures of a general operating nature.

Federal and State Grant Fund – This fund is used to account for activity of the majority of the grants received by the County, including grant receivables and their related receipts and expenditures against related grant reserves. Grants recorded here must also be included in the County operating budget.

Trust Funds – This fund is used to account for receipts, custodianship and disbursement of dedicated revenues in accordance with the purpose for which each reserve was created, subject to available cash in each individual trust fund reserve established pursuant to N.J.S.A. 40A:4-39 and other applicable state statutes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General Capital Fund – This fund is used to account for the receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund or other funds. Also included in this fund are bonds and notes payable offset by deferred charges to future taxation.

Affordable Housing Utility Operating and Capital Fund – This fund is used to account for the operations and acquisition of capital facilities of the County-owned Affordable Housing Utility. The Operating Utility records revenues and expenditures applicable to the general operation of the program to create additional affordable housing in the County. The Capital Utility is used to account for financial resources used to provide loans to create affordable housing within the County.

General Fixed Assets – This is not a separate fund type, but an “account group” used to account for all fixed assets of the County.

The accounts of the County are maintained in accordance with the Division’s principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The Division’s principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The General Fixed Assets account group, on the other hand, is a financial reporting device designed to provide accountability for certain fixed assets and the investment in those fixed assets that are not recorded in the funds because they do not directly affect net expendable available financial resources.

BASIS OF ACCOUNTING

The County prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The current financial resource focus and modified accrual basis of accounting is generally followed with significant exceptions which are explained as follows:

Revenues – Revenues are realized when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal revenue sharing funds and other Federal and State grants are realized as revenue when anticipated in the budget. Receivables for property taxes assessed to the municipalities within the County, as well as any amounts added or omitted and other amounts due to the County, are recorded with offsetting reserves on the balance sheet of the Current Fund. Such amounts are not recorded as revenue until collected. Accordingly, no provision has been made to estimate that portion of receivables that are uncollectible. GAAP requires revenues to be recognized in the accounting period when they become measurable and available and in certain instances reduced by an allowance for doubtful accounts.

Expenditures – Expenditures are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Appropriation reserves covering unexpended appropriation balances are automatically created at the end of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriations for principal and interest payments on general capital and utility indebtedness are provided on the cash basis. GAAP requires expenditures in the current (or general) fund to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt, which should be recognized when due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

Encumbrances – Encumbrances are contractual orders outstanding at year end reported as expenditures through the establishment of an encumbrance payable. Outstanding encumbrances at year end are reported as a cash liability in the financial statements. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves – 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. Transfers are allowed between certain line items during the first three months of the fiscal year. Lapsed appropriation reserves are recorded as other credits to income. Appropriation Reserves do not exist under GAAP.

Interfunds – Advances from the Current Fund are reported as interfunds receivable with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfunds receivable in other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

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

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. Annually, the County raises the debt requirements for that particular year in the Current Fund budget. As the funds are raised by taxation, the deferred charges are reduced. GAAP does not require the establishment of deferred charges to future taxation.

Improvement Authorizations – Improvement Authorizations in the general capital fund represent the unexpended balance of an ordinance appropriation and is similar to the unexpended portion of the budget in the current fund. GAAP does not recognize these amounts as liabilities.

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. GAAP requires that the amount that would normally be liquidated with expendable financial resources to be recorded as an expenditure in the operating funds and the remaining obligations be recorded as long-term obligations.

Long-Term Obligations - General long-term debt is recognized as a liability of the General Capital Fund for the full amount. The County's utility long-term debt is recognized as a liability of the Affordable Housing Utility Capital Fund for the full amount.

Net Pension and Net OPEB Liabilities - Had generally accepted accounting principles been followed, the City's share of its actuarially determined net pension liabilities for the Public Employees Retirement System ("PERS"), Police and Fire Retirement System ("PFRS") and other post-employment benefit plans would be required to be accrued on the City's balance sheet. Accounting practices prescribed by the Division of Local Government Services only require note disclosure of these liabilities and related actuarial information. The City appropriates annually the amounts required to be paid in any fiscal year in that year's budget its share of PERS and PFRS obligations.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases - Under GASB Statement No. 87, lease commitments, including those with bargain purchase options, are required to be recorded as lease liabilities at the present value of future lease payments, offset with a tangible asset or right-of-use asset as applicable. Commitments for the purchase and ownership of capital assets are recorded as financed purchases reflected in the amount of the liability and corresponding asset. In accordance with accounting practices prescribed by the Division, leases for operating expenditures are not shown as liabilities and accordingly no corresponding asset is recorded. Leases for non-operating expenditures for the acquisition of assets with useful lives exceeding five years may be recorded at historical cost as capital leases or installment purchase agreements payable with offsetting deferred charges if there is either a transfer of ownership of property or an option for ownership.

General Fixed Assets - Accounting for Governmental Fixed Assets as promulgated by the Division differs in certain respects from GAAP, and requires the inclusion of a statement of general fixed assets as part of the County's basic financial statements. Fixed assets used in governmental operations (general fixed assets) are accounted for in an account group identified as "General Fixed Assets" and are not included within the records of any fund types. Purchases from these funds for fixed assets are recorded as expenditures within the fund. With minor exception, public domain ("infrastructure") general fixed assets consisting of certain improvements other than improvements to buildings, such as improvements to roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. All fixed assets, except land, are valued at historical cost or estimated historical cost if actual historical cost is not available. Expenditures for construction in progress are recorded in the Capital Fund against authorizations under which the project was approved until such time as the construction is completed and put into operations.

The County is required to maintain a subsidiary ledger of detailed records of fixed assets and to provide property management standards to control fixed assets. The Division sets a maximum policy for defining general fixed assets as non-expendable personal property having a physical existence, a useful life of more than five years and an acquisition cost of \$5,000 or more per unit.

No depreciation has been provided for in the financial statements. Fixed assets acquired through federal grants in aid or contributed capital have been accounted for separately.

Accounting for utility fund property and equipment purchased by the Affordable Housing Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The utility does not record depreciation on fixed assets.

GAAP requires the recording of infrastructure assets and requires capital assets be depreciated over their estimated useful life unless they are either inexhaustible or are infrastructure assets reported using the modified approach.

Use of Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect: the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and Investments - New Jersey governmental units are required to deposit public funds in a public depository. Public depositories are defined by statutes as any State or federally chartered bank, savings bank or an association located in New Jersey or a state or federally chartered bank, savings bank or an association located in another state with a branch office in New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation (FDIC) and which receives or holds public funds on deposit. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The County is also required to annually adopt a cash management plan and to deposit or invest its funds pursuant to the cash management plan. The cash management plan adopted by the County requires it to deposit funds as permitted in N.J.S.A 40:5-15.1, so long as the funds are deposited in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey and requires all public depositories pledge collateral, having a market value of 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 in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

In 2009, legislation revised GUDPA to provide higher levels of security and oversight. Among the increased protections and oversight, the revised GUDPA ensures a common level of deposit risk by each bank choosing to accept local government deposits, requires banks to fully collateralize deposits over \$200 million, implements enforcement protocol which allows the Department of Banking and Insurance to institute risk-based collateral requirements promptly when a bank shows signs of stress, provides enhanced oversight by the Department of banking and insurance and permits GUDPA certificates to be provided through an online system.

Cash Equivalents include certificate of deposits with a maturity date of less than three (3) months.

Also see Note 2 - Cash and Cash Equivalents.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the County and approved by the Division in accordance with the Local Budget Law. Budgets are adopted on the same basis of accounting utilized for the preparation of the County's financial statements. The budgetary requirements herein outlined are applicable to only the Current and Affordable Housing Utility Operating Funds, and not the Trust, Capital Fund, Affordable Housing Utility Capital Fund or the General Fixed Assets account group. However, statutes require the County to adopt annually a six-year capital plan. This plan allows the governing body to expend or incur obligations for capital purposes only. Such projects under the plan must be adopted through capital ordinance.

The County must adhere to procedures for adoption of its annual budget as established by the Division. These procedures include statutory deadlines of: January 26 for introduction and approval and February 28 for adoption. These dates are subject to extension by the Division by approval of the Local Finance Board. Appropriations within the adopted budget cannot be modified until the final two months of the year at which time transfers between certain line items are allowed. Under certain circumstances emergency authorizations and insertions of items of revenue and appropriation are allowed by authorization of the governing body, subject to approval of the Division.

The County must prepare its budgets in compliance with applicable laws capping the amounts by which the County may increase its appropriations or its tax levy to be apportioned among its constituent municipalities. A description of both "CAPS" follows:

1977 2.5% Appropriation and Levy "CAP": This Cap, calculated using the formulas and provisions primarily of N.J.S.A. 40A:4-45.2 and 45.4, was originally adopted into law in 1976 and was most recently amended in 2003. Under this law, the County is permitted to increase its overall appropriations (with certain exceptions as defined within the law) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the traditional federal government inflation calculation. The County can, when the COLA is less than or equal to 2.5%, increase its County tax levy to one percentage point greater than the COLA, up to a maximum of 3.5%, upon passage of a resolution.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2010 Levy "CAP": The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A 40A:4-45.44 through 45.47. It establishes limits on the increase in the total County amount to be raised by taxation (tax levy). The core of the levy cap formula is a 2% increase to the previous year's amount to be raised by taxation, net of any applicable cap base adjustments and emergency or special emergency appropriations.

Sale of Municipal Assets - The proceeds of the sale of County assets can be held until made available through a future budget appropriation. GAAP requires such proceeds to be recorded as revenue in the year of sale.

Reserves (Other than Reserve for Receivables) - Reserves, other than reserve for receivables are considered as liabilities, and not as a reservation of fund balance.

Reserve for Receivables and Other Assets – Receivables of the County, with the exception of certain intergovernmental receivables, are offset on the balance sheet with a credit that is created to preserve the revenue recognition basis required by the Division's accounting principles. The reserve delays the recognition of these revenues until they are received in cash.

Advertising Costs - Advertising costs are charged against the appropriate budget line as they occur. The County does not engage in direct-response advertising.

Fund Balance - Fund equity represented on the financial statements consists solely of Fund Balance, which is not further categorized with respect to reservations (portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use) or designations (plans for future use of financial resources)

BASIC FINANCIAL STATEMENTS

The GASB Codification also requires the financial statements of a governmental unit presented in the general purpose financial statements to be in accordance with GAAP. The County presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the County's financial position and operations. Comparative data is not presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Reclassifications – Certain reclassifications have been made to the prior year financial statement presentation to correspond to the current year's format. These reclassifications had no effect on fund balance and changes in fund balance.

Reconciliation of Accounting Basis – As described throughout Note 1, substantial differences exist between GAAP and the basis prescribed by the Division. Reconciliation between the two would not be meaningful or informative and therefore is not provided herein.

NOTE 2. CASH AND CASH EQUIVALENTS

DEPOSITS

All cash and cash equivalents on deposit are partially insured by the FDIC up to \$250,000 for each depository. Deposits in excess of FDIC limits, as noted below, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by GUDPA (see Note 1 - Cash and Investments) or are on deposit with the New Jersey Asset and Rebate Management Program (NJARM) and New Jersey Educational Facilities Authority (NJEFA).

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County does not have a deposit policy for custodial credit risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are:

- Uncollateralized.
- Collateralized with securities held by the pledging financial institution.
- Collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

At December 31, 2024 and 2023, the County's deposits are summarized as follows, deposits are allocated among 7 financial institutions:

| | 2024 | 2023 |
|--|--------------------------|--------------------------|
| Insured - FDIC | \$ 1,500,000.00 | \$ 1,500,000.00 |
| Insured - GUDPA | 458,017,929.99 | 304,199,970.99 |
| NJ Asset and Rebate Management Program | 598,666.84 | 568,896.70 |
| | <u>\$ 460,116,596.83</u> | <u>\$ 306,268,867.69</u> |

Under GUDPA, financial institutions are not required to pledge collateral for amounts covered by FDIC insurance.

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect deposits. None of the County's deposits as of December 31, 2024 and 2023 are held in foreign currency.

INVESTMENTS

New Jersey statutes permit the County to purchase the following types of securities when authorized by the cash management plan (described in Note 1):

- 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, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- 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 for investment by local units.
- Local government investment pools.
- Deposits with the State of New Jersey Cash Management Fund.
- Agreements for the repurchase of fully collateralized securities if (a) the underlying securities are permitted investments pursuant to the first and third bullets of this section, (b) the custody of collateral is transferred to a third party, (c) the maturity of the agreement is not more than 30 days, (d) the underlying securities are purchased through a public depository and (e) a master repurchase agreement providing for the custody and security of collateral is executed.

NOTE 2. CASH AND CASH EQUIVALENTS (continued)

Custodial Credit Risk - In the case of investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the County’s name and are held by either the counterparty or its trust department or agent, but not in the County’s name.

Foreign Currency Risk - Investments are also exposed to the same foreign currency risk as deposits. It is the risk that changes in exchange rates will adversely affect investments. The County does not have any investments denominated in foreign currency as of December 31, 2024 and 2023.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a 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 other counterparty to an investment will not fulfill its obligations. The County does not have an investment policy regarding the management of credit risk.

Concentration of Credit Risk - The County places no formal limit on the amount it may invest in any one issuer. New Jersey Statutes limit municipal investments to those specified and summarily identified in the first paragraph of the “Investments” section of this note. Currently, the County’s only investments consist of deposits in the MBIA Government Investment Pool, the NJARM Program and the NJEFA Fund, all of which are classified as Government Investment Pools.

| Investment Type | Fair Value* | Investment Maturities (in Years) | | | |
|----------------------------------|---------------|----------------------------------|-------|--------|------|
| | | < 1 | 1 - 5 | 6 - 10 | > 10 |
| 2024 Government Investment Pools | \$ 598,666.84 | \$ 598,666.84 | \$ - | \$ - | \$ - |
| 2023 Government Investment Pools | \$ 568,896.70 | \$ 568,896.70 | \$ - | \$ - | \$ - |

*Short-term investments are carried at cost, which approximates fair value.

The New Jersey Asset and Rebate Management Program (“NJARM”) – This is a financial organization created exclusively for New Jersey local governments. The Program was designed to help achieve excellence in the governmental unit’s investment program. Created as a joint investment trust under the Interlocal Services Act, NJARM provides participants with investment and arbitrage compliance services for both bond proceeds and general operating funds. As of December 31, 2024 and 2022, the County had balances \$598,666.84 and \$568,896.70, respectively, in the NJARM Program government investment pool.

NOTE 3. PROPERTY TAXES RECEIVABLE AND PROPERTY TAX CALENDAR

Property taxes are collected and remitted quarterly to the County by the County’s twelve municipalities. Each municipality is responsible for enforcing collection from individual taxpayers, and is required to remit to the County the full amount of the County portion of the municipality’s total tax levy. The County portion includes County purpose taxes and County Open space taxes. Property taxes receivable for County purpose taxes are recorded in the Current Fund, while County Open Space Taxes are recorded in the Trust Fund, as each municipality’s semiannual tax levy billing is approved. In addition, the County’s share of taxes for any added and omitted assessments throughout the year for each municipality is recorded by the County as taxes receivable in the Current Fund.

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 3. PROPERTY TAXES RECEIVABLE AND PROPERTY TAX CALENDAR (continued)

Property tax bills are to be mailed by the municipality on or before June 14 and December 1. If the municipality is unable to mail bills by these dates, it has until June 30 and December 31 to mail estimated bills for the respective initial mailing dates. The June 14/30 bill is due from the taxpayer to the municipality in two quarterly installments on August 1 and November 1. The municipality is then required to remit the County taxes to the County on August 15 and November 15. The December 1/31 bill is due from the taxpayer to the municipality in two quarterly installments on February 1 and May 1. The municipality is then required to remit the County taxes to the County on February 15 and May 15. For added/omitted taxes, the municipality is to mail the bill on or before October 25. The due date for the taxpayer to pay the municipality is November 1. The municipality is then required to remit the County taxes on added/omitted assessments by February 15. Taxes were levied for the years ended December 31, 2024 and 2023 as follows:

| Year Ended Dec. 31 | Total | County-Purpose Tax Levy Raised Support of Budget | Added and Omitted Tax Levy | County Open Space Tax Levy |
|-----------------------|-------------------|--|-------------------------------|-------------------------------|
| 2024 | \$ 447,677,031.52 | \$ 429,180,876.11 | \$ 6,271,571.70 | \$ 12,224,583.71 |
| 2023 | \$ 426,390,784.75 | \$ 414,180,876.11 | \$ 3,292,502.80 | \$ 8,917,405.84 |

As of December 31, 2024 and 2023, added and omitted taxes receivable were \$6,074,942.38 and \$3,177,709.61, respectively.

NOTE 4. COUNTY DEBT

SUMMARY OF COUNTY DEBT

The Local Bond Law, N.J.S.A. 40A:2, governs the issuance of bonds to finance general and utility capital expenditures of the County. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the County are backed by the full faith and credit of the County. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years, or be retired by the issuance of bonds.

The County's long-term debt activity for the year ended December 31, 2024, and the amount of principal due by December 31, 2025, is summarized as follows:

| | Balance Dec. 31, 2023 | New Issues | Retirements | Balance Dec. 31, 2024 | Due by Dec. 31, 2025 |
|----------------------|--------------------------|------------------------|-------------------------|--------------------------|-------------------------|
| General Serial Bonds | \$ 397,189,000.00 | \$ 7,312,000.00 | \$ 27,253,000.00 | \$ 377,248,000.00 | \$ 28,222,000.00 |
| Green Acres Loans | 1,442,171.21 | - | 221,093.20 | 1,221,078.01 | 225,537.14 |
| | <u>\$ 398,631,171.21</u> | <u>\$ 7,312,000.00</u> | <u>\$ 27,474,093.20</u> | <u>\$ 378,469,078.01</u> | <u>\$ 28,447,537.14</u> |

The County's long-term debt activity for the year ended December 31, 2023, and the amount of principal due by December 31, 2024, is summarized as follows:

| | Balance Dec. 31, 2022 | New Issues | Retirements | Balance Dec. 31, 2023 | Due by Dec. 31, 2024 |
|----------------------|--------------------------|------------------------|-------------------------|--------------------------|-------------------------|
| General Serial Bonds | \$ 416,510,000.00 | \$ 7,028,000.00 | \$ 26,349,000.00 | \$ 397,189,000.00 | \$ 27,253,000.00 |
| Green Acres Loans | 1,675,448.92 | - | 233,277.71 | 1,442,171.21 | 221,093.20 |
| | <u>\$ 418,185,448.92</u> | <u>\$ 7,028,000.00</u> | <u>\$ 26,582,277.71</u> | <u>\$ 398,631,171.21</u> | <u>\$ 27,474,093.20</u> |

**COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4. COUNTY DEBT (continued)

At December 31, 2024 and 2023, the County's statutory debt as defined by the Local Bond Law is summarized as follows:

| Statutory Debt Pursuant to Local Bond Law | December 31, 2024 | | | Dec. 31, 2023 |
|---|-------------------|------------------------------|-------------------|-------------------|
| | Issued | Authorized But Not Issued | Total | Total |
| General: | | | | |
| General, School and College | | | | |
| Improvement Bonds | \$ 377,248,000.00 | \$ 111,943,722.34 | \$ 489,191,722.34 | \$ 623,425,957.34 |
| Bergen Ave Refunding Bonds | 6,886,250.00 | - | 6,886,250.00 | 7,826,875.00 |
| Green Trust Loans | 1,221,078.01 | - | 1,221,078.01 | 1,442,171.21 |
| Bond Anticipation Notes | 140,605,157.00 | - | 140,605,157.00 | - |
| Total Gross Statutory Debt Issued | 525,960,485.01 | 111,943,722.34 | 637,904,207.35 | 632,695,003.55 |
| County Guaranty | 740,904,941.83 | - | 740,904,941.83 | 748,680,327.30 |
| Gross Statutory Debt | 1,266,865,426.84 | 111,943,722.34 | 1,378,809,149.18 | 1,381,375,330.85 |
| Less Statutory Deductions to Debt Limit: | | | | |
| Debt Guaranteed by County | 740,904,941.83 | - | 740,904,941.83 | 748,680,327.30 |
| Funds in Hand for Payment of Debt | | | | |
| Capital Fund: Reserve for Payment of Bonds | 13,248,129.43 | - | 13,248,129.43 | 18,796,307.74 |
| Trust Fund: Open Space Trust Fund | 3,826,000.00 | - | 3,826,000.00 | 4,071,000.00 |
| NJSA 18A:64A-22.1 to 22.8 - County Colleges | 47,557,000.00 | 1,577,904.00 | 49,134,904.00 | 26,180,331.50 |
| | 805,536,071.26 | 1,577,904.00 | 807,113,975.26 | 797,727,966.54 |
| Net Statutory Debt | \$ 461,329,355.58 | \$ 110,365,818.34 | \$ 571,695,173.92 | \$ 583,647,364.31 |

Debt Refunding

No Bonds or Bond Anticipation Notes were renewed or refunded during the years ended December 31, 2024 and 2023.

School Bond Reserve Act

Certain bonds of the County issued as Vocational School Bonds are additionally secured and are entitled to the benefits of the New Jersey School Bond Reserve Act, chapter 72 of the Laws of New Jersey of 1980. If the County is unable to make payment of principal of or interest on any of its bonds issued for school purposes, the trustees of the Fund for the Support of Free Public School of the State of New Jersey will purchase such bonds at par value and will pay to the bondholders the interest due or to become due within the limits of funds available in the reserve account in accordance with the provisions of the School Bond Reserve Act. Any such payment of interest or purchase price of school bonds paid on behalf of the County pursuant to this Act shall be deducted from the appropriation for apportionment of State Aid. Included in the County's "General Serial and Term Bonds Payable" as of December 31, 2023 and 2022 are Vocational School Bonds additionally secured under the School Bond Reserve Act of \$51,000,000 and \$54,820,000, respectively.

County College Bond Act

The County has issued County Community College Bonds which qualify under the County College Bond Act, chapter 12 of the Laws of New Jersey of 1971, as amended. In accordance with this act, the County has received notification from the State Treasurer that the State will provide support for a proportionate share of the principal and interest when due. Such support will be made to the County, upon the County's certification of amounts due, on or before the dates when such bonds are payable by the County. During the years ended December 31, 2024 and 2023, the County recognized \$2,875,135.97, and \$2,747,346.14, respectively, as 'State Aid – County College Bond' revenues pursuant to this act. Hudson County Community College Bonds issued and authorized but not issued totaled \$86,712,808 and \$88,360,663 as of December 31, 2024 and 2023, respectively. Of these amounts, \$25,356,404 and \$26,180,331.50, respectively as of December 31, 2024 and 2023, are additionally secured pursuant to the County College Bond Act.

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4. COUNTY DEBT (continued)

BONDS PAYABLE

General Serial and Term Bonds Payable

The County has outstanding at December 31, 2024 and 2023 various general serial and term bonds, including General Improvement and Refunding bonds, Vocational School Bonds and Community College Bonds. The following table summarizes the 2024 activity of the County's General, Vocational and Community College Bonds, as well as the short-term principal liability of each.

| Description | Summary of General Serial and Term Bonds Activity | | | Balance Dec. 31, 2024 | Due by Dec. 31, 2025 |
|---|---|----------|-----------------|--------------------------|-------------------------|
| | Balance Dec. 31, 2023 | Increase | Decrease | | |
| Recovery Zone Economic Development Bonds issued December 22, 2010 for \$20,700,000 maturing annually through 2030 bearing interest rates of 1.704% to 6.928% | \$ 9,800,000.00 | \$ - | \$ 1,400,000.00 | \$ 8,400,000.00 | \$ 1,400,000.00 |
| General Improvement Bonds issued June 19, 2012 for \$10,925,000 maturing annually through 2032 bearing interest rates of 2.00% to 3.75% | 5,670,000.00 | - | 630,000.00 | 5,040,000.00 | 630,000.00 |
| General Obligation Bonds, Series 2014 issued Nov. 25, 2014 for \$74,000,000 to Finance Multiple Ordinances maturing Dec. 1 annually from 2015 through 2031 bearing interest rates of 2% to 5% | 38,560,000.00 | - | 4,335,000.00 | 34,225,000.00 | 4,455,000.00 |
| Energy Savings Obligation Refunding Bonds issued December 13, 2018 for \$24,520,000 to Finance Ordinance No. 527-9-2018 maturing annually through 2040 bearing interest rates of 4.0% - 5.0% | 21,810,000.00 | - | 820,000.00 | 20,990,000.00 | 895,000.00 |
| General Improvement Bond, Series 2020 issued Nov. 18, 2020 for \$223,086,000 maturing annually through 2041 bearing an interest rate of 2.0% to 3.0% | 199,450,000.00 | - | 6,820,000.00 | 192,630,000.00 | 8,000,000.00 |
| Open Space Bonds issued July 13, 2011 for \$6,446,000 maturing annually through 2036 bearing interest rates of 3.00% to 4.625% | 4,071,000.00 | - | 245,000.00 | 3,826,000.00 | 260,000.00 |
| County College Bonds issued June 25, 2013 for \$8,710,000 maturing annually through 2033 bearing interest rates of 3.0% - 4.75% | 5,000,000.00 | - | 500,000.00 | 4,500,000.00 | 500,000.00 |
| General Improvement Bonds issued June 18, 2015 for \$5,700,000 to Finance Ordinance No. 529-09-2014 maturing annually on June 1 through 2035 bearing interest rates of 2.00% to 5% | 3,745,000.00 | - | 265,000.00 | 3,480,000.00 | 270,000.00 |

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4. COUNTY DEBT (continued)

| Summary of General Serial and Term Bonds Activity - continued | | | | | | |
|--|--------------------------|----------|---------------|--------------------------|-------------------------|--|
| Description | Balance Dec. 31, 2023 | Increase | Decrease | Balance Dec. 31, 2024 | Due by Dec. 31, 2025 | |
| County Community College Bonds issued June 19, 2012 for \$8,500,000 maturing annually through 2027 bearing interest rates of 2.00% to 3.50% | \$ 2,790,000.00 | \$ - | \$ 690,000.00 | \$ 2,100,000.00 | \$ 700,000.00 | |
| County College Bonds issued June 25, 2013 for \$1,500,000 maturing annually through 2028 bearing interest rates of 3.0% to 4.5% | 620,000.00 | - | 120,000.00 | 500,000.00 | 120,000.00 | |
| County College Bonds, Series 2014 issued June 11, 2014 for \$4,250,000 to Finance Ordinance No. 374-06-2013 maturing March 15 annually from 2015 through 2029 bearing interest rates of 2% to 3.25% | 2,100,000.00 | - | 340,000.00 | 1,760,000.00 | 340,000.00 | |
| County College Bonds, Series 2015 Bond Act, P.L. 1971 c. 12) issued June 11, 2014 for \$3,200,000 to Finance Ordinance No. 528-09-2014 maturing annually on June 1 through 2030 bearing interest rates of 2% to 5% | 1,625,000.00 | - | 215,000.00 | 1,410,000.00 | 220,000.00 | |
| County College Bonds, Series 2016B (C. 12 Bond issued June 14, 2016 for \$3,000,000 to fund Ord. No. 648-11-2015 maturing July 1 annually from 2017 through 2031 bearing interest rates of 2.0% to 5% | 1,765,000.00 | - | 200,000.00 | 1,565,000.00 | 205,000.00 | |
| County College Bonds, Series 2017B (C.12 Bonds issued June 20, 2017 for \$3,100,000 to fund Ord. No. 489-08-2016 maturing July 1 annually from 2018 through 2032 bearing interest rates of 2.0% to 5.0% | 2,005,000.00 | - | 200,000.00 | 1,805,000.00 | 205,000.00 | |
| County College Refunding Bonds, Series 2017 (C. 12 Bonds) (callable) issued November 30, 2017 for \$17,025,000 to refund bonds dated January 28, 2010 maturing February 15 annually from 2018 through 2030 bearing interest rates of 2.0% to 4.0% | 11,830,000.00 | - | 1,705,000.00 | 10,125,000.00 | 1,700,000.00 | |
| County College Bonds, Series 2018 (County College Bond Act, 1971 N.J. Laws c. 12) issued June 19, 2018 for \$3,400,000 to Finance Ordinance No. 533-8-2017 maturing annually through 2032 bearing interest rates of 3.0% - 5.0% | 2,325,000.00 | - | 235,000.00 | 2,090,000.00 | 240,000.00 | |
| County College Bonds, Series 2019 (County College Bond Act, 1971 N.J. Laws c. 12) issued June 11, 2019 for \$6,700,000 to Finance Ordinance No. 528-9-2018 maturing annually through 2039 bearing interest rates of 3.0% - 5.0% | 5,770,000.00 | - | 270,000.00 | 5,500,000.00 | 285,000.00 | |

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4. COUNTY DEBT (continued)

| Summary of General Serial and Term Bonds Activity - continued | | | | | |
|---|--------------------------|--------------|---------------|--------------------------|-------------------------|
| Description | Balance Dec. 31, 2023 | Increase | Decrease | Balance Dec. 31, 2024 | Due by Dec. 31, 2025 |
| County College Bonds, Series 2021 (County College Bond Act, 1971 N.J. Laws c. 12) issued June 29, 2021 for \$8,840,000 to Finance Ordinance No. 518-8-2019 & 759-12-2020 maturing July 1 annually from 2022 through 2041 bearing interest rates of 2.0% - 4.0% | \$ 8,120,000.00 | \$ - | \$ 370,000.00 | \$ 7,750,000.00 | \$ 380,000.00 |
| County College Bonds, Series 2022 (County College Bond Act, 1971 N.J. Laws c. 12) issued June 30, 2022 for \$5,349,000 to Finance Ordinance No. 217-4-2021 maturing July 1 annually from 2023 through 2037 bearing interest rates of 4.0% - 5.0% | 5,070,000.00 | - | 290,000.00 | 4,780,000.00 | 300,000.00 |
| County College Bonds, Series 2023 (County College Bond Act, 1971 N.J. Laws c. 12) issued July 6, 2023 for \$4,028,000 to Finance Ordinance No. 531-9-2022 maturing July 1 annually from 2024 through 2040 bearing interest rates of 3.125% - 5.0% | 4,028,000.00 | - | 168,000.00 | 3,860,000.00 | 175,000.00 |
| County College Bonds, Series 2024 (County College Bond Act, 1971 N.J. Laws c. 12) issued Julne 27, 2024 for \$4,312,000 to Finance Ordinance No. 590-9-2023 maturing July 1 annually from 2025 through 2041 bearing interest rates of 3.0% - 4.0% | - | 4,312,000.00 | - | 4,312,000.00 | 177,000.00 |
| County Vo-Tech Schools Bonds issued June 25, 2013 for \$8,750,000 maturing annually through 2024 bearing interest rates of 3.0% to 4.0% | 1,000,000.00 | - | 1,000,000.00 | - | - |
| County Vocational-Technical Schools Bonds, Series 2014 issued June 11, 2014 for \$15,650,000 to Finance Ordinance No. 261-05-2013 maturing March 15 annually from 2015 through 2027 bearing interest rates of 2% to 3% | 5,855,000.00 | - | 1,460,000.00 | 4,395,000.00 | 1,460,000.00 |
| County Vocational-Technical Schools Refunding Bonds, Series 2014 issued Nov. 6, 2014 for \$21,225,000 to refund Series 2006 County Vo-Tech Bonds maturing Sept. 1 annually from 2015 through 2028 bearing interest rates of 1.5% to 5% | 10,145,000.00 | - | 1,850,000.00 | 8,295,000.00 | 1,945,000.00 |
| County Vocational-Technical Bonds, Series 2016A issued June 14, 2016 for \$10,100,000 to fund Ord. No. 271-5-2014 maturing July 1 annually from 2017 through 2032 bearing interest rates of 2.0% to 5% | 6,215,000.00 | - | 615,000.00 | 5,600,000.00 | 630,000.00 |
| County Vocational-Technical Bonds, Series 2017A issued June 20, 2017 for \$8,000,000 to fund Ord. No. 490-08-2016 maturing July 1 annually from 2018 through 2030 bearing interest rates of 2.0% to 5.0% | 4,695,000.00 | - | 610,000.00 | 4,085,000.00 | 635,000.00 |

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4. COUNTY DEBT (continued)

| Summary of General Serial and Term Bonds Activity - continued | | | | | | |
|---|--------------------------|------------------------|-------------------------|--------------------------|-------------------------|--|
| Description | Balance Dec. 31, 2023 | Increase | Decrease | Balance Dec. 31, 2024 | Due by Dec. 31, 2025 | |
| County Vocational-Technical Bonds, Series 2018 issued June 19, 2018 for \$8,000,000 to fund Ord. No. 534-08-2017 maturing July 1 annually from 2019 through 2031 bearing interest rates of 3.0% to 5.0% | \$ 5,385,000.00 | \$ - | \$ 590,000.00 | \$ 4,795,000.00 | \$ 610,000.00 | |
| County Vocational-Technical Bonds, Series 2019 issued June 11, 2019 for \$8,000,000 to fund Ord. No. 529-9-2018 maturing July 1 annually from 2020 through 2035 bearing interest rates of 3.0% to 5.0% | 6,410,000.00 | - | 435,000.00 | 5,975,000.00 | 450,000.00 | |
| County Vocational-Technical Bonds, Series 2020 issued July 1, 2019 for \$15,000,000 to fund Ord. No. 268-5-2015 & 356-6-2019 maturing July 1 annually from 2020 through 2040 bearing interest rates of 2.0% to 5.0% | 13,650,000.00 | - | 500,000.00 | 13,150,000.00 | 500,000.00 | |
| Vo-Tech Bonds, Series 2021 (New Jersey School Bond Reseve Act, P.L. 1980 c.72) issued June 29, 2021 for \$2,000,000 to fund Ord. No. 453-7-2020 maturing July 1 annually from 2022 through 2041 bearing interest rates of 2.0% to 4.0% | 1,840,000.00 | - | 85,000.00 | 1,755,000.00 | 85,000.00 | |
| County Vocational-Technical Bonds, Series 2022 issued July 30, 2022 for \$3,000,000 to fund Ord. No. 246-4-2021 maturing July 1 annually from 2023 through 2037 bearing interest rates of 4.0% to 5.0% | 2,840,000.00 | - | 165,000.00 | 2,675,000.00 | 170,000.00 | |
| County Vocational-Technical Bonds, Series 2023 issued July 6, 2023 for \$3,000,000 to fund Ord. No. 530-9-2022 maturing July 1 annually from 2024 through 2040 bearing interest rates of 3.125% to 5.0% | 3,000,000.00 | - | 125,000.00 | 2,875,000.00 | 130,000.00 | |
| County Vocational-Technical Bonds, Series 2024 issued Julne 27, 2024 for \$3,000,000 to fund Ord. No. 401-6-2023 maturing July 1 annually from 2025 through 2039 bearing interest rates of 3.0% to 4.0% | - | 3,000,000.00 | - | 3,000,000.00 | 150,000.00 | |
| | <u>\$ 397,189,000.00</u> | <u>\$ 7,312,000.00</u> | <u>\$ 27,253,000.00</u> | <u>\$ 377,248,000.00</u> | <u>\$ 28,222,000.00</u> | |

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4. COUNTY DEBT (continued)

The following table summarizes the 2023 activity of the County's General, Vocational and Community College Bonds, as well as the short-term principal liability of each.

| Description | Summary of General Serial and Term Bonds Activity | | | Balance Dec. 31, 2023 | Due by Dec. 31, 2024 |
|---|---|----------|-----------------|--------------------------|-------------------------|
| | Balance Dec. 31, 2022 | Increase | Decrease | | |
| Recovery Zone Economic Development Bonds issued December 22, 2010 for \$20,700,000 maturing annually through 2030 bearing interest rates of 1.704% to 6.928% | \$ 11,200,000.00 | \$ - | \$ 1,400,000.00 | \$ 9,800,000.00 | \$ 1,400,000.00 |
| General Improvement Bonds issued June 19, 2012 for \$10,925,000 maturing annually through 2032 bearing interest rates of 2.00% to 3.75% | 6,295,000.00 | - | 625,000.00 | 5,670,000.00 | 630,000.00 |
| General Obligation Bonds, Series 2014 issued Nov. 25, 2014 for \$74,000,000 to Finance Multiple Ordinances maturing Dec. 1 annually from 2015 through 2031 bearing interest rates of 2% to 5% | 42,785,000.00 | - | 4,225,000.00 | 38,560,000.00 | 4,335,000.00 |
| Energy Savings Obligation Refunding Bonds issued December 13, 2018 for \$24,520,000 to Finance Ordinance No. 527-9-2018 maturing annually through 2040 bearing interest rates of 4.0% - 5.0% | 22,605,000.00 | - | 795,000.00 | 21,810,000.00 | 820,000.00 |
| General Improvement Bond, Series 2020 issued Nov. 18, 2020 for \$223,086,000 maturing annually through 2041 bearing an interest rate of 2.0% to 3.0% | 206,270,000.00 | - | 6,820,000.00 | 199,450,000.00 | 6,820,000.00 |
| Open Space Bonds issued July 13, 2011 for \$6,446,000 maturing annually through 2036 bearing interest rates of 3.00% to 4.625% | 4,306,000.00 | - | 235,000.00 | 4,071,000.00 | 245,000.00 |
| County College Bonds issued June 25, 2013 for \$8,710,000 maturing annually through 2033 bearing interest rates of 3.0% - 4.75% | 5,500,000.00 | - | 500,000.00 | 5,000,000.00 | 500,000.00 |
| General Improvement Bonds issued June 18, 2015 for \$5,700,000 to Finance Ordinance No. 529-09-2014 maturing annually on June 1 through 2035 bearing interest rates of 2.00% to 5% | 4,005,000.00 | - | 260,000.00 | 3,745,000.00 | 265,000.00 |
| County Community College Bonds issued June 19, 2012 for \$8,500,000 maturing annually through 2027 bearing interest rates of 2.00% to 3.50% | 3,460,000.00 | - | 670,000.00 | 2,790,000.00 | 690,000.00 |
| County College Bonds issued June 25, 2013 for \$1,500,000 maturing annually through 2028 bearing interest rates of 3.0% to 4.5% | 740,000.00 | - | 120,000.00 | 620,000.00 | 120,000.00 |

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4. COUNTY DEBT (continued)

| Summary of General Serial and Term Bonds Activity - continued | | | | | |
|---|--------------------------|----------|---------------|--------------------------|-------------------------|
| Description | Balance Dec. 31, 2022 | Increase | Decrease | Balance Dec. 31, 2023 | Due by Dec. 31, 2024 |
| County College Bonds, Series 2014 issued June 11, 2014 for \$4,250,000 to Finance Ordinance No. 374-06-2013 maturing March 15 annually from 2015 through 2029 bearing interest rates of 2% to 3.25% | \$ 2,410,000.00 | \$ - | \$ 310,000.00 | \$ 2,100,000.00 | \$ 340,000.00 |
| County College Bonds, Series 2015 Bond Act, P.L. 1971 c. 12) issued June 11, 2014 for \$3,200,000 to Finance Ordinance No. 528-09-2014 maturing annually on June 1 through 2030 bearing interest rates of 2% to 5% | 1,835,000.00 | - | 210,000.00 | 1,625,000.00 | 215,000.00 |
| County College Bonds, Series 2016B (C. 12 Bond issued June 14, 2016 for \$3,000,000 to fund Ord. No. 648-11-2015 maturing July 1 annually from 2017 through 2031 bearing interest rates of 2.0% to 5% | 1,955,000.00 | - | 190,000.00 | 1,765,000.00 | 200,000.00 |
| County College Bonds, Series 2017B (C.12 Bonds issued June 20, 2017 for \$3,100,000 to fund Ord. No. 489-08-2016 maturing July 1 annually from 2018 through 2032 bearing interest rates of 2.0% to 5.0% | 2,200,000.00 | - | 195,000.00 | 2,005,000.00 | 200,000.00 |
| County College Refunding Bonds, Series 2017 (C. 12 Bonds) (callable) issued November 30, 2017 for \$17,025,000 to refund bonds dated January 28, 2010 maturing February 15 annually from 2018 through 2030 bearing interest rates of 2.0% to 4.0% | 13,540,000.00 | - | 1,710,000.00 | 11,830,000.00 | 1,705,000.00 |
| County College Bonds, Series 2018 (County College Bond Act, 1971 N.J. Laws c. 12) issued June 19, 2018 for \$3,400,000 to Finance Ordinance No. 533-8-2017 maturing annually through 2032 bearing interest rates of 3.0% - 5.0% | 2,550,000.00 | - | 225,000.00 | 2,325,000.00 | 235,000.00 |
| County College Bonds, Series 2019 (County College Bond Act, 1971 N.J. Laws c. 12) issued June 11, 2019 for \$6,700,000 to Finance Ordinance No. 528-9-2018 maturing annually through 2039 bearing interest rates of 3.0% - 5.0% | 6,025,000.00 | - | 255,000.00 | 5,770,000.00 | 270,000.00 |
| County College Bonds, Series 2021 (County College Bond Act, 1971 N.J. Laws c. 12) issued June 29, 2021 for \$8,840,000 to Finance Ordinance No. 518-8-2019 & 759-12-2020 maturing July 1 annually from 2022 through 2041 bearing interest rates of 2.0% - 4.0% | 8,485,000.00 | - | 365,000.00 | 8,120,000.00 | 370,000.00 |
| County College Bonds, Series 2022 (County College Bond Act, 1971 N.J. Laws c. 12) issued June 30, 2022 for \$5,349,000 to Finance Ordinance No. 217-4-2021 maturing July 1 annually from 2023 through 2037 bearing interest rates of 4.0% - 5.0% | 5,349,000.00 | - | 279,000.00 | 5,070,000.00 | 290,000.00 |

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4. COUNTY DEBT (continued)

Summary of General Serial and Term Bonds Activity - continued

| Description | Balance Dec. 31, 2022 | Increase | Decrease | Balance Dec. 31, 2023 | Due by Dec. 31, 2024 |
|--|--------------------------|-----------------|--------------|--------------------------|-------------------------|
| County College Bonds, Series 2023 (County College Bond Act, 1971 N.J. Laws c. 12) issued July 6, 2023 for \$4,028,000 to Finance Ordinance No. 531-9-2022 maturing July 1 annually from 2024 through 2040 bearing interest rates of 3.125% - 5.0% | \$ - | \$ 4,028,000.00 | \$ - | \$ 4,028,000.00 | \$ 168,000.00 |
| County Vo-Tech Schools Bonds issued June 25, 2013 for \$8,750,000 maturing annually through 2024 bearing interest rates of 3.0% to 4.0% | 2,000,000.00 | - | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 |
| County Vocational-Technical Schools Bonds, Series 2014 issued June 11, 2014 for \$15,650,000 to Finance Ordinance No. 261-05-2013 maturing March 15 annually from 2015 through 2027 bearing interest rates of 2% to 3% | 7,205,000.00 | - | 1,350,000.00 | 5,855,000.00 | 1,460,000.00 |
| County Vocational-Technical Schools Refunding Bonds, Series 2014 issued Nov. 6, 2014 for \$21,225,000 to refund Series 2006 County Vo-Tech Bonds maturing Sept. 1 annually from 2015 through 2028 bearing interest rates of 1.5% to 5% | 11,905,000.00 | - | 1,760,000.00 | 10,145,000.00 | 1,850,000.00 |
| County Vocational-Technical Bonds, Series 2016 ^A issued June 14, 2016 for \$10,100,000 to fund Ord. No. 271-5-2014 maturing July 1 annually from 2017 through 2032 bearing interest rates of 2.0% to 5% | 6,815,000.00 | - | 600,000.00 | 6,215,000.00 | 615,000.00 |
| County Vocational-Technical Bonds, Series 2017 ^A issued June 20, 2017 for \$8,000,000 to fund Ord. No. 490-08-2016 maturing July 1 annually from 2018 through 2030 bearing interest rates of 2.0% to 5.0% | 5,285,000.00 | - | 590,000.00 | 4,695,000.00 | 610,000.00 |
| County Vocational-Technical Bonds, Series 2018 issued June 19, 2018 for \$8,000,000 to fund Ord. No. 534-08-2017 maturing July 1 annually from 2019 through 2031 bearing interest rates of 3.0% to 5.0% | 5,935,000.00 | - | 550,000.00 | 5,385,000.00 | 590,000.00 |
| County Vocational-Technical Bonds, Series 2019 issued June 11, 2019 for \$8,000,000 to fund Ord. No. 529-9-2018 maturing July 1 annually from 2020 through 2035 bearing interest rates of 3.0% to 5.0% | 6,830,000.00 | - | 420,000.00 | 6,410,000.00 | 435,000.00 |
| County Vocational-Technical Bonds, Series 2020 issued July 1, 2019 for \$15,000,000 to fund Ord. No. 268-5-2015 & 356-6-2019 maturing July 1 annually from 2020 through 2040 bearing interest rates of 2.0% to 5.0% | 14,100,000.00 | - | 450,000.00 | 13,650,000.00 | 500,000.00 |

**COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4. COUNTY DEBT (continued)

| Summary of General Serial and Term Bonds Activity - continued | | | | | |
|---|--------------------------|------------------------|-------------------------|--------------------------|-------------------------|
| Description | Balance Dec. 31, 2022 | Increase | Decrease | Balance Dec. 31, 2023 | Due by Dec. 31, 2024 |
| Vo-Tech Bonds, Series 2021 (New Jersey School Bond Reseve Act, P.L. 1980 c.72) issued June 29, 2021 for \$2,000,000 to fund Ord. No. 453-7-2020 maturing July 1 annually from 2022 through 2041 bearing interest rates of 2.0% to 4.0% | \$ 1,920,000.00 | \$ - | \$ 80,000.00 | \$ 1,840,000.00 | \$ 85,000.00 |
| County Vocational-Technical Bonds, Series 2022 issued July 30, 2022 for \$3,000,000 to fund Ord. No. 246-4-2021 maturing July 1 annually from 2023 through 2037 bearing interest rates of 4.0% to 5.0% | 3,000,000.00 | - | 160,000.00 | 2,840,000.00 | 165,000.00 |
| County Vocational-Technical Bonds, Series 2023 issued July 6, 2023 for \$3,000,000 to fund Ord. No. 530-9-2022 maturing July 1 annually from 2024 through 2040 bearing interest rates of 3.125% to 5.0% | - | 3,000,000.00 | - | 3,000,000.00 | 125,000.00 |
| | <u>\$ 416,510,000.00</u> | <u>\$ 7,028,000.00</u> | <u>\$ 26,349,000.00</u> | <u>\$ 397,189,000.00</u> | <u>\$ 27,253,000.00</u> |

The following paragraphs further describe the bonds included in the summary of general serial and term bond activity.

County General Obligation Recovery Zone Economic Development Bonds (Federally Taxable) – These bonds were issued to provide funds which will be used by the County to finance the renovation of an existing warehouse building located in Kearny for use by the County as storage space and a Command Center for the County’s Office of Emergency Management, storage space and a Command Center for the County Correctional Center and an archive record storage facility for the Hudson County Prosecutor’s Office. Funds are also provided herein to pay costs associated with the bonds and capital improvements aforementioned. The County is required to make debt service payments to the HCIA which shall be sufficient to pay the principal of and interest on the bonds when scheduled.

The Bonds were issued as taxable “Recovery Zone Economic Development Bonds” as authorized by the Recovery Act. By designating the Bonds as “Recovery Zone Economic Development Bonds,” the County, through the HCIA, will receive cash subsidy payments from the United States Treasury equal to 45 percent of the interest payable on the Bonds on each Interest Payment Date.

The subsidies to be received on the bonds are subject to certain ongoing requirements that must be met subsequent to the issuance and delivery of the bonds in order for the HCIA or County to continue to receive the cash subsidy payments, including requirements relating to the use and expenditure of proceeds of the bonds. Noncompliance may cause the HCIA or County to be ineligible to continue to receive the cash subsidy payments. The Authority and County have each covenanted in its Tax and Arbitrage Certificate to comply with certain applicable provisions of the Code relating to actions to be taken by the Authority and County, respectively, in respect of the bonds after the issuance thereof to the extent necessary to effect and maintain the receipt of the cash subsidy payments.

During the years ended December 31, 2024 and 2023, the County received \$162,595.59 and \$341,384.40, respectively, pursuant to the cash subsidy provided by the United States Treasury. Due to the events of sequestration, the aggregate (total Federal) reduction in subsidy payments for these bonds was 8.7% of the Federal amount budgeted for such payments. The likelihood of potential future sequestration action is unclear, however, should it occur, additional reductions in future subsidy payments are possible. Issued in 2010 for an original amount of \$20,700,000, these bonds had outstanding balances at December 31, 2024 and 2023 of \$8,400,000 and \$9,800,000, respectively.

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4. COUNTY DEBT (continued)

The General Obligation Recovery Zone Economic Development Bonds dated December 22, 2010 consist partially of term bonds in addition to serial payments. These term bonds are subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the date fixed for redemption. The following table represents the remaining sinking fund schedule for each of the term bond payments required.

| Schedule of Mandatory Sinking Fund Payments | | |
|--|------------------------|------------------------|
| Recovery Zone Economic Development Bonds Maturing | | |
| | (1) Dec. 1, 2025 | (2) Dec. 1, 2030 |
| 2025 | \$ 1,400,000.00 | \$ - |
| 2026 | - | 1,400,000.00 |
| 2027 | - | 1,400,000.00 |
| 2028 | - | 1,400,000.00 |
| 2029 | - | 1,400,000.00 |
| 2030 | - | 1,400,000.00 |
| Due at Maturity | <u>\$ 1,400,000.00</u> | <u>\$ 7,000,000.00</u> |

Open Space Bonds, Series 2011 – These bonds were issued to provide for the permanent financing of various open space, recreation and historic preservation trust fund capital improvements and the acquisition of real property for the expansion of Berry Lane Park for open space, recreation and historic preservation trust fund capital purposes as authorized by Ordinance No. 534-11-2007 adopted November 20, 2007 (\$5,276,000 issued herein) and Ordinance No. 485-10-2010 (\$1,170,000 issued herein). Issued in 2011 for an original amount of \$6,446,000, these bonds had outstanding balances at December 31, 2024 and 2023 of \$3,826,000 and \$4,071,000, respectively.

General Obligation Bonds, Series 2012 – During the year ended December 31, 2012, the County issued \$19,425,000 of general obligation bonds dated June 19, of which the following bonds remain outstanding:

- ◆ \$10,925,000 General Improvement Bonds, Series 2012, the proceeds of which refund the entire outstanding amount of bond anticipation notes of the County issued August 18, 2011 and maturing August 17, 2012 providing for the acquisition of real property located at 567 Pavonia Avenue, Jersey City and various improvements thereto as authorized by Ordinance No. 331-8-2009 finally adopted August 25, 2009. These bonds had outstanding balances at December 31, 2024 and 2023 of \$5,040,000 and \$5,670,000, respectively.
- ◆ \$8,500,000 County College Bonds, Series 2012, the proceeds of which provide for the permanent financing of capital improvements and acquisition of related capital equipment at and for certain facilities of Hudson County Community College as authorized by Ordinance No. 266-05-2012 finally adopted May 10, 2012. These bonds had outstanding balances at December 31, 2024 and 2023 of \$2,100,000 and \$2,790,000, respectively.
- ◆ Proceeds of both bonds were also used to pay costs of issuance of the bonds.

General Obligation Bonds, Series 2013 – During the year ended December 31, 2013, the County issued \$18,960,000 of general obligation bonds dated June 25, 2013, of which the following bonds remain outstanding:

- ◆ \$8,750,000 County Vocational-Technical Schools Bonds, Series 2013, the proceeds of which are to provide for the permanent financing of capital improvements and the acquisition of related capital equipment for the Hudson County Schools of Technology as authorized by Ordinance No. 406-07-2012 finally adopted July 12, 2012. These bonds had outstanding balances at December 31, 2024 and 2023 of \$-0- and \$1,000,000, respectively.

**COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4. COUNTY DEBT (continued)

- ◆ \$8,710,000 County College Bonds, Series 2013, the proceeds of which provide for the permanent financing of capital improvements and acquisition of related capital equipment at and for certain facilities of Hudson County Community College as authorized by Ordinance No. 407-07-2012 finally adopted July 12, 2012. These bonds had outstanding balances at December 31, 2024 and 2023 of \$4,500,000 and \$5,000,000, respectively.
- ◆ \$1,500,000 of Chapter 12 County College Bonds, Series 2013, the proceeds of which provide for the permanent financing of capital improvements and acquisition of related capital equipment at and for certain facilities of Hudson County Community College as authorized by Ordinance No. 267-05-2012 finally adopted May 10, 2012. These bonds had outstanding balances at December 31, 2024 and 2023 of \$500,000 and \$620,000, respectively.
- ◆ Proceeds of the above bonds were also used to pay costs of issuance of the bonds.

County Vocational-Technical Schools Bonds, Series 2014 – These bonds were issued to provide for the permanent financing of various Hudson County Schools of Technology improvements as authorized by Ordinance No. 261-05-2013 adopted May 7, 2013. Issued in 2014 for an original amount of \$15,650,000, these bonds had outstanding balances at December 31, 2024 and 2023 of \$4,395,000 and \$5,855,000 respectively.

General Obligation Refunding Bonds, Series 2014 – On November 6, 2014 the County issued \$55,645,000 of refunding bonds, of which the following bonds remain outstanding:

- ◆ \$21,225,000 Vocational School Refunding Bonds (NJ School Bond Reserve Act, 1980 NJ Laws C. 72, as amended), Series 2014, the proceeds of which refunded \$21,285,000 of the County Vocational/Technical School Bonds, Series 2006 issued in the original amount of \$27,925,000. These bonds had outstanding balances at December 31, 2024 and 2023 of \$8,295,000 and \$10,145,000, respectively.
- ◆ Proceeds of the above refunding bonds were also used to pay costs of issuance of the bonds.

General Obligation Bonds, Series 2014 – These bonds were issued to provide for the permanent financing of various Hudson County improvements as authorized by the ordinances noted below.

| Ordinance Number | Date of Adoption | Purpose | Bonds Issued |
|------------------|------------------|--|-------------------------|
| 267-06-2006 | June 22, 2006 | Various 2006 Capital Improvements and the Acquisition and Installation of Various Equipment, Furnishings, Vehicles and Other Capital Items | \$ 8,027,000.00 |
| 201-05-2007 | May 10, 2007 | Various 2007 Capital Improvements and the Acquisition and Installation of Various Equipment, Furnishings, Vehicles and Other Capital Items | 19,720,000.00 |
| 100-03-2008 | Mar. 13, 2008 | Hudson County Plaza Building Project | 5,890,000.00 |
| 137-03-2008 | Mar. 27, 2008 | Career Development Center | 6,175,000.00 |
| 389-08-2008 | Sep. 10, 2008 | Various 2008 Capital Improvements by and in the County | 9,723,000.00 |
| 088-02-2010 | Feb. 11, 2010 | Various 2010 Capital Improvements | 10,690,000.00 |
| 457-10-2010 | Oct. 14, 2010 | Various 2010 Capital Improvements and the Acquisition and Installation of Various Equipment, Furnishings, Vehicles and Other Capital Items | 13,775,000.00 |
| | | | <u>\$ 74,000,000.00</u> |

Issued in 2014 for an original amount of \$74,000,000, these bonds had outstanding balances at December 31, 2024 and 2023 of \$34,225,000 and \$38,560,000, respectively.

NOTE 4. COUNTY DEBT (continued)

County College Bonds, Series 2014 – These bonds were issued to provide for the permanent financing of various Hudson County Community College improvements as authorized by Ordinance No. 374-06-2013 adopted June 27, 2013. Issued in 2014 for an original amount of \$4,250,000, these bonds had outstanding balances at December 31, 2024 and 2023 of \$1,760,000 and \$2,100,000, respectively

General Improvement Bonds, Series 2015 – These bonds were issued to provide for the permanent financing of a Science Center Building by and for the Hudson County Community College as authorized by Ordinance No. 529-09-2014 adopted September 11, 2014. Issued in 2015 for an original amount of \$5,700,000, this bond has an outstanding balance at December 31, 2024 and 2023 of \$3,480,000 and \$3,745,000, respectively.

County College Bonds, Series 2015 – These bonds were issued to provide for the permanent financing of various capital projects by and for the Hudson County Community College as authorized by Ordinance No. 528-09-2014 adopted September 11, 2014. Issued in 2015 for an original amount of \$3,200,000, this bond has an outstanding balance at December 31, 2024 and 2023 of \$1,410,000 and \$1,625,000, respectively.

County Vocational-Technical Schools Bonds, Series 2016A – These bonds were issued to provide for the permanent financing of various Hudson County Schools of Technology improvements as authorized by Ordinance No. 271-05-2014 adopted May 22, 2014. Issued in 2016 for an original amount of \$10,100,000, these bonds had outstanding balances at December 31, 2024 and 2023 of \$5,600,000 and \$6,215,000 respectively.

County College Bonds, Series 2016B – These bonds were issued to provide for the permanent financing of various capital projects by and for the Hudson County Community College as authorized by Ordinance No. 648-11-2015 adopted November 24, 2015. Issued in 2016 for an original amount of \$3,000,000, this bond has an outstanding balance at December 31, 2024 and 2023 of \$1,565,000 and \$1,765,000, respectively.

County Vocational-Technical Schools Bonds, Series 2017A – These bonds were issued to provide for the permanent financing of various Hudson County Schools of Technology improvements as authorized by Ordinance No. 490-08-2016 adopted August 5, 2016. Issued in 2017 for an original amount of \$8,000,000, these bonds had outstanding balances at December 31, 2024 and 2023 of \$4,085,000 and \$4,695,000 respectively.

County College Bonds, Series 2017B – These bonds were issued to provide for the permanent financing of various capital projects by and for the Hudson County Community College as authorized by Ordinance No. 489-08-2016 adopted August 5, 2016. Issued in 2017 for an original amount of \$3,100,000, this bond has an outstanding balance at December 31, 2024 and 2023 of \$1,805,000 and \$2,005,000, respectively.

County College Refunding Bonds, Series 2017C – These bonds were issued to refund \$17,978,000 of the County's \$24,428,000 outstanding County College Bonds originally January 28, 2010 for \$32,353,000. Whereas the original 2010 Bonds were scheduled to mature in annual installments through 2030, the 2017C bonds effectively refund all principal payments due from 2021 through 2030. Issued in 2017 for an original amount of \$17,025,000 (\$953,000 of the principal refunded was paid from premiums), these bonds had outstanding balances at December 31, 2024 and 2023 of \$10,125,000 and \$11,830,000, respectively.

County College Bonds, Series 2018 – These bonds were issued to provide for the permanent financing of various capital improvements and acquisition of related capital equipment at and for certain facilities of Hudson County Community College as authorized by Ordinance No. 533-8-2017 adopted August 10, 2017. Issued in 2018 for an original amount of \$3,400,000, this bond had outstanding balances at December 31, 2024 and 2023 of \$2,090,000 and \$2,325,000, respectively.

**COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4. COUNTY DEBT (continued)

County Vocational-Technical Schools Bonds, Series 2018 – These bonds were issued to provide for the permanent financing of various Hudson County Schools of Technology improvements and elated capital equipment acquisitions as authorized by Ordinance No. 534-8-2017 adopted August 10, 2017. Issued in 2018 for an original amount of \$8,000,000, these bonds had outstanding balances at December 31, 2024 and 2023 of \$4,795,000 and \$5,385,000 respectively.

Energy Savings Obligation Refunding Bonds, Series 2018 – These bonds were issued to provide financing of the County’s Energy Savings Improvement Program (ESIP), including individual energy conservation measures in and for the County. The County adopted the ESIP by Resolution July 12, 2018 following approval of the plan by the Board of Public Utilities on June 28, 2018. Adoption of the ESIP was preceded by a series of energy audits and studies verifying the results thereof which were initiated in 2010 through the New Jersey Board of Public Utility’s Local Government Energy Program. Issued in 2018 for an original amount of \$24,520,000, these bonds had outstanding balances at December 31, 2024 and 2023 of \$20,990,000 and \$21,810,000, respectively.

County College Bonds, Series 2019 – These bonds were issued to provide for the permanent financing of various capital improvements and acquisition of related capital equipment at and for certain facilities of Hudson County Community College as authorized by Ordinance No. 528-9-2018 adopted September 13, 2018. Issued in 2019 for an original amount of \$6,700,000, this bond had outstanding balances at December 31, 2024 and 2023 of \$5,500,000 and \$5,770,000, respectively.

County Vocational-Technical Schools Bonds, Series 2019 – These bonds were issued to provide for the permanent financing of various Hudson County Schools of Technology improvements and related capital equipment acquisitions as authorized by Ordinance No. 529-9-2018 adopted September 13, 2018. Issued in 2019 for an original amount of \$8,000,000, these bonds had outstanding balances at December 31, 2024 and 2023 of \$5,975,000 and \$6,410,000 respectively.

General Improvement Bonds, Series 2020 – Issued in 2020 for an original amount of \$223,086,000,000, these bonds had outstanding balances at December 31, 2024 and 2023 of \$192,630,000 and \$199,450,000, respectively. These bonds permanently financed \$182,120,561 in Bond Anticipation Notes in addition to new debt financings of \$55,965,439. These bonds were issued to provide for the permanent financing of various Hudson County improvements as authorized by the ordinances noted below:

| Ordinance Number | Adoption Date | General Purpose and Date of Final Adoption | Bonds Issued |
|-----------------------------------|-------------------------|--|---------------------------------|
| 276-07-2009 | 7/9/2009 | Various capital improvements | \$ 4,819,678.00 |
| 265-05-2012 | 5/16/2012 | Various capital improvements | 26,003,214.00 |
| 719-12-2013 | 12/12/2013 | Various capital improvements and acquisitions | 29,359,628.00 |
| 715-12-2014 | 12/11/2014 | Acquisition of properties for various purposes | 50,507,000.00 |
| 753-12-2015 | 12/23/2015 | Various 2015 capital improvements and equipment acquisitions | 42,746,230.00 |
| 590-9-2017 | 12/14/2017 | Improvements to Meadowview Campus | 17,285,250.00 |
| 591-9-2017 | 12/14/2017 | Various capital acquisitions and improvements | 28,684,811.00 |
| 191-3-2019 | 3/28/2019 | Various 2019 park improvements | 6,714,285.00 |
| 189-3-2020, amended 327-5-2020 | 3/26/2020, 5/27/2020 | Various 2020 park improvements, as amended | 16,965,904.00 |
| | | | <u><u>\$ 223,086,000.00</u></u> |

NOTE 4. COUNTY DEBT (continued)

County Vocational-Technical Schools Bonds, Series 2020 – On June 9, 2020 the County issued \$15,000,000 of County Vocational-Technical Schools Bonds, Series 2020. The bonds mature in annual installments through 2040 at interest rates of 2% to 5% and were issued to fund Ordinance Numbers 268-5-2015 and 356-6-2019 which were adopted to provide for various capital improvements of the Hudson County Schools of Technology. These ordinances were adopted on May 14, 2015 and June 12, 2019, respectively. At December 31, 2024 and 2023 of \$13,150,000 and \$13,650,000, respectively.

County College Bonds, Series 2021 – These bonds were issued to provide for the permanent financing of various capital improvements and acquisition of related capital equipment at and for certain facilities of Hudson County Community College as authorized by Ordinance No. 518-9-2019 adopted August 15, 2019 and Ordinance No. 759-12-2020 adopted December 10, 2020. Issued in 2021 for an original amount of \$8,840,000, this bond had outstanding balances at December 31, 2024 and 2023 of \$7,750,000 and \$8,120,000, respectively.

County Vocational-Technical Schools Bonds, Series 2021 – These bonds were issued to provide for the permanent financing of Hudson County Schools of Technology buses and related capital equipment acquisitions as authorized by Ordinance No. 453-7-2020 adopted July 9, 2020. Issued in 2021 for an original amount of \$2,000,000, these bonds had outstanding balances at December 31, 2024 and 2023 of \$1,755,000 and \$1,840,000 respectively.

County College Bonds, Series 2022 – These bonds were issued to provide for the permanent financing of various capital improvements and acquisition of related capital equipment at and for certain facilities of Hudson County Community College as authorized by Ordinance No. 247-4-2021 adopted April 9, 2021. Issued in 2022 for an original amount of \$5,349,000, this bond had outstanding balances at December 31, 2024 and 2023 of \$4,780,000 and \$5,070,000, respectively.

County Vocational-Technical Schools Bonds, Series 2022 – These bonds were issued to provide for the permanent financing of Hudson County Schools of Technology buses and related capital equipment acquisitions as authorized by Ordinance No. 246-4-2021 adopted April 9, 2021. Issued in 2022 for an original amount of \$3,000,000, these bonds had outstanding balances at December 31, 2024 and 2023 of \$2,675,000 and \$2,840,000 respectively.

County College Bonds, Series 2023 – These bonds were issued to provide for the permanent financing of various capital improvements and acquisition of related capital equipment at and for certain facilities of Hudson County Community College as authorized by Ordinance No. 531-9-2022 adopted September 8, 2022. Issued in 2023 for an original amount of \$4,028,000, this bond had outstanding balances at December 31, 2024 and 2023 of \$3,860,000 and \$4,028,000, respectively.

County Vocational-Technical Schools Bonds, Series 2023 – These bonds were issued to provide for the permanent financing of Hudson County Schools of Technology buses and related capital equipment acquisitions as authorized by Ordinance No. 530-9-2022 adopted September 8, 2022. Issued in 2023 for an original amount of \$3,000,000, these bonds had outstanding balances at December 31, 2024 and 2023 of \$2,875,000 and \$3,000,000 respectively.

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4. COUNTY DEBT (continued)

General Obligation Bonds, Series 2024 – During the year ended December 31, 2024, the County issued \$7,312,000 of general obligation bonds dated June 27, of which the following bonds remain outstanding:

- ◆ \$3,000,000 County Vocational-Technical Schools Bonds, Series 2024, the proceeds of which provide for various capital improvements and the installation and acquisition of equipment and buses for the Hudson County Schools of Technology, as authorized by Ordinance No. 401-6-2023 finally adopted June 22, 2023. These bonds had outstanding balances at December 31, 2024 and 2023 of \$3,000,000 and \$-0-, respectively.
- ◆ \$4,312,000 County College Bonds, Series 2024, the proceeds of which provide for the permanent financing of various capital projects as authorized by Ordinance No. 636-9-2023 finally adopted September 28, 2023, 2012. These bonds had outstanding balances at December 31, 2024 and 2023 of \$4,312,000 and \$-0-, respectively.
- ◆ Proceeds of both bonds were also used to pay costs of issuance of the bonds.

LOANS PAYABLE

Green Trust Loans Payable – Green Trust Loan activity for the year ended December 31, 2024 is as follows:

| | Summary of Green Trust Loans Activity | | | Balance Dec. 31, 2024 | Due by Dec. 31, 2025 |
|---|---------------------------------------|-------------|----------------------|--------------------------|-------------------------|
| | Balance Dec. 31, 2023 | Increase | Decrease | | |
| Bayonne and Waterfront Parks issued December 29, 2005 for \$498,391.00 maturing semi-annually from 2006 through 2025 bearing an interest rate of 2% | \$ 60,463.97 | \$ - | \$ 29,931.18 | \$ 30,532.79 | \$ 30,532.79 |
| Bayonne Gregg Park Development originally issued February 23, 2009 for \$250,000.00 maturing semi-annually from 2009 through 2028 bearing an interest rate of 2% | 73,619.50 | - | 14,143.77 | 59,475.73 | 14,428.06 |
| West Hudson and Lincoln Parks - \$650,259 Environmental Projects - \$194,525 originally issued November 13, 2012 bearing an interest rate of 2% | 207,810.16 | - | 67,896.20 | 139,913.96 | 69,260.91 |
| Laurell Hill Park originally issued December 20, 2012 bearing an interest rate of 2% | 484,355.89 | - | 49,633.85 | 434,722.04 | 50,631.48 |
| Multi-Parks Playground originally issued August 19, 2013 bearing an interest rate of 2% | 615,921.69 | - | 59,488.20 | 556,433.49 | 60,683.90 |
| | <u>\$ 1,442,171.21</u> | <u>\$ -</u> | <u>\$ 221,093.20</u> | <u>\$ 1,221,078.01</u> | <u>\$ 225,537.14</u> |

**COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4. COUNTY DEBT (continued)

Green Trust Loan activity for the year ended December 31, 2023 is as follows:

| Summary of Green Trust Loans Activity | | | | | |
|---|--------------------------|-------------|----------------------|--------------------------|-------------------------|
| | Balance Dec. 31, 2022 | Increase | Decrease | Balance Dec. 31, 2023 | Due by Dec. 31, 2024 |
| Urban Nature Center issued November 3, 2003 for \$270,000.00 maturing semi-annually from 2004 through 2023 bearing an interest rate of 2% | \$ 16,540.93 | \$ - | \$ 16,540.93 | \$ - | \$ - |
| Bayonne and Waterfront Parks issued December 29, 2005 for \$498,391.00 maturing semi-annually from 2006 through 2025 bearing an interest rate of 2% | 89,805.38 | - | 29,341.41 | 60,463.97 | 29,931.18 |
| Bayonne Gregg Park Development originally issued February 23, 2009 for \$250,000.00 maturing semi-annually from 2009 through 2028 bearing an interest rate of 2% | 87,484.58 | - | 13,865.08 | 73,619.50 | 14,143.77 |
| West Hudson and Lincoln Parks - \$650,259 Environmental Projects - \$194,525 originally issued November 13, 2012 bearing an interest rate of 2% | 274,368.53 | - | 66,558.37 | 207,810.16 | 67,896.20 |
| Laurell Hill Park originally issued December 20, 2012 bearing an interest rate of 2% | 533,011.76 | - | 48,655.87 | 484,355.89 | 49,633.85 |
| Multi-Parks Playground originally issued August 19, 2013 bearing an interest rate of 2% | 674,237.73 | - | 58,316.05 | 615,921.68 | 59,488.20 |
| | <u>\$ 1,675,448.91</u> | <u>\$ -</u> | <u>\$ 233,277.71</u> | <u>\$ 1,442,171.20</u> | <u>\$ 221,093.20</u> |

DEBT SERVICE REQUIREMENTS TO MATURITY

The repayment schedule of annual long-term debt service principal and interest for the next five years, and five-year increments there-after, for bonds and loans issued and outstanding is as follows:

| Year | Total | Serial and Term Bonds | | | Green Acres Loans | | |
|-----------|--------------------------|--------------------------|-------------------------|--------------------------|------------------------|---------------------|------------------------|
| | | Principal | Interest | Total | Principal | Interest | Total |
| 2025 | \$ 40,183,573.16 | \$ 28,222,000.00 | \$ 12,001,671.65 | \$ 39,934,736.54 | \$ 225,537.14 | \$ 23,299.48 | \$ 248,836.62 |
| 2026 | 39,637,538.89 | 28,850,000.00 | 10,845,643.79 | 39,419,693.79 | 198,923.95 | 18,921.15 | 217,845.10 |
| 2027 | 39,795,788.54 | 30,125,000.00 | 9,790,258.04 | 39,649,658.04 | 130,849.15 | 15,281.35 | 146,130.50 |
| 2028 | 37,118,077.79 | 28,510,000.00 | 8,713,347.27 | 36,971,947.27 | 133,479.23 | 12,651.29 | 146,130.52 |
| 2029 | 34,321,296.24 | 26,770,000.00 | 7,657,111.54 | 34,190,711.54 | 120,538.62 | 10,046.08 | 130,584.70 |
| 2030-2034 | 133,103,348.42 | 108,375,000.00 | 25,236,638.99 | 132,675,838.99 | 411,749.92 | 15,759.51 | 427,509.43 |
| 2035-2039 | 104,629,392.56 | 93,606,000.00 | 11,485,192.56 | 104,629,392.56 | - | - | - |
| 2040-2041 | 34,054,150.00 | 32,790,000.00 | 1,304,550.00 | 34,054,150.00 | - | - | - |
| Total | <u>\$ 462,843,165.60</u> | <u>\$ 377,248,000.00</u> | <u>\$ 87,034,413.84</u> | <u>\$ 461,526,128.73</u> | <u>\$ 1,221,078.01</u> | <u>\$ 95,958.86</u> | <u>\$ 1,317,036.87</u> |

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4. COUNTY DEBT (continued)

COUNTY-GUARANTEED DEBT

The County has guaranteed the following debt of the Hudson County Improvement Authority (HCIA).

| Original Guaranty | | Description | Guaranteed Debt Outstanding at: | |
|--|-------------------|--|---------------------------------|--------------------------|
| Date | Amount | | Dec. 31, 2024 | Dec. 31, 2023 |
| 04/13/2009 | \$ 300,000,000.00 | Local Unit Loan Program Pooled Note Financing: | | |
| | | Series 2023A / Series 2024A | \$ 36,886,000.00 | \$ 33,752,000.00 |
| | | Series 2023B / Series 2024B | 95,105,000.00 | 102,611,000.00 |
| 09/22/2005 | 40,000,000.00 | Harrison Stadium Project | 12,212,089.45 | 13,473,479.45 |
| | | Weehawken Port Imperial Parking Project | | |
| 06/10/2021 | 11,500,000.00 | Series 2021 Revenue Refunding Bonds | 10,720,000.00 | 10,960,000.00 |
| 04/12/2018 | 25,000,000.00 | Guttenberg General Obligation Bond Project | 15,525,000.00 | 16,130,000.00 |
| 08/25/2009 | 23,000,000.00 | Bayonne Crossing Project | 5,778,102.38 | 6,875,722.85 |
| 11/10/2010 | 95,000,000.00 | Solid Waste System Revenue Refunding Bonds: | | |
| | | Series 2012 | 29,610,000.00 | 32,120,000.00 |
| | | Series 2019 | 26,285,000.00 | 26,285,000.00 |
| 12/11/2014 | 160,000,000.00 | Career Technical High School | 146,535,000.00 | 149,065,000.00 |
| 03/12/2020 | 50,000,000.00 | Koppers Site Spine Road Project | - | - |
| 12/10/2010 | 13,000,000.00 | Lincoln Park Golf Course Project | 10,335,000.00 | 10,785,000.00 |
| 03/03/2012 | 5,465,000.00 | Renewable Energy Program Revenue Bonds | 1,450,000.00 | 1,815,000.00 |
| | | Casino in the Park Project | | |
| 06/27/2019 | 7,500,000.00 | Series 2020 Lease Revenue Bonds | 7,050,000.00 | 7,205,000.00 |
| 11/12/2020 | 2,500,000.00 | Series 2021 Revenue Completion Bonds | 2,390,000.00 | 2,445,000.00 |
| 05/07/2020 | 350,000,000.00 | County Courthouse Project | 326,540,000.00 | 334,040,000.00 |
| 04/22/2011 | 18,000,000.00 | 830 Bergen Ave (Net of County Share) | 983,750.00 | 1,118,125.00 |
| 11/21/2023 | 13,500,000.00 | 115 Christopher Columbus Drive Project Notes | 13,500,000.00 | - |
| Total Guaranty of Outstanding Bonds, Loans and Notes | | | <u>\$ 740,904,941.83</u> | <u>\$ 748,680,327.30</u> |

Descriptions of County guarantees are as follows. Generally, the pursuant bond, note and loan obligations do not constitute obligations against the general credit of the County, except to the extent of the County Guarantee. Neither the debt nor the proceeds therefore are reflected on the accompanying financial statements, unless otherwise noted.

Local Unit Loan Program Pooled Note Financing - On August 13, 2009, the County adopted a Guaranty Ordinance fully, unconditionally and irrevocably securing the payment of principal and interest on certain notes to be issued by the HCIA (Pooled Note Financing) in an aggregate principal amount not exceeding \$300,000,000 for the purpose of providing additional security therefor, consenting to such financing and determining certain other matters in connection therewith.

Pursuant to this guarantee, the HCIA has issued notes annually referred to as “County-Guaranteed Pooled Notes (Local Unit Loan Program)” – (the “program”). Local Units participating in the program are collectively referred to as “borrowers” in the paragraphs that follow. Notes issued under the program constitute direct, special and limited obligations of the HCIA and will be payable from and secured by payments made on general obligations notes purchased from each of the borrowers. The borrower’s notes are direct and general obligations of each of the respective borrowers. The notes are not a debt of the County, except to the extent of the County guarantee.

**COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4. COUNTY DEBT (continued)

Note activity under this Loan Program during the years ended December 31, 2024 and 2023 is summarized as follows:

| | | Issue Date | Interest Rate | Maturity Date | Oustanding at Dec. 31, 2024 | Oustanding at Dec. 31, 2023 |
|----------------|------------|---------------|------------------|------------------|--------------------------------|--------------------------------|
| Series 2024A | Tax-Exempt | 03/26/2024 | 4.250% | 03/25/2025 | \$ 36,886,000.00 | \$ - |
| Series 2023A | Tax-Exempt | 04/06/2023 | 4.250% | 04/05/2024 | - | 33,752,000.00 |
| Series 2024B-1 | Tax-Exempt | 07/12/2024 | 4.500% | 07/11/2025 | 81,795,000.00 | - |
| Series 2024B-2 | Taxable | 07/12/2024 | 6.000% | 07/11/2025 | 13,310,000.00 | - |
| Series 2023B-1 | Tax-Exempt | 07/25/2023 | 5.000% | 07/24/2024 | - | 75,751,000.00 |
| Series 2023B-2 | Taxable | 07/25/2023 | 6.250% | 07/24/2024 | - | 26,860,000.00 |
| | | | | | <u>\$ 131,991,000.00</u> | <u>\$ 136,363,000.00</u> |

Further description of the purposes of these notes is as follows:

- ◆ **Guaranteed Pooled Notes, Series 2024A** - On March 26, 2024, the HCIA issued \$36,886,000 of County Guaranteed Pool Notes Series 2024A, issued at an interest rate of 4.25% and maturing March 25, 2025. These notes were issued to provide funds to make loans to the City of Bayonne, Township of Weehawken and the City of Union City, and related refinancing costs and costs of issuance.
- ◆ **Guaranteed Pooled Notes, Series 2024B** – On July 12, 2024, the HCIA issued \$95,105,000 of County Guaranteed Pooled Notes Series 2024B, consisting of: \$81,795,000 Tax Exempt County-Guaranteed Pooled Notes Series 2024B-1 maturing July 11, 2025 at an interest rate of 4.5%; and \$13,310,000 Federally Taxable County-Guaranteed Pooled Notes Series 2024B-2 maturing July 11, 2025 at an interest rate of 6.0%. These notes were issued to provide funds to make loans to the City of Bayonne, Town of West New York, City of Union City and the Township of Weehawken, as well as related costs of issuance and refinancing costs.
- ◆ **Guaranteed Pooled Notes, Series 2023A** - On April 6, 2023, the HCIA issued \$33,752,000 of County Guaranteed Pool Notes Series 2023A, maturing April 5, 2024 at an interest rate of 4.25%. These notes were issued to provide funds to make loans to the City of Bayonne, Township of Weehawken and the City of Union City, and related refinancing costs and costs of issuance.
- ◆ **Guaranteed Pooled Notes, Series 2023B** – On July 25, 2023, the HCIA issued \$102,611,000 of County Guaranteed Pooled Notes Series 2023B, consisting of: \$75,751,000 Tax Exempt County-Guaranteed Pooled Notes Series 2023B-1 maturing July 24, 2024 at an interest rate of 5.0%; and \$26,860,000 Federally Taxable County-Guaranteed Pooled Notes Series 2023B-2 maturing July 24, 2024 at an interest rate of 6.25%. These notes were issued to provide funds to make loans to the City of Bayonne, Town of West New York, City of Union City, Township of Weehawken and the Parking Authority of the Township of Weehawken, as well as related costs of issuance and refinancing costs.

Harrison Stadium Project - On September 22, 2005, the County guaranteed the payment of principal and interest on \$40,000,000 County Guaranteed Stadium Land Acquisition Bonds (Harrison Stadium Project) issued by the HCIA. The proceeds of these bonds are to be used to purchase land to construct a multipurpose soccer stadium and amphitheater in the Town of Harrison. In 2006 the HCIA issued \$39,400,345 Lease Revenue Bonds Series 2006 consisting of \$30,529,047 Tax-Exempt County-Guaranteed Harrison Stadium Land Acquisition Special Obligation Capital Appreciation Bonds, Series 2006A-1 and \$8,871,298 Federally Taxable County-Guaranteed Harrison Stadium Land Acquisition Special Obligation Capital Appreciation Bonds, Series 2006A-2. The balance outstanding on these bonds at December 31, 2024 and 2023 was \$12,212,089.45 and \$13,473,479.45, respectively.

NOTE 4. COUNTY DEBT (continued)

Weehawken Port Imperial Parking Redevelopment Project - On March 11, 2010, the County adopted Ordinance No. 119-3-2010 authorizing the guaranty of payment of principal and interest on \$12,500,000 County Guaranteed Special Obligation Revenue Bonds issued by the HCIA for the purpose of providing additional security therefor and determining certain other matters in connection therewith. Ordinance No. 340-6-2021 was adopted on June 11, 2021 for the purpose of amending Ordinance No. 119-3-2010 to reflect the HCIA's refunding of the original bonds. This amending ordinance reduces the amount of the guaranty to \$11,500,000. The balance of the refunding bonds at December 31, 2024 and 2023 was \$10,720,000 and \$10,960,000, respectively.

Guttenberg Government Loan Revenue Bonds - On April 12, 2018, the County adopted Ordinance No. 216-4-2018 authorizing the guaranty of payment of principal and interest of Governmental Loan Revenue Bonds, Series 2018 in an amount not to exceed \$25,000,000 providing for the construction of a building and improvements to the Anna L. Klein School located in the Town of Guttenberg for community, recreational and education services, including site improvements, construction of a rooftop park, other park improvements and the acquisition of land. The HCIA issued these bonds in 2018 in the amount of \$19,150,000. The balance outstanding on these bonds at December 31, 2024 and 2023 was \$15,525,000 and \$16,130,000, respectively.

Bayonne Crossing Project - On August 25, 2009, the County adopted an ordinance authorizing the guaranty of payment of the payment of principal and interest on \$23,000,000 County Guaranteed Pilot Revenue Bonds (Bayonne Crossing Project) issued by the HCIA for the purpose of providing additional security therefor and determining certain other matters in connection therewith. Pursuant to this guarantee, on September 15, 2009, the HCIA adopted a resolution authorizing it to act as an applicant for a loan application with the New Jersey Environmental Infrastructure Trust Fund on the behalf of the Bayonne Local Redevelopment Agency for the acquisition of land and/or various infrastructure improvements associated with the Bayonne Shopping Center Project. The Bayonne Local Redevelopment Agency is responsible for the repayment of the loan by certain payments-in-lieu-of taxes (Annual Service Charges) made by Cameron Bayonne Urban Renewal, LLC (the redeveloper). The loan obligations do not constitute obligations against the general credit of the County, except to the extent of the County Guarantee. The balance outstanding on these loans at December 31, 2024 and 2023 was \$5,778,102.38 and \$6,875,722.85, respectively.

Solid Waste System Revenue Refunding Bonds - On November 10, 2010, the County adopted an Ordinance authorizing the guaranty of payment of principal and interest on \$95,000,000 County Guaranteed Solid Waste System Revenue Refunding Bonds issued by the HCIA for the purpose of providing additional security therefor and determining certain other matters in connection therewith. Pursuant to this guarantee, the HCIA issued \$84,945,000 of County-Guaranteed Solid Waste System Revenue Refunding Bonds, Series 2010, consisting of:

- ◆ \$31,815,000, Series 2010A Tax-Exempt Serial Bonds maturing in 2040 with interest rates ranging from 5.25% to 6%.
- ◆ \$43,655,000, Series 2010B Tax-Exempt Serial and Term Bonds maturing in 2013 with interest rates ranging from 2% to 5%.
- ◆ \$9,475,000, Series 2010C Federally Taxable Serial Bonds maturing in 2017 with interest rates ranging from 3%-5%.

The HCIA subsequently refunded these bonds as follows:

- ◆ On December 25, 2012, the HCIA refunded \$45,055,000 of the Series 2010B bonds by issuing \$45,605,000 Refunding Series 2012 Term Bonds maturing in annual instalments from 2018 through 2029 with interest rates ranging from 2.14% to 4.0%, and a term bond maturing in 2034 at 4.25%. The outstanding balance of these bonds at December 31, 2024 and 2023 was \$29,610,000 and \$32,120,000, respectively.
- ◆ On October 22, 2019, the HCIA refunded the \$31,815,000 Series 2010A bonds by issuing \$26,285,000 Refunding Bonds, Series 2019, maturing in annual installments from 2034 through 2040 at an interest rate of 4%. The outstanding balance of these bonds at December 31, 2024 and 2023 was \$26,285,000, each year.

**COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4. COUNTY DEBT (continued)

Career Technical High School - On December 11, 2014, the County adopted Ordinance No. 713-12-2014 authorizing the guaranty of payment of principal and interest of bonds, notes or other obligations in an amount not to exceed \$160,000,000 providing for a new Career Technical High School to be located in the Town of Secaucus for use by the County and any of its subdivisions, departments, agencies or instrumentalities, including without limitation the Board of School Estimate of the Hudson County Vocational School District. The balance outstanding on these bonds at December 31, 2024 and 2023 was \$146,535,000 and \$149,065,000, respectively.

Koppers Site Spine Road Project - On March 12, 2020, the County adopted an ordinance authorizing the guaranty of the payment of principal and interest on not exceeding \$50,000,000 aggregate principal amount of County Guaranteed Redevelopment Area Bonds, Series 2020 (Koppers Site Spine Road Project) issued by the HCIA. As of December 31, 2024, the HCIA has not yet issued these bonds.

COUNTY-GUARANTEED DEBT WITH RENTAL PAYMENTS

Lincoln Park Golf Course Project - On December 10, 2010, the County adopted an Ordinance authorizing the guaranty of payment of principal and interest on \$13,000,000 County Guaranteed Golf Course Revenue Bonds issued by the HCIA for the purpose of providing additional security therefor and determining certain other matters in connection therewith. Pursuant to this guarantee, the HCIA issued \$12,995,000 of County-Guaranteed Lease Revenue Bonds, Series 2011, consisting of serial and term bonds interest rates of 2% to 4.75% finally maturing in 2041. The proceeds of these bonds are used to finance the cap and closure of a municipal landfill and the construction of a public, nine-hole golf course thereon, together with all materials and work necessary therefor or incidental thereto (the "Project") and pay costs of issuance associated with the Project. These bonds were subsequently financed in 2020 for \$11,790,000 at interest rates of 0.619%-3.09% due annually until 2041.

These bonds are the full faith and credit obligation of the HCIA payable solely out of the revenues or other receipts, funds or moneys of the HCIA. However, the County is obligated to make rental payments to the HCIA in amounts sufficient to pay the debt service on the bonds when due and other expenses of the HCIA and the Trustee. The amount of the County's future minimum payments under the agreement is as follows:

| Lincoln Park Golf Course - Minimum Future Payments | | | |
|--|-------------------------|-------------------------|------------------------|
| Year | Total Lease Payments | Principal | Interest |
| 2025 | \$ 701,332.81 | \$ 455,000.00 | \$ 246,332.81 |
| 2026 | 696,550.76 | 455,000.00 | 241,550.76 |
| 2027 | 700,882.41 | 465,000.00 | 235,882.41 |
| 2028 | 738,810.66 | 510,000.00 | 228,810.66 |
| 2029 | 740,112.96 | 520,000.00 | 220,112.96 |
| 2030-2034 | 3,791,683.22 | 2,860,000.00 | 931,683.22 |
| 2035-2039 | 3,989,055.33 | 3,465,000.00 | 524,055.33 |
| 2040-2041 | 1,654,980.75 | 1,605,000.00 | 49,980.75 |
| | <u>\$ 13,013,408.90</u> | <u>\$ 10,335,000.00</u> | <u>\$ 2,678,408.90</u> |

Renewal Energy Program - On December 8, 2011, the County adopted Ordinance No. 557-12-2011 authorizing the guaranty of payment of principal and interest on \$8,000,000 of County Guaranteed Renewable Energy Program Lease Revenue Bonds issued by the HCIA for the purpose of providing additional security therefor and determining certain other matters in connection therewith. Pursuant to this guarantee, the HCIA issued \$5,465,000 in County – Guaranteed Renewable Energy Lease Revenue Bonds, Series 2012A.

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4. COUNTY DEBT (continued)

These bonds are the full faith and credit obligation of the HCIA payable solely out of the revenues or other receipts, funds or moneys of the HCIA. However, the County is obligated to make rental payments to the HCIA in amounts sufficient to pay the debt service on the bonds when due and other expenses of the HCIA and the Trustee. The amount of the County's future minimum payments under the agreement is as follows:

| Renewable Energy Program - Minimum Future Payments | | | | |
|--|------------------------|------------------------|-----------|-------------------|
| Total Lease | | | | |
| Year | Payments | Principal | Interest | |
| 2025 | \$ 422,935.00 | \$ 365,000.00 | \$ | 57,935.00 |
| 2026 | 406,692.50 | 365,000.00 | | 41,692.50 |
| 2027 | 385,200.00 | 360,000.00 | | 25,200.00 |
| 2028 | 368,460.00 | 360,000.00 | | 8,460.00 |
| | <u>\$ 1,583,287.50</u> | <u>\$ 1,450,000.00</u> | <u>\$</u> | <u>133,287.50</u> |

Casino-in-the-Park Project - On September 13, 2019, the County adopted an ordinance authorizing the guaranty of the payment of principal and interest on not exceeding \$7,500,000 aggregate principal amount of County Guaranteed Lease Revenue Bonds, Series 2019 (Casino in the Park Project) issued by the HCIA. The HCIA issued these bonds on December 17, 2019 in the amount of \$7,500,000, maturing in annual installments from 2022 through 2030 in addition to term bonds of \$2,025,000 due in 2039 at 3.567% interest and \$3,985,000 due in 2051 at 3.717% interest. An additional guarantee for this project of \$2,500,000 was passed on November 12, 2020. The HICA issued these bonds on June 17, 2021 in the amount of \$2,500,000 consisting of four term bond payments due as follows: \$230,000 due in 2026 at 1.47% interest \$315,000 due in 2031 at 2.31% interest, \$775,000 due in 2041 at 3.1% interest and \$1,180,000 due in 2052 at 3.3% interest.

These bonds are the full faith and credit obligation of the HCIA payable solely out of the revenues or other receipts, funds or moneys of the HCIA. However, the County is obligated to make rental payments to the HCIA in amounts sufficient to pay the debt service on the bonds when due and other expenses of the HCIA and the Trustee.

| Year | Total Lease Payment | Series 2021 | | Series 2020 | |
|-----------|-------------------------|------------------------|------------------------|------------------------|------------------------|
| | | Principal | Interest | Principal | Interest |
| 2025 | \$ 541,959.70 | \$ 60,000.00 | \$ 72,005.50 | \$ 160,000.00 | \$ 249,954.20 |
| 2026 | 540,402.70 | 60,000.00 | 71,123.50 | 165,000.00 | 244,279.20 |
| 2027 | 539,495.70 | 60,000.00 | 70,241.50 | 170,000.00 | 239,254.20 |
| 2028 | 537,934.70 | 60,000.00 | 68,855.50 | 175,000.00 | 234,079.20 |
| 2029 | 541,223.70 | 65,000.00 | 67,469.50 | 180,000.00 | 228,754.20 |
| 2030-2034 | 2,705,500.18 | 335,000.00 | 313,129.50 | 1,010,000.00 | 1,047,370.68 |
| 2035-2039 | 2,710,613.79 | 395,000.00 | 259,335.00 | 1,205,000.00 | 851,278.79 |
| 2040-2044 | 2,708,428.05 | 455,000.00 | 193,840.00 | 1,450,000.00 | 609,588.05 |
| 2045-2049 | 2,703,431.52 | 535,000.00 | 114,345.00 | 1,740,000.00 | 314,086.52 |
| 2050-2052 | 1,214,083.94 | 365,000.00 | 24,255.00 | 795,000.00 | 29,828.94 |
| | <u>\$ 14,743,073.98</u> | <u>\$ 2,390,000.00</u> | <u>\$ 1,254,600.00</u> | <u>\$ 7,050,000.00</u> | <u>\$ 4,048,473.98</u> |

County Courthouse Project - On May 7, 2020, the County adopted an ordinance authorizing the guaranty of the payment of principal and interest not exceeding \$350,000,000 aggregate principal amount of County Secured Lease Revenue Bonds, Series 2020 (Hudson County Courthouse Project) issued by the HCIA. The HCIA issued these bonds on October 15, 2020 in the amount of \$342,240,000, maturing in annual installments from 2022 through 2041 in addition to term bonds of \$74,860,000 due in 2046 at 4.0% interest and \$75,000,000 due in 2051 at 4.0% interest.

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4. COUNTY DEBT (continued)

These bonds are the full faith and credit obligation of the HCIA payable solely out of the revenues or other receipts, funds or moneys of the HCIA. However, the County is obligated to make rental payments to the HCIA in amounts sufficient to pay the debt service on the bonds when due and other expenses of the HCIA and the Trustee.

| Year | Total Lease Payment | Series 2020 | |
|-----------|--------------------------|--------------------------|--------------------------|
| | | Principal | Interest |
| 2025 | \$ 20,192,150.00 | \$ 7,500,000.00 | \$ 12,692,150.00 |
| 2026 | 19,892,150.00 | 7,500,000.00 | 12,392,150.00 |
| 2027 | 19,517,150.00 | 7,500,000.00 | 12,017,150.00 |
| 2028 | 19,142,150.00 | 7,500,000.00 | 11,642,150.00 |
| 2029 | 18,767,150.00 | 7,500,000.00 | 11,267,150.00 |
| 2030-2034 | 98,981,950.00 | 48,215,000.00 | 50,766,950.00 |
| 2035-2039 | 104,288,600.00 | 62,935,000.00 | 41,353,600.00 |
| 2040-2044 | 102,766,000.00 | 72,890,000.00 | 29,876,000.00 |
| 2045-2049 | 90,000,000.00 | 75,000,000.00 | 15,000,000.00 |
| 2050-2051 | 31,800,000.00 | 30,000,000.00 | 1,800,000.00 |
| | <u>\$ 525,347,300.00</u> | <u>\$ 326,540,000.00</u> | <u>\$ 198,807,300.00</u> |

115 Christopher Columbus Drive Project - On November 21, 2023, the County adopted an ordinance authorizing the guaranty of the payment of principal and interest not exceeding \$13,500,000 aggregate principal amount of County Guaranteed Revenue Bonds, Series 2023 (115 Christopher Columbus Drive Project) issued by the HCIA. The HCIA issued notes on December 19, 2024 in the amount of \$13,500,000, maturing December 18, 2025 at 4.64% interest. The outstanding balance of these notes at December 31, 2024 was \$13,500,000.

These notes are special, limited obligations of the HCIA, payable solely out of the revenues or other receipts, funds or moneys of the HCIA pledged under the indenture and from any amounts otherwise available under the indenture for the payment of the notes, including the Trust Estate.

BERGEN AVE REFUNDING BONDS AND COUNTY-GUARANTEE OF DEBT

Acquisition of Bergen Avenue Property - On April 22, 2011, the County adopted Ordinance No. 415-9-2011 authorizing the guaranty of payment of principal and interest on \$18,000,000 of County Guaranteed Special Acquisition Bonds issued by the HCIA for the purpose of providing additional security therefor and determining certain other matters in connection therewith. Pursuant to this guarantee, the HCIA issued \$17,835,000 of County-Guaranteed Special Acquisition Bonds, Series 2011, consisting of serial and term bonds with interest rates of 2% to 4.5% finally maturing in 2031. The proceeds of the bonds are being used to finance the acquisition and improvements to 830 Bergen Avenue (the "Property"), fund the debt service reserve fund, fund capitalized interest on the bonds from the date of the bonds through and including November 15, 2012, and pay costs of issuance associated with the Property. These bonds were subsequently refunded in 2020 for \$11,225,000.

On November 30, 2011, the HCIA purchased the Property located at 830 Bergen Avenue in Jersey City, New Jersey containing approximately 110,000 square feet of office space and associated parking for approximately one hundred and fifty cars and converted the Property into two condominiums. The HCIA retained one of the condominiums consisting of one floor of office space and a 12.5% interest in the Property and the second condominium was sold to the County consisting of seven floors of office space and an 87.5% interest in the Property pursuant to an installment purchase agreement. The County has financed the installment purchase agreement through the adoption of Ordinance No. 416-9-2011 on September 22, 2011. The purchase of the property was \$8,175,115. The remaining proceeds of the 2011 bonds are being held by a trustee to pay bills associated with improvements of the property and other associated costs as submitted by the County and HCIA. Should any funds remain, they will be used to pay down the related debt, reducing the liability of the County.

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4. COUNTY DEBT (continued)

Accordingly, a liability has been established on the books of the County for its pro-rata share of the purchase price and subsequent improvements. 87.5% of costs incurred and submitted to the trustee are charged to the improvement authorization, and mortgage payable, established to track the County's share of costs paid by the trustee, is correspondingly increased.

On September 15, 2020, the HCIA issued \$11,225,000 of Federally Taxable County-Guaranteed Special Acquisition Refunding Bonds Series 2020. The County obligation of these bonds, representing its installment purchase or mortgage principal due, was \$9,821,875. The remaining \$1,403,125 is the direct obligation of the HCIA and represents the amount of the County guarantee.

The amortization schedule below details the County's installment purchase, or mortgage payable, due as represented in the General Capital Fund Balance Sheet as "Bergen Ave Refunding Bonds". The amortization schedule also presents the County's guarantee for the HCIA's portion of the Bergen Ave Refunding Bonds above that of the County's liability.

| County Share (of Bergen Ave Refunding Bonds) Bergen Avenue Installment Payment Obligations | | | | County Guarantee of HCIA Share Bergen Avenue Installment Payment Obligations | | | |
|---|------------------------|------------------------|----------------------|---|----------------------|---------------------|--|
| Year | Total | Principal | Interest | Total | Principal | Interest | |
| 2025 | \$ 1,057,187.22 | \$ 949,375.00 | \$ 107,812.22 | \$ 151,026.74 | \$ 135,625.00 | \$ 15,401.74 | |
| 2026 | 1,052,201.38 | 953,750.00 | 98,451.38 | 150,314.48 | 136,250.00 | 14,064.48 | |
| 2027 | 1,054,682.52 | 966,875.00 | 87,807.52 | 150,668.94 | 138,125.00 | 12,543.94 | |
| 2028 | 1,050,418.40 | 975,625.00 | 74,793.40 | 150,059.78 | 139,375.00 | 10,684.78 | |
| 2029 | 1,057,210.22 | 997,500.00 | 59,710.22 | 151,030.04 | 142,500.00 | 8,530.04 | |
| 2030-2031 | 2,106,056.64 | 2,043,125.00 | 62,931.64 | 300,865.22 | 291,875.00 | 8,990.22 | |
| | <u>\$ 7,377,756.38</u> | <u>\$ 6,886,250.00</u> | <u>\$ 491,506.38</u> | <u>\$ 1,053,965.20</u> | <u>\$ 983,750.00</u> | <u>\$ 70,215.20</u> | |

BOND ANTICIPATION NOTES PAYABLE

The County issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year, but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes may be paid no later than the close of the tenth fiscal year next following the date of the original notes. The Division also prescribes that notes cannot be renewed past the third anniversary date of the original note unless an amount equal to at least the first legally required installment is paid prior to each anniversary date.

On February 29, 2024, the County issued \$140,605,157 of Series 2024 Bond Anticipation Notes. These notes bear an interest rate of 4.0% and mature February 28, 2025, and were issued to finance the costs of projects authorized as noted below:

| Ordinance Number | Adoption Date | General Purpose and Date of Final Adoption | Notes Issued |
|---------------------|------------------|--|--------------------------|
| 339-6-2018 | 6/30/2018 | Roads and Property Improvements | \$ 15,438,000.00 |
| 553-9-2019 | 9/12/2019 | Various 2019 Capital Improvements | 28,380,950.00 |
| 245-4-2021 | 4/29/2021 | 2021 Parks Improvements | 15,685,714.00 |
| 305-5-2021 | 5/27/2021 | 2021 Roads and Public Property | 21,392,380.00 |
| 247-4-2022 | 4/28/2022 | 2022 Park Improvements | 17,153,923.00 |
| 145-2-2023 | 2/23/2023 | Various 2023 Capital Improvements | 20,004,857.00 |
| 303-4-2023 | 4/13/2023 | Various 2023 Park Improvements | 22,549,333.00 |
| | | | <u>\$ 140,605,157.00</u> |

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4. COUNTY DEBT (continued)

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

The County has authorized but not issued bonds and notes as noted in the table that follows, in the General Capital Fund, and which includes authorizations for General, Community College and Technical School capital projects. The following activity relates to bonds and notes authorized but not issued that occurred during the years ended December 31, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|------------------------------|--------------------------|--------------------------|
| Beginning Balance | \$ 226,236,957.34 | \$ 149,023,645.00 |
| Add Debt Authorized | <u>34,124,585.00</u> | <u>93,247,480.00</u> |
| | <u>260,361,542.34</u> | <u>242,271,125.00</u> |
| Less: Financed or Funded by: | | |
| Bonds Issued | 7,312,000.00 | 7,028,000.00 |
| Notes Issued | 140,605,157.00 | - |
| Premium | 663.00 | - |
| Grants, Aid and Loans | - | 8,506,167.66 |
| Budget Appropriations | <u>500,000.00</u> | <u>500,000.00</u> |
| | <u>148,417,820.00</u> | <u>16,034,167.66</u> |
| Ending Balance | <u>\$ 111,943,722.34</u> | <u>\$ 226,236,957.34</u> |

SUMMARY OF STATUTORY DEBT CONDITION – ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows for the year ended December 31, 2024 is prepared in accordance with the required method of setting up the Annual Debt Statement.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|--------------|---------------------|-------------------|-------------------|
| General Debt | \$ 1,378,809,149.18 | \$ 807,113,975.26 | \$ 571,695,173.92 |

Net debt, \$571,695,173.92, divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended, \$119,436,889,635 equals 0.479%. Equalized valuation basis is the average of the equalized valuations of real estate, including improvements, and the assessed valuation of class II Railroad Property of the County for the last 3 preceding years.

The summarized statement of debt condition which follows for the year ended December 31, 2023 is prepared in accordance with the required method of setting up the Annual Debt Statement.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|--------------|---------------------|-------------------|-------------------|
| General Debt | \$ 1,381,375,330.85 | \$ 797,727,966.54 | \$ 583,647,364.31 |

Net debt, \$583,647,364.31, divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended, \$112,111,564,358 equals 0.521%. Equalized valuation basis is the average of the equalized valuations of real estate, including improvements, and the assessed valuation of class II Railroad Property of the County for the last 3 preceding years.

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

| | <u>Dec. 31, 2024</u> | <u>Dec. 31, 2023</u> |
|---------------------------------|----------------------------|----------------------------|
| 2% of Equalized Valuation Basis | \$ 2,388,737,792.70 | \$ 2,242,231,287.15 |
| Net Debt | <u>571,695,173.92</u> | <u>583,647,364.31</u> |
| Remaining Borrowing Power | <u>\$ 1,817,042,618.78</u> | <u>\$ 1,658,583,922.84</u> |

**COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 5. FUND BALANCES APPROPRIATED

Fund balance of the County consists of cash surplus and non-cash surplus. The County can anticipate fund balance to support its budget of the succeeding year, however, use of non-cash surplus is subject to the prior written consent of the Director of the Division. Fund balances at December 31, 2024 and 2023 that were appropriated and included as anticipated revenue in the succeeding year were as follows:

| | Fund Balance Dec. 31, 2024 | Utilized in 2025 Budget* | Fund Balance Dec. 31, 2023 | Utilized in 2024 Budget |
|--|-------------------------------|-----------------------------|-------------------------------|----------------------------|
| Current Fund | \$ 59,919,068.48 | \$ 52,000,000.00 | \$ 57,990,709.81 | \$ 42,000,000.00 |
| General Capital Fund | 1,738,774.03 | - | 878,774.12 | - |
| Trust Fund | 441,245.46 | - | | |
| Affordable Housing Utility Operating Fund | 404,788.19 | 250.00 | 398,315.80 | 250.00 |

*Per introduced budget. The amount of surplus anticipated in 2025 is subject to change.

The accounting principles and requirements prescribed by the Division do not provide for reservations or designations of fund balance on the financial statements.

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION

Substantially all County employees participate in the Consolidated Police and Fireman's Pension Fund (CPFPPF), Public Employees Retirement System (PERS), Police and Fireman's Retirement System of New Jersey (PFRS) or the Defined Contribution Retirement Program (DCRP), all of which are multiple employer plans sponsored and administered by the State of New Jersey, with the exception of the CPFPPF, which is a single employer plan. The CPFPPF, PERS and PFRS are cost sharing contributory defined benefit public employee retirement systems. The DCRP is a defined contribution plan.

In addition, certain employees participate in the following plans: Hudson County Employees' Pension Fund, Court Attendant's Pension Fund, Non-Contributory Pension Fund and Veterans' Pension Fund.

STATE-MANAGED PENSION PLANS - CPFPPF

The Consolidated Police and Fireman's Pension Fund (CPFPPF) is a single employer contributory defined benefit plan which was established on January 1, 1952, under the provisions of N.J.S.A. 43:16 to provide retirement, death and disability benefits to county and municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with no active members. The County currently only makes contributions for its retirees who are enrolled in this pension fund. During the years ended December 31, 2023, 2022 and 2021, the County contributed \$17,888.65, \$17,905.31 and \$18,325.72, respectively.

STATE-MANAGED PENSION PLANS – PERS (PROSECUTORS PART)

Chapter 366, P.L. 2001, established a special Prosecutors Part within the Public Employees' Retirement System (PERS), effective January 7, 2002. Chapter 1, P.L. 2010, closed the Prosecutors Part of the PERS to new members as of May 21, 2010. Prosecutors who were enrolled on or before May 21, 2010, remain members of the Prosecutors Part of the PERS, provided that they continue in eligible prosecutor service. Prosecutors taking office after May 21, 2010, will be enrolled as "regular" Tier 4 members of the PERS - except that a County Prosecutor who is appointed by the Governor with the advice and consent of the Senate will be enrolled in the Defined Contributions Retirement Program (DCRP) or regular PERS if a Tier 1 PERS member continuously since July 1, 2007.

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

STATE-MANAGED PENSION PLANS – PERS

Regulatory Basis Disclosure –The New Jersey Division of Local Government Services allows counties to include in their annual audits the most recent available audited GASB 68 financial information published by the New Jersey Division of Pension and Benefits. As of the date of this report information for the period ended June 30, 2024 was not available, therefore the information dated June 30, 2023 is disclosed.

Plan Description and Eligibility - The PERS was established in January, 1955 under provisions of N.J.S.A. 43:15A and provides retirement, death, disability and post-retirement medical benefits to certain qualifying Plan members and beneficiaries. Membership is mandatory to substantially all full time employees and vesting occurs after 8 to 10 years of service for pension benefits. Significant modifications to enrollment, benefits and eligibility for benefits under the plan were made in 2007, 2008, 2010 and 2011. These changes resulted in various “tiers” which distinguish period of eligibility for enrollment. The delineation of these tiers is as follows:

- Tier 1: Employees enrolled before July 1, 2007.
- Tier 2: Employees eligible for enrollment after June 30, 2007 but before November 2, 2008.
- Tier 3: Employees eligible for enrollment after November 1, 2008 but before May 22, 2010.
- Tier 4: Employees eligible for enrollment after May 21, 2010 but before June 28, 2011.
- Tier 5: Employees eligible for enrollment after June 27, 2011.

Tier 1 and 2 employees must earn a base salary of \$1,500 or more to enroll in the plan. Pensionable salaries are limited to the IRS maximum salary compensation limits for Tier 1 employees and social security maximum wage for Tier 2 employees. Tier 2 employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Tier 3 employees must earn a base salary that is annually adjusted.

For the year ended December 31, 2023 and 2022, this base salary amount was \$9,000 and \$8,700, respectively. Employees earning between \$5,000 and the Tier 3 minimum base salary are eligible for participation in DCRP. Pensionable salaries are limited to the social security maximum wage. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Tier 4 and 5 employees do not have a minimum salary requirement to enroll but must work a minimum of 32 hours per week. Employees not meeting the minimum hour requirement but that make over \$5,000 are eligible to enroll in DCRP. Pensionable salaries are limited to the social security maximum wage. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount.

Plan Benefits - Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of 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. Each of the 5 Tiers have eligibility requirements and benefit calculations which vary for deferred retirements, early retirements, veteran retirements, ordinary disability retirements and accidental disability retirements. There is no minimum service requirement to receive these pension benefits. State-paid insurance coverage may be obtained after 25 years of service for employees in Tiers 1 through 4 and 30 years of service for Tier 5 employees.

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Contributions and Liability - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and their employers. Such contributions may be amended by State legislation. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and non-contributory death benefits. The employee contributions include funding for basic retirement allowances and contributory death benefits. Contributions made by the County and its employees for the previous three years are as follows:

| Year Ended Dec. 31, | County Contribution | | Base Wages Subject to Contributions | Employee Contributions | | |
|------------------------|------------------------------|-------------------------------------|---|------------------------|----------------------------------|---------|
| | Amount Paid or Charged | As a Percentage of Base Wages | | Amount Contributed | As a Percentage of Base Wages | |
| | | | | | Prosecutor | Regular |
| 2024 | \$ 21,235,928.45 | 16.0% | \$ 132,625,188.00 | \$ 10,112,802.67 | 10.00% | 7.50% |
| 2023 | \$ 20,284,241.58 | 15.9% | \$ 127,798,240.00 | \$ 9,753,385.39 | 10.00% | 7.50% |
| 2022 | \$ 18,401,796.18 | 15.3% | \$ 120,641,765.00 | \$ 9,163,408.90 | 10.00% | 7.50% |

At June 30, 2023 and 2022, the County's net pension liability for PERS, including the County's proportionate share, was as follows:

| Year Ended June 30, | Proportionate Share | | Net Pension Liability |
|------------------------|---------------------|-----------|--------------------------|
| | Rate | Change | |
| 2023 | 1.58768% | -0.02206% | \$ 229,965,391 |
| 2022 | 1.60973% | 0.04501% | \$ 241,964,470 |

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 as of June 30, 2023 and 2022 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

| At: | 2023 | | 2022 | |
|-----------------------|-------|----------------|-------|----------------|
| | Rate | Amount | Rate | Amount |
| 1% Decrease | 6.00% | \$ 299,366,010 | 6.00% | \$ 310,853,466 |
| Current Discount Rate | 7.00% | 229,965,391 | 7.00% | 241,964,470 |
| 1% Increase | 8.00% | 170,896,289 | 8.00% | 183,337,161 |

Actuarial Assumptions - The total pension liability for the June 30, 2023 and June 30, 2022 measurement dates were determined by actuarial valuations as of July 1, 2022 and 2021, respectively, which were rolled forward to June 30, 2023 and 2022, respectively. These actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

| Measurement Date | Inflation Rate | | Salary Increases Based on Years of Service | Investment Rate of Return |
|---------------------|----------------|-------|---|---------------------------------|
| | Price | Wage | | |
| June 30, 2023 | 2.75% | 3.25% | 2.75-6.55% | 7.00% |
| June 30, 2022 | 2.75% | 3.25% | 2.75-6.55% | 7.00% |

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Mortality – For the June 30, 2022 and 2021 Measurement Dates, preretirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2022 and 2021 valuations were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023 and June 30, 2022) 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 target asset allocations as of June 30, 2023 and 2022 are summarized in the following table:

| Asset Class | June 30, 2023 | | June 30, 2022 | |
|-----------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|
| | Target Allocation | Long-Term Expected Rate of Return | Target Allocation | Long-Term Expected Rate of Return |
| U.S. Equity | 28.00% | 8.98% | 27.00% | 8.12% |
| Non-U.S. Developed Markets Equity | 12.75% | 9.22% | 13.50% | 8.38% |
| Emerging Markets Equity | 5.50% | 11.13% | 5.50% | 10.33% |
| Private Equity | 13.00% | 12.50% | 13.00% | 11.80% |
| Real Estate | 8.00% | 8.58% | 8.00% | 11.19% |
| Real Assets | 3.00% | 8.40% | 3.00% | 7.60% |
| High Yield | 4.50% | 6.97% | 4.00% | 4.95% |
| Private Credit | 8.00% | 9.20% | 8.00% | 8.10% |
| Investment Grade Credit | 7.00% | 5.19% | 7.00% | 3.38% |
| Cash Equivalents | 2.00% | 3.31% | 4.00% | 1.75% |
| U.S. Treasuries | 4.00% | 3.31% | 4.00% | 1.75% |
| Risk Mitigation Strategies | 3.00% | 6.21% | 3.00% | 4.91% |
| International Small Cap Equity | 1.25% | 9.22% | * | * |

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023 and 2022. 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 non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Deferred Outflows and Inflows of Resources - The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources for the years ended June 30, 2023 and 2022:

| | June 30, 2023 | | | June 30, 2022 | | |
|--|--------------------------------------|-------------------------------------|---------------------------------------|--------------------------------------|-------------------------------------|---------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflow / (Inflow) | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflow / (Inflow) |
| Changes of Assumptions | \$ 505,187 | \$ (13,936,888) | \$ (13,431,701) | \$ 749,682 | \$ (36,231,660) | \$ (35,481,978) |
| Difference Between Expected and Actual Experience | 2,198,765 | (940,025) | 1,258,740 | 1,746,388 | (1,540,067) | 206,321 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 1,059,021 | - | 1,059,021 | 10,014,691 | - | 10,014,691 |
| Changes in Proportion | 9,635,473 | (2,094,935) | 7,540,538 | 16,084,212 | - | 16,084,212 |
| | <u>\$ 13,398,446</u> | <u>\$ (16,971,848)</u> | <u>\$ (3,573,402)</u> | <u>\$ 28,594,973</u> | <u>\$ (37,771,727)</u> | <u>\$ (9,176,754)</u> |

The future deferred outflows and deferred inflows of resources to be recognized in future pension expense were determined as of the years ended June 30, 2023 and 2022 to be:

| Year Ended June 30, | | Year Ended June 30, | |
|------------------------|-----------------------|------------------------|-----------------------|
| 2024 | \$ (3,903,727) | 2023 | \$ (7,540,007) |
| 2025 | (2,178,911) | 2024 | (3,841,380) |
| 2026 | 3,044,882 | 2025 | (1,873,366) |
| 2027 | (544,914) | 2026 | 4,086,977 |
| 2028 | 9,268 | 2027 | (8,977) |
| | <u>\$ (3,573,402)</u> | | <u>\$ (9,176,754)</u> |

STATE-MANAGED PENSION PLANS – PFRS

Regulatory Basis Disclosure –The New Jersey Division of Local Government Services allows counties to include in their annual audits the most recent available audited GASB 68 financial information published by the New Jersey Division of Pension and Benefits. As of the date of this report information for the period ended June 30, 2024 was not available, therefore the information dated June 30, 2023 is disclosed.

Plan Description and Eligibility - The PFRS was established in July, 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firefighters and state police appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership. Significant modifications to enrollment, benefits and eligibility for benefits under the plan were made in 2010 and 2011. These changes resulted in various “tiers” which distinguish period of eligibility for enrollment. The delineation of these tiers is noted as follows:

- Tier 1: Employees enrolled before May 22, 2010.
- Tier 2: Employees enrolled after May 21, 2010 but before June 29, 2011.
- Tier 3: Employees enrolled after June 28, 2011.

There is no minimum salary requirement to enroll, regardless of tier. Pensionable salaries are limited to the social security maximum wage for Tier 2 and 3 employees and federal pensionable maximum for Tier 1 employees. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount.

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Plan Benefits - 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 of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions and Liability - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and their employers. Such contributions may be amended by State legislation. Employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and non-contributory death benefits. The employee contributions include funding for basic retirement allowances and contributory death benefits. Contributions made by the County and its employees for the previous three years are as follows:

| Year Ended Dec. 31, | County Contribution | | Base Wages Subject to Contributions | Employee Contributions | |
|------------------------|------------------------------|-------------------------------------|---|------------------------|-------------------------------------|
| | Amount Paid or Charged | As a Percentage of Base Wages | | Amount Contributed | As a Percentage of Base Wages |
| 2024 | \$ 21,566,103.84 | 33.4% | \$ 64,498,569.00 | \$ 6,449,743.30 | 10.00% |
| 2023 | \$ 21,301,118.65 | 36.2% | \$ 58,787,024.00 | \$ 5,879,132.64 | 10.00% |
| 2022 | \$ 17,964,532.21 | 31.6% | \$ 56,911,660.00 | \$ 5,691,166.00 | 10.00% |

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 County under this legislation are considered to be a special funding situation. As such, the State is treated as a non-employer contributing entity. Since the County does not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability to report in the financial statements of the County related to this legislation. However, the notes to the financial statements of the County must disclose the portion of the State's total proportionate share of the collective net pension liability that is associated with the County. At June 30, 2021 and 2020, the County's net pension liability for PFRS, including the special funding situation described above and changes in the County's proportionate share, was as follows:

| Year Ended June 30, | County (employer) | | Net Pension Liability | State of N.J. (Nonemployer) On-Behalf of County | | Total |
|------------------------|---------------------|-----------|--------------------------|--|---------------|-------|
| | Proportionate Share | | | | | |
| | Rate | Change | | | | |
| 2023 | 1.56686% | -0.06962% | \$ 173,118,774 | \$ 31,899,148 | \$205,017,922 | |
| 2022 | 1.63648% | 0.09927% | \$ 187,317,329 | \$ 33,336,993 | \$220,654,322 | |
| 2021 | 1.53721% | -0.04584% | \$ 112,357,261 | \$ 31,600,457 | \$143,957,718 | |

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

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 of the as of June 30, 2023 and 2022 calculated using the discount rate as disclosed as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate::

| At: | 2023 | | 2022 | |
|-----------------------|-------|----------------|-------|----------------|
| | Rate | Amount | Rate | Amount |
| 1% Decrease | 6.00% | \$ 285,656,575 | 6.00% | \$ 302,761,561 |
| Current Discount Rate | 7.00% | 205,017,922 | 7.00% | 220,654,322 |
| 1% Increase | 8.00% | 137,865,191 | 8.00% | 152,299,647 |

Actuarial Assumptions - The total pension liability for the June 30, 2023 and June 30, 2022 measurement dates were determined by actuarial valuations as of July 1, 2022 and 2021, respectively, which were rolled forward to June 30, 2023 and 2022, respectively. These actuarial valuations used the following actuarial assumptions::

| Measurement Date | Inflation Rate | | Salary Increases Based on Years of Service | Investment |
|------------------|----------------|-------|---|----------------|
| | Price | Wage | | Rate of Return |
| June 30, 2023 | 2.75% | 3.25% | 3.25-16.25% | 7.00% |
| June 30, 2022 | 2.75% | 3.25% | 3.25-16.25% | 7.00% |

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023 and 2022. 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 non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Mortality – For the June 30, 2023 and June 30, 2022 Measurement Dates, employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2022 and July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023 and June 30, 2022) 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.

COUNTY OF HUDSON
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NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Best estimates of arithmetic rates of return for each major asset class included in PFRS target asset allocations as of June 30, 2023 and 2022 are summarized in the following table:

| Asset Class | June 30, 2023 | | June 30, 2022 | |
|-----------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|
| | Target Allocation | Long-Term Expected Rate of Return | Target Allocation | Long-Term Expected Rate of Return |
| U.S. Equity | 28.00% | 8.98% | 27.00% | 8.12% |
| Non-U.S. Developed Markets Equity | 12.75% | 9.22% | 13.50% | 8.38% |
| Emerging Markets Equity | 5.50% | 11.13% | 5.50% | 10.33% |
| Private Equity | 13.00% | 12.50% | 13.00% | 11.80% |
| Real Estate | 8.00% | 8.58% | 8.00% | 11.19% |
| Real Assets | 3.00% | 8.40% | 3.00% | 7.60% |
| High Yield | 4.50% | 6.97% | 4.00% | 4.95% |
| Private Credit | 8.00% | 9.20% | 8.00% | 8.10% |
| Investment Grade Credit | 7.00% | 5.19% | 7.00% | 3.38% |
| Cash Equivalents | 2.00% | 3.31% | 4.00% | 1.75% |
| U.S. Treasuries | 4.00% | 3.31% | 4.00% | 1.75% |
| Risk Mitigation Strategies | 3.00% | 6.21% | 3.00% | 4.91% |
| International Small Cap Equity | 1.25% | 9.22% | * | * |

Deferred Outflows and Inflows of Resources - The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the years ended June 30, 2023 and 2022:

| | June 30, 2023 | | | June 30, 2022 | | |
|--|--------------------------------|-------------------------------|---------------------------------|--------------------------------|-------------------------------|---------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflow / (Inflow) | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflow / (Inflow) |
| Changes of Assumptions | \$ 373,652 | \$ (11,689,666) | \$ (11,316,014) | \$ 513,362 | \$ (23,579,552) | \$ (23,066,190) |
| Difference Between Expected and Actual Experience | 7,412,600 | (8,256,230) | (843,630) | 8,478,483 | (11,475,733) | (2,997,250) |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 8,816,612 | - | 8,816,612 | 17,152,763 | - | 17,152,763 |
| Changes in Proportion | 16,782,859 | (13,883,446) | 2,899,413 | 21,085,233 | (7,125,436) | 13,959,797 |
| | <u>\$ 33,385,723</u> | <u>\$ (33,829,342)</u> | <u>\$ (443,619)</u> | <u>\$ 47,229,841</u> | <u>\$ (42,180,721)</u> | <u>\$ 5,049,120</u> |

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

| Year Ended June 30, | | Year Ended June 30, | |
|---------------------|---------------------|---------------------|---------------------|
| 2023 | \$ (894,021) | 2022 | \$ 5,308,741 |
| 2024 | (857,971) | 2023 | 3,392,617 |
| 2025 | 1,380,388 | 2024 | 3,231,843 |
| 2026 | (118,724) | 2025 | (6,750,818) |
| 2027 | 42,376 | 2026 | (65,059) |
| Thereafter | 4,333 | Thereafter | (68,204) |
| | <u>\$ (443,619)</u> | | <u>\$ 5,049,120</u> |

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

STATE-MANAGED PENSION PLANS – GENERAL

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The State or local government employers do not appropriate funds to SACT.

The State also administers the Pension Adjustment Fund (PAF) which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in all State-sponsored pension systems except SACT. The cost of living increases for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for that system.

PERS and PFRS Fiduciary Net Position - According to state statutes, all obligations of PERS and PFRS will be assumed by the State of New Jersey should the PERS and PFRS be terminated. The State of New Jersey issues publicly available financial reports that include the financial statements, required supplementary information and detailed information about the fiduciary net position of the PERS and PFRS. These financial statements were prepared in accordance with accounting principles generally accepted in the United States. This report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or accessed at www.state.nj.us/treasury/pensions.

DEFINED CONTRIBUTION RETIREMENT PROGRAM

The Defined Contribution Retirement Program (the “DCRP”), was established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. It provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include (a) state or local officials elected or appointed on or after July 1, 2007, (b) employees enrolled in PERS on or after July 1, 2007 or PFRS after May 21, 2010 who earn salary in excess of established maximum compensation limits and (c) employees otherwise eligible for PERS on or after November 2, 2008 or PFRS after May 21, 2010 that do not earn below the minimum PFRS or PERS salary but more than \$5,000 annually. Participation in DCRP can be irrevocably waived if an official earns less than \$5,000. Vesting occurs upon commencement of the third year of membership. Should the vesting period not be reached, contributions will be refunded to the appropriate contributing parties. Employer matching contributions and earnings are only available after the age of 55. Distributions render the member retired and ineligible for future participation in any State-administered plans. Otherwise, distributions are available at any time as lump sum, fixed term or life annuity. Members are covered by employer-paid life insurance in the amount of 1 ½ times the annual base salary on which DCRP contributions was based. Members are also eligible for employer-paid long-term disability coverage after one year of participation. Eligibility occurs after six consecutive months of total disability. Members would receive a regular monthly income benefit up to 60% of the base salary on which DCRP contributions were based during the 12 months preceding the onset of the disability, offset by any other periodic benefit the member may be receiving. Benefits will be paid until the age of 70 so long as the member remains disabled and has not begun receiving retirement annuity payments. DCRP activity for each of the previous three years was as follows:

| Year Ended | Employee Contributions | | County Contributions | |
|---------------|------------------------|-------|----------------------|------|
| | Amount | Rate | Amount | Rate |
| Dec. 31, 2024 | \$ 162,951.27 | 5.50% | \$ 88,882.51 | 3.0% |
| Dec. 31, 2023 | \$ 152,110.92 | 5.50% | \$ 82,969.59 | 3.0% |
| Dec. 31, 2022 | \$ 104,509.66 | 5.50% | \$ 57,005.27 | 3.0% |

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

COUNTY OF HUDSON EMPLOYEES PENSION FUNDS

The County administers the County Employees' Pension Fund and the Court Attendants' Pension Fund, which are contributory pension plans which are closed to new memberships. The County also awards non-contributory pensions by resolution of the Board of County Commissioners for certain veterans and County employees who were not eligible to join other pension plans. The following is an analysis of pension contributions expended by the County for these plans expended in each of the last three years:

| | 2024 | 2023 | 2022 |
|--------------------------------------|---------------|---------------|-----------------|
| County Contributory Plans: | | | |
| County Employees' Pension Fund | \$ 500,000.00 | \$ 900,000.00 | \$ 1,000,000.00 |
| Court Attendants' Pension Fund | 117,137.16 | 172,908.28 | 231,772.58 |
| County Non-Contributory Plans: | | | |
| Non-Contributory County Pension Fund | 1,939,749.05 | 2,131,422.79 | 2,036,192.40 |
| Veterans' Pension Fund | - | - | - |

DEFERRED COMPENSATION PLAN

The County has established a deferred compensation program for its employees under Section 457 of the Internal Revenue Code. The Plans are a tax-deferred supplemental retirement program that allows County employees to contribute a portion of their salaries, before federal taxes, to a retirement account. Contributions, or deferrals, are made through payroll deductions. Individuals are 100% vested. Distributions are not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely property and rights of the individual contributors and are not subject to the claims of the County's general creditors.

NOTE 7. POST-EMPLOYMENT BENEFITS

Regulatory Basis Disclosure –The New Jersey Division of Local Government Services allows counties to include in their annual audits the most recent available audited GASB 75 financial information published by the New Jersey Division of Pension and Benefits. As of the date of this report information for the period ended June 30, 2024 was not available, therefore the information dated June 30, 2023 is disclosed.

Plan Description – The County contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the Program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/ substance abuse and Medicare part B reimbursements to retirees and their covered dependents. The County further adopted provisions of Chapter 48 (NJSA 52:14-17.38) for certain of its retirees who have achieved 25 years of service but were hired after August 13, 2015. The SHBP was extended to employees, retirees and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. The County will pay the cost of Health Benefits Insurance for retirees and their dependents, if the retiree:

1. Receives retirement benefits from a state or locally administered retirement system; and
2. Has 25 or more years of service credited in that retirement system and was hired on or before August 13, 2015; or
3. Has 25 or more years of service credited in that retirement system and at least ten years of actual service with the County at the time of retirement and was hired after August 13, 2015; or
4. Retired on an approved Disability Retirement (regardless of years of service).

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

Employees who do not qualify for County-paid Health Benefits insurance at retirement may be eligible to continue Health Benefits insurance at their own expense upon retirement. Employees who elect Deferred Retirement are not eligible for these benefits.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at: www.state.nj.us/treasury/pensions.

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an accrual basis. Contributions to pay for health premiums of participating County retirees in the SHBP are billed to the County on a monthly basis. Payments are made through an annual appropriation in the line item "Insurance – Group Plans for Employees". The County contributions to SHBP for the years ended December 31, 2023, 2022 and 2021 were \$17,048,090.36, \$15,431,443.30, and \$13,463,621.71, respectively, which equaled the required contributions for each year.

Significant Legislation - Chapter 78, P.L. 2011, effective June 28, 2011, established new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. For those employed on or after June 28, 2011, the 4-year phase-in does not apply and contributions based on the full percentage rate of contribution are required. Under Chapter 78, certain future retirees eligible for employee-paid health care coverage at retirement will also be required to pay a percentage of the cost of their medical coverage determined on the basis of their annual retirement benefit.

Chapter 2, P.L. 2010, effective May 21, 2010, requires a minimum contribution of 1.5% of base salary toward the cost of health benefits coverage by all active public employees. Employees who become a member on or after the law's effective date would be required to pay in retirement 1.5% of their pension benefit toward the cost of health care coverage under the SHBP.

GASB Statement 75, *Accounting and financial Reporting for Postemployment Benefit Plans Other Than Pensions*, ("GASB 75"), is effective for fiscal years beginning after June 15, 2017, and replaces the requirements of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pensions*. Under GASB 75, the County would recognize the cost of other postemployment benefits (OPEB) in the year when the employee services are received and report the accumulated liability for OPEB on the face of its financial statements. Under the regulatory basis of accounting prescribed by the Division, the County is not required to recognize the cost of OPEB in the year when the employee services were received, or report the accumulated liability on the face of its financial statements. However, disclosure of such amounts is required.

Retiree Contributions - Future retirees who do not fall under the grandfathering provisions of Chapter 78 of the 2011 Pension and Health Benefit Reforms will be required to contribute to the costs of their retiree health care. Participant contributions are based on salary level and pension benefit amounts and are phased in as a percentage based on salary or pension earnings. Grandfathered participants include those with greater than 20 years of service as of June 28, 2011 who retire with 25 years of service with the County, or who reached age 62 as of that date with 15 years of service will receive benefits at no cost to the participant.

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
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NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

Net OPEB Obligation – The components of the net OPEB liability of the County at June 30, 2023 and 2022 were as follows:

| | 2023 | 2022 |
|---|-----------------------|-----------------------|
| County's Share of: | | |
| Total OPEB Liability | \$ 638,975,493 | \$ 595,595,262 |
| OPEB Plan fiduciary net position | (5,059,111) | (2,179,592) |
| Net OPEB liability | <u>\$ 644,034,604</u> | <u>\$ 597,774,854</u> |
| Plan fiduciary net position as a percentage of total OPEB liability | -0.79% | -0.36% |

Actuarial Assumptions - The total OPEB liability for the June 30, 2023 and June 30, 2022 measurement dates were determined by actuarial valuations as of July 1, 2022 and 2021, respectively, which were rolled forward to June 30, 2023 and 2022, respectively. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in.

| | 2022 | 2021 |
|-----------------------|----------------------------------|----------------------------------|
| Inflation Rate | not noted | 2.50% |
| Salary Increases: | <i>based on years of service</i> | <i>based on years of service</i> |
| PERS All Future Years | 2.75% to 6.55% | 2.00% to 6.00% |
| PFRS All Future Years | 3.25% to 16.25% | 3.25% to 15.25% |

Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021. Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

PERS mortality rates were based on the Pub-2010 General classification Headcount-Weighted mortality table with fully generational mortality improvement projections from the central year using the MP-2021 scale for June 30, 2023 and 2022. PFRS mortality rates were based on the Pub-2010 Safety classification Headcount-Weighted mortality table with fully generational mortality improvement projections from the central year using the MP-2021 scale for June 30, 2023 and 2022.

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

Discount Rate - The discount rate for June 30, 2023 and June 30, 2022 was 3.65% and 3.54%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the County's share of the SHBP net OPEB liability as of June 30, 2023 and 2022, calculated using the discount rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

| | 2023 | | 2022 | |
|-----------------------|-------|----------------|-------|----------------|
| At: | Rate | Amount | Rate | Amount |
| 1% Decrease | 2.65% | \$ 745,997,354 | 2.54% | \$ 692,941,394 |
| Current Discount Rate | 3.65% | 644,034,604 | 3.54% | 597,774,854 |
| 1% Increase | 4.65% | 562,021,298 | 4.54% | 521,204,469 |

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the County's net OPEB liability as of June 30, 2023 and 2022, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | 2023 | 2022 |
|------------------------------------|----------------|----------------|
| At: | | |
| 1% Decrease | \$ 547,353,633 | \$ 507,110,405 |
| Current Healthcare Cost Trend Rate | 644,034,604 | 597,774,854 |
| 1% Increase | 767,815,793 | 713,890,483 |

Deferred Outflows and Deferred Inflows of Resources - The OPEB expense and deferred outflows and deferred inflows of resources at June 30, 2023 and 2022 were as follows:

| | June 30, 2023 | | | June 30, 2022 | | |
|---|--------------------------------------|-------------------------------------|---------------------------------------|--------------------------------------|-------------------------------------|---------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflow / (Inflow) | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflow / (Inflow) |
| Changes of Assumptions | \$ 83,426,645 | \$ 182,047,963 | \$ (98,621,318) | \$ 79,775,532 | \$ 204,009,033 | \$ (124,233,501) |
| Difference Between Expected and Actual Experience | 29,699,553 | 174,898,753 | (145,199,200) | 30,869,732 | 110,802,049 | (79,932,317) |
| Net Difference Between Projected and Actual Earnings on OPEB Plan Investments | - | 106,268 | (106,268) | 157,368 | - | 157,368 |
| Changes in Proportion | 150,909,964 | 41,976,727 | 108,933,237 | 50,987,975 | 59,989,479 | (9,001,504) |
| | <u>\$ 264,036,162</u> | <u>\$ 399,029,711</u> | <u>\$ (134,993,549)</u> | <u>\$ 161,790,607</u> | <u>\$ 374,800,561</u> | <u>\$ (213,009,954)</u> |

The amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended June 30, | | Year Ended June 30, | |
|------------------------|-------------------------|------------------------|-------------------------|
| 2024 | \$ (40,435,702) | 2023 | \$ (36,770,627) |
| 2025 | (33,119,384) | 2024 | (36,818,998) |
| 2026 | (17,917,017) | 2025 | (36,863,197) |
| 2027 | (8,398,863) | 2026 | (26,324,119) |
| 2028 | (16,953,472) | 2027 | (4,425,271) |
| Thereafter | (18,169,112) | 2028-2029 | 6,208,664 |
| | <u>\$ (134,993,549)</u> | | <u>\$ (213,009,954)</u> |

OPEB Expense - The components of allocable OPEB expense, which exclude OPEB expense related to specific liabilities of individual employers, for the years ending June 30, 2023 and June 30, 2022 are as follows:

| | 2023 | 2022 |
|---|------------------------|---------------------|
| Proportionate Share of Allocable Allocable Plan OPEB (Benefit) Expense | \$ (20,767,012) | \$ 5,587,603 |
| Net Amortizations of Deferred Amounts from Changes in Proportion | 9,910,953 | (6,292,558) |
| OPEB (benefit) expense | <u>\$ (10,856,060)</u> | <u>\$ (704,955)</u> |

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
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NOTE 8. COMPENSATED ABSENCES

County policy permits employees to carry over one year's accrued unused vacation days and to carry over all unused sick days. The maximum payment for unused sick days is \$10,000. This payment is made only to employees eligible for retirement and is based upon one-half of their accumulated sick leave. Should an employee die after having met the age and service requirements for a regular pension, the compensation for unused sick leave will be paid to the employee's estate. As of December 31, 2024 and 2023, the total accumulated absence liability was \$36,659,564.30 and \$34,670,454.23, respectively. Under accounting principles prescribed for counties by the Division, such amount is not reported either as an expenditure or liability. The County pays for these costs on a pay-as-you-go basis and charges such costs to the Salaries and Wages line of the respective departments from which the costs derived. As of December 31, 2024, the County has reserved a total of \$5,008,322.49 for the future payment of compensated absences in the Current Fund and Trust Fund combined. As of December 31, 2023, the County has reserved a total of \$13,668,852.47 for the future payment of compensated absences in the Current Fund and Trust Fund combined.

NOTE 9. RISK MANAGEMENT

Disaster Recovery - The County has prepared an internal disaster recovery plan in an effort to protect its financial processes and data in the event an unforeseen disaster should occur. Three external servers, each at a different location, are being maintained and updated daily. A fourth server and location are currently under construction. Daily activity is updated to the external servers daily. In addition, a software program has been integrated which synchronizes data on a daily basis for storage on the external servers, and a second program which can restore said data from the external servers should the need arise. In addition, ADP provides external storage for payroll data and provides disks to the County of such information.

Insurance Coverage - The County established a self-insurance program in accordance with New Jersey Statute Chapter 40:10-6. The Chapter enables the governing body of any local unit to create a fund to provide insurance coverage for its exposure to a wide variety of property casualty risks, including property damage caused to any of the unit's property, motor vehicles, equipment or apparatus; liability resulting from the use or operation of such motor vehicles, equipment or apparatus; liability for the unit's negligence, including that of its officers, employees and servants and workers' compensation obligations. The County self-insures against such claims, including tort lawsuits, civil lawsuits, civil rights and worker's compensation. The County maintains a self-insurance fund, which at December 31, 2024 and 2023 held \$4,705,119.25 and \$9,051,260.96, respectively. The County contributed \$9,800,000 and \$10,000,000, respectively, to the fund during the years ended December 31, 2024 and 2023.

NOTE 10. FIXED ASSETS

The County had the following investment balance and activity in general fixed assets for and as of the years ended December 31, 2024.

| | Balance: Dec. 31, 2023 | Additions | Disposals | Balance: Dec. 31, 2024 |
|--------------------------------------|---------------------------|------------------|--------------|---------------------------|
| Land | \$ 108,369,753.21 | \$ - | \$ 78,834.33 | \$ 108,290,918.88 |
| Buildings | 334,492,474.95 | 287,314.11 | - | 334,779,789.06 |
| Equipment, Vehicles and Furniture | 154,838,465.24 | 10,408,235.54 | - | 165,246,700.78 |
| Total | \$ 597,700,693.40 | \$ 10,695,549.65 | \$ 78,834.33 | \$ 608,317,408.72 |

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 10. FIXED ASSETS (continued)

The County had the following investment balance and activity in general fixed assets for and as of the years ended December 31, 2023.

| | Balance: Dec. 31, 2022 | Additions | Disposals | Balance: Dec. 31, 2023 |
|--------------------------------------|---------------------------|-----------------|-----------------|---------------------------|
| Land | \$ 102,208,063.97 | \$ 6,161,689.24 | \$ - | \$ 108,369,753.21 |
| Buildings | 335,495,457.85 | - | 1,002,982.90 | 334,492,474.95 |
| Equipment, Vehicles and Furniture | 155,067,728.32 | - | 229,263.08 | 154,838,465.24 |
| Total | \$ 592,771,250.14 | \$ 6,161,689.24 | \$ 1,232,245.98 | \$ 597,700,693.40 |

In accordance with accounting practices prescribed by the Division, and as further detailed in Note 1, no depreciation has been provided for and fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

NOTE 11. INTERFUND TRANSACTIONS

The County has various transactions by and between its individual funds. Certain accounts of the Trust and Capital Funds earn interest which is required to be recorded as revenue in the Current Fund budget. Other transactions include budget appropriations in the Current Fund which are required to be turned over to the Federal and State Grant, Trust and Capital Funds. All these transfers are routine and are consistent with the activities of the funds making the transfers.

Transfers by and between the County's funds during the years ended December 31, 2024 and 2023 consisted of the following:

| | 2024 | | 2023 | |
|--------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Transfers In | Transfers Out | Transfers In | Transfers Out |
| General Capital | \$ 32,117,763.71 | \$ 26,112,690.95 | \$ 19,480,091.87 | \$ 12,483,935.07 |
| Other Trust | 29,200,595.60 | 28,931,002.11 | 23,104,337.02 | 23,025,210.14 |
| Grants Fund | 113,713,953.87 | 125,430,552.49 | 108,565,535.47 | 121,230,711.17 |
| Current Fund | 167,073,086.31 | 161,631,153.94 | 131,221,911.73 | 125,632,019.71 |
| Affordable Housing Utility Operating | 163.11 | - | - | 162.99 |
| Affordable Housing Utility Capital | - | 163.11 | 162.99 | - |
| | <u>\$ 342,105,562.60</u> | <u>\$ 342,105,562.60</u> | <u>\$ 282,372,039.08</u> | <u>\$ 282,372,039.08</u> |

Current Fund and Utility Operating interfunds receivable are fully reserved and recognized as credits to operations in the year the interfunds are received in cash. Interfunds receivable in the Trust, General Capital and Utility Capital Funds are not reserved. As of December 31, 2024 and 2023, the following interfund balances remained on the County's records for the reasons as stated.

| 2024 | 2023 | Due From | Due To | Purpose |
|------------|--------------|-----------------|-------------------|-----------------------------|
| \$ 503.24 | \$ 340.13 | Utility Capital | Utility Operating | Interest on Deposits |
| 113,856.92 | - | General Capital | Current Fund | Interest on Deposits |
| 739,533.24 | 1,009,126.73 | Trust Fund | Current Fund | Advances |
| 953,077.08 | 7,072,006.76 | General Capital | Grant Fund | Advances |
| - | 5,597,669 | Current Fund | Grant Fund | Grants Collected in Current |

NOTE 12. COMMITMENTS AND CONTINGENCIES

The County has various lease commitments and installment purchase agreements which are not subject to statutory debt limitations. Under GASB Statement No. 87, lease commitments, including those with bargain purchase options, are required to be recorded as lease liabilities at the present value of future lease payments, offset with a tangible asset or right-of-use asset as applicable. Commitments for the purchase and ownership of capital assets are recorded as financed purchases reflected in the amount of the liability and corresponding asset. In accordance with accounting practices prescribed by the Division, leases for operating expenditures are not shown as liabilities and accordingly no corresponding asset is recorded. Leases for non-operating expenditures for the acquisition of assets with useful lives exceeding five years may be recorded at historical cost as capital leases or installment purchase agreements payable with offsetting deferred charges if there is either a transfer of ownership of property or an option for ownership. The future minimum payments for leases and installment purchases are identified on the pages that follow.

CAPITAL LEASE PROGRAM OBLIGATIONS

Hudson County Lease – 1992 Facility Lease Revenue Bonds - On December 1, 1992, the HCIA issued Facility Lease Revenue Bonds (the 1992 Bonds) in the aggregate principal amount of \$112,700,000. The 1992 Bonds were issued to provide funds for (a) the costs of acquisition, construction, installation and equipping of: (i) a 590-bed long-term care facility to be located in the County; (ii) a 66-bed youth house facility; (iii) a police and fire training academy; and (iv) other public facilities to be provided to and used by the County, including County administrative offices (the facilities described in items (i) through (iv) are collectively referred to as the 1992 Facilities) for lease to the County; (b) funding capitalized interest on the 1992 Bonds; and (c) the payment of costs of issuing the 1992 Bonds.

In connection with the issuance of the 1992 Bonds by the HCIA, the HCIA and the County entered into a lease agreement providing for, among other things, the lease of the real property and the construction thereon of the 1992 Facilities by the HCIA, and upon acquisition, construction, installation or equipping of the 1992 Facilities, the payment of rental payments to the HCIA by the County for the County's lease of the 1992 Facilities. The construction and equipping of the new 590-bed long term care facility (hereafter referred to as the New Hospital Facility) was planned to combine the operations at both the Meadowview Nursing Center and the B.S. Pollak Hospital (together, the Hospitals). The Hospitals were acquired and improved by the Authority with the proceeds of the 1992 Bonds and leased back to the County.

In 1996 the construction of the New Hospital Facility was discontinued and the County and the HCIA determined to transfer the operation, and ultimately the ownership, of the Hospitals to Progressive Health Care of Hudson County Inc. (Progressive), a private company, pursuant to a lease and purchase agreement (the Transfer Agreement). The conveyance of the Hospitals to Progressive resulted in private use of the Hospitals. In a Letter Ruling dated November 19, 1996 (the Letter Ruling), the IRS determined that in order to effectuate the transfer of the Hospitals to Progressive without adverse tax consequences, the HCIA would be required to make a tender offer to holders of \$26,735,000 of the 1992 Bonds, and defease any of the 1992 Bonds for which the tender offer was made but which were not acquired in the tender offer with moneys other than tax-exempt bond proceeds, at a rate restricted to the yield on the 1992 Bonds.

On February 14, 1997, the HCIA received and accepted for purchase \$21,360,000 of the 1992 Bonds. The HCIA defeased the \$5,375,000 balance of its 1992 Bonds in accordance with the IRS Letter ruling, for a total issue of \$26,735,000. The HCIA used a portion of the 1997 Bonds to (i) pay the tender price to the holders of the Tendered Bonds and (ii) defease the bonds.

COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 12. COMMITMENTS AND CONTINGENCIES (continued)

On August 1, 1998, the HCIA issued \$91,575,000 of Facility Lease Revenue Refunding Bonds. The series 1998 Bonds were issued to advance refund all of the HCIA's outstanding \$85,635,000 1992 bonds and pay the costs of issuance of the series 1998 Bonds. The series 1998 bonds are direct and special obligations of the authority payable from and secured by the revenues of the HCIA which are derived from lease of facilities to the County (from County Rental Payments); investment income from related funds; and other related monies, securities and funds.

On March 12, 2004, the HCIA entered into a forward bond purchase contract for the benefit of the County to purchase up to \$71,520,000 of the outstanding 1998 bonds between October 1, 2008 and October 1, 2010 through the issuance of bonds (the "Future Bonds") during that period, provided that the debt service on the 1998 Bonds purchased. The HCIA exercised its right to issue the Future Bonds.

On November 30, 2010, the HCIA, at the consent of the County, as lessee, issued the \$65,900,000 Facility Lease Revenue Refunding Bonds, Series 2010 to call all of the outstanding \$91,575,000 1998 Bonds. The 2010 Bonds are guaranteed by the County and mature annually through 2025. The remaining debt service on the 1997 Bonds facility lease, with interest rates ranging from 7.3% to 7.7% and the 2010 Bonds facility lease, with interest rates ranging from 5.25% to 5.40%, is as follows:

| Year | Total Lease Payment | Series 1997 | | Series 2010 | |
|------|------------------------|-----------------|---------------|-----------------|---------------|
| | | Principal | Interest | Principal | Interest |
| 2025 | \$ 2,518,530.00 | \$ 2,345,000.00 | \$ 173,530.00 | \$ 6,110,000.00 | \$ 329,940.00 |
| | \$ 2,518,530.00 | \$ 2,345,000.00 | \$ 173,530.00 | \$ 6,110,000.00 | \$ 329,940.00 |

Hudson County Improvement Authority 2005 Secured Lease Revenue Bonds - On April 1, 2005, the HCIA issued County Secured Lease Revenue Bonds in the amount of \$29,505,000. The proceeds of the bonds will be used to (a) finance the acquisition, renovation and improvements to the Block Drug Building and the Block Drug Building Site (b) finance the acquisition, renovation and improvement to the Additional County Site (c) pay 12 months capitalized interest on the 2005 bonds, (d) pay costs of issuance associated with the issuance of the Series 2005 bonds, and (e) establish a bond reserve fund.

The Series 2005 Bonds are special obligations of the HCIA payable from and secured by, (i) Revenues of the HCIA which are derived from: (a) the lease of the Facilities to the County pursuant to the provisions of a lease agreement by and between the HCIA and the County dated as of April 1, 2005 (the "Lease Agreement"), under which the County is obligated to make Rental Payments sufficient, among other things, to pay debt service on the Series 2005 Bonds, (b) investment income derived from funds held under the Resolution, (ii) an assignment of the lease Agreement to the Trustee for the Series 2005 Bonds by the HCIA, and (iii) by all monies, securities and funds held or set aside, or to be held or set aside pursuant to the Resolution (except monies in the Rebate Fund which are required to be rebated to the United States Government pursuant to the provisions of the Code in order to ensure that interest on the Series 2005 Bonds is not includable in gross income for federal income tax purposes).

On January 15, 2013, the HCIA issued \$25,460,000 Lease Revenue Refunding Bonds, Series 203 (Hudson County Plaza Refunding Project) to provide funds to advance refund \$24,010,000 of the outstanding 2005 Bonds, and to pay associated costs of issuance. Under the terms of the amended financing, the HCIA leased back its interest in this project to the County, and the County is obligated to make rental payments to the HCIA in amounts sufficient to pay the debt service on the Series 2013 Refunding Bonds when due, as well as other expenses of the HCIA and Trustee.

NOTE 12. COMMITMENTS AND CONTINGENCIES (continued)

The 2013 Bonds consist of (i) serial bonds in the amount of \$14,195,000 bearing interest rates ranging from 2.00% to 5.00% a year maturing from 2014 to 2028 in varying amounts ranging from \$75,000 to \$1,380,000, (ii) \$5,935,000 term bond bearing interest at 3.22% a year, subject to mandatory sinking fund redemption from 2029 to 2032 (final maturity) in varying amounts from \$1,420,000 to \$1,550,000, (iii) \$4,935,000 term bond bearing interest at 3.5% a year, subject to mandatory sinking fund redemption from 2033 to 2035 (final maturity) in varying amounts from \$1,595,000 to \$1,695,000. The following is an analysis of the lease payments to be made by the County through maturity:

| Year | Total Lease Payment | Series 2013 | |
|-----------|-------------------------|-------------------------|------------------------|
| | | Principal | Interest |
| 2025 | \$ 1,740,012.50 | \$ 1,225,000.00 | \$ 515,012.50 |
| 2026 | 1,742,137.50 | 1,290,000.00 | 452,137.50 |
| 2027 | 1,734,862.50 | 1,335,000.00 | 399,862.50 |
| 2028 | 1,739,137.50 | 1,380,000.00 | 359,137.50 |
| 2029 | 1,737,137.50 | 1,420,000.00 | 317,137.50 |
| 2030-2034 | 8,658,325.00 | 7,755,000.00 | 903,325.00 |
| 2035 | 1,722,543.75 | 1,695,000.00 | 27,543.75 |
| | <u>\$ 19,074,156.25</u> | <u>\$ 16,100,000.00</u> | <u>\$ 2,974,156.25</u> |

Hudson County Improvement Authority Secured Lease Revenue Bonds Series 2007 - On July 11, 2007, the HCIA issued County Secured Lease Revenue Bonds in the amount of \$27,490,000 at interest rates of 4.0%-5.0%. The proceeds of the bonds will be used to (a) finance the renovation of the facilities to house the relocation of a number of social services agencies that are currently leasing space from private owners, (b) pay 12 months capitalized interest on the 2007 bonds, (c) pay costs of issuance associated with the issuance of the Series 2007 bonds, and (d) establish a bond reserve fund. These Lease Revenue Bonds were subsequently partially refunded as noted in the following two paragraphs.

HCIA Secured Lease Revenue Refunding Bonds, Series 2015 (Hudson County Plaza Completion Project Refunding Project) - On June 11, 2015 the HCIA issued \$17,335,000 Lease Revenue Refunding Bonds, Series 2015 to provide funds to advance refund a portion of the HCIA's outstanding County Secured Lease Revenue Bonds Series 2007 (County Services Building Completion Project). The Refunding Plan calls for the Advance refunding of the Refunded Bonds, together with the interest payable thereon April 1, 2017. The Refunding Bonds are subject to optional and mandatory sinking fund redemption prior to their stated maturities and to pay certain costs of issuance of the Series 2015 Refunding Bonds. Under the terms of the amended financing, the HCIA leased back its interest in the Project to the County, and the County is obligated to make rental payments to the HCIA in amounts sufficient to pay the debt service on the Series 2015 Refunding Bonds when due and other expenses of the HCIA and the Trustee. See also the next paragraph.

County Secured Lease Revenue Refunding Bonds, Series 2016 (Hudson County Plaza Completion Project Refunding Project) - On September 15, 2016 the HCIA issued its \$4,925,000 Lease Revenue Refunding Bonds, Series 2016 (Hudson County Plaza Completion Refunding Project) (the "Series 2016 Refunding Bonds") to provide funds to advance refund a portion of the HCIA's outstanding County Secured Lease Revenue Bonds Series 2007 (County Services Building Completion Project), the Refunding Plan calls for the Advance refunding of the Refunded Bonds, together with the interest payable thereon April 1, 2017. The Refunding Bonds are subject to optional and mandatory sinking fund redemption prior to their stated maturities and pay certain costs of issuance of the Series 2016 Refunding Bonds. Under the terms of the amended financing, the Authority leased back its interest in the Project to the County, and the County is obligated to make rental payments to the Authority in amounts sufficient to pay the debt service on the Series 2016 Refunding Bonds when due and other expenses of the Authority and the Trustee.

**COUNTY OF HUDSON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 12. COMMITMENTS AND CONTINGENCIES (continued)

The 2016 Bonds consist of serial bonds in the amount of \$1,580,000 bearing interest rate of 5.00% a year maturing in 2033 and \$3,345,000 term bond bearing interest at 3.00% a year, subject to mandatory sinking fund redemption from 2034 to 2035 (final maturity) in varying amounts from \$1,645,000 to \$1,700,000. The table that follows is an analysis of the lease payments to be made by the County through maturity.

| Year | Total Lease Payment | Series 2016 | | Series 2015 | |
|-----------|-------------------------|------------------------|------------------------|-------------------------|------------------------|
| | | Principal | Interest | Principal | Interest |
| 2025 | \$ 1,692,812.50 | \$ - | \$ 179,350.00 | \$ 1,145,000.00 | \$ 368,462.50 |
| 2026 | 1,701,187.50 | - | 179,350.00 | 1,200,000.00 | 321,837.50 |
| 2027 | 1,693,487.50 | - | 179,350.00 | 1,235,000.00 | 279,137.50 |
| 2028 | 1,697,987.50 | - | 179,350.00 | 1,290,000.00 | 228,637.50 |
| 2029 | 1,699,575.00 | - | 179,350.00 | 1,340,000.00 | 180,225.00 |
| 2030-2034 | 8,517,381.25 | 3,225,000.00 | 753,575.00 | 4,295,000.00 | 243,806.25 |
| 2035 | 1,725,500.00 | 1,700,000.00 | 25,500.00 | - | - |
| | <u>\$ 18,727,931.25</u> | <u>\$ 4,925,000.00</u> | <u>\$ 1,675,825.00</u> | <u>\$ 10,505,000.00</u> | <u>\$ 1,622,106.25</u> |

HCIA Secured Lease Revenue Bonds Series 2016 (Hudson County Vocational –Technical Schools Project) - On April 27, 2016, the HCIA issued \$160,000,000 in County Secured Lease Revenue Bonds Series 2016 (Hudson County Vocational – Technical Schools Project) to finance the design, construction, furnishing and equipping of a new Hudson County Vocational-Technical School, to pay Capitalized Interest on the Bonds from their dated date April 27, 2016 to and including May 1, 2018 and pay certain costs of issuance the Bonds. Under the terms of the financing , the HCIA leased back its interest in the Project to the County , and the County is obligated to make rental payments to the authority in amounts sufficient to pay the debt service on the 2016 bonds when due and other expenses of the Authority and the Trustee.

The Series 2016 Bonds consist of serial bonds in the amount of \$55,705,000, bearing interest rates ranging from 4.50% to 5.00% maturing in annual amounts ranging from \$1,980,000 in 2019 to \$4,540,000 in 2036, \$26,445,000 term bonds bearing interest at 5.00% a year, subject to annual mandatory sinking fund redemption 2037 to 2041 (final maturity) in varying amounts ranging from \$4,775,000 to \$5,830,000, \$33,960,000, term bonds bearing interest at 5.00% a year subject to annual mandatory sinking fund redemption from 2042 to 2046 (final maturity) in varying amounts ranging from \$6,130,000 to \$7,490,000 and \$43,890,000 term bonds bearing interest at 5.25% a year subject to mandatory sinking fund redemption from 2047 to 2051 (final maturity) in varying amounts from \$7,880,000 to \$9,725,000. The remaining debt service requirements on these bonds are as follows:

| Year | Total Lease | | Principal | Interest |
|-----------|--------------------------|-----------|-----------------------|--------------------------|
| | Payment | | | |
| 2025 | \$ 9,977,850.00 | \$ | 2,660,000.00 | \$ 7,317,850.00 |
| 2026 | 9,981,350.00 | | 2,800,000.00 | 7,181,350.00 |
| 2027 | 9,979,987.50 | | 2,935,000.00 | 7,044,987.50 |
| 2028 | 9,976,750.00 | | 3,075,000.00 | 6,901,750.00 |
| 2029 | 9,979,000.00 | | 3,235,000.00 | 6,744,000.00 |
| 2030-2034 | 49,904,250.00 | | 18,675,000.00 | 31,229,250.00 |
| 2035-2039 | 49,895,625.00 | | 23,930,000.00 | 25,965,625.00 |
| 2040-2044 | 49,893,000.00 | | 30,725,000.00 | 19,168,000.00 |
| 2045-2049 | 49,893,060.50 | | 39,550,000.00 | 10,343,060.50 |
| 2050-2051 | 19,958,000.00 | | 18,950,000.00 | 1,008,000.00 |
| | <u>\$ 269,438,873.00</u> | <u>\$</u> | <u>146,535,000.00</u> | <u>\$ 122,903,873.00</u> |

NOTE 12. COMMITMENTS AND CONTINGENCIES (continued)

HCIA Secured Lease Revenue Bonds Series 2023 (Bayonne High School Project) - On June 1, 2023, the HCIA issued \$21,860,000 in County Secured Lease Revenue Bonds Series 2023 (Bayonne High School Project) to finance the design, construction and equipping of the school “Facilities” (refer to following paragraphs), pay capitalized interest on the Bonds and pay certain costs of issuance.

Description of the Facilities - The Board of Education of the Hudson County Schools of Technology (the “HCST”), in conjunction with the County, has determined that the implementation of its goals, purposes and curriculum will be best served via the construction of a new two-story +/- 37,690 square foot facility, along with the renovation of a portion of the City’s existing high school facility, to provide Career and Technical Educational programs. The facility to be constructed and renovated will be part of the HCST and will be located on land owned by the Board of Education of the City of, located at 669 Avenue A, Block 160, Lot 1.02 on the official tax map of the City (the “Project Site”). The construction and renovation will include the necessary furnishings, equipment, parking, administrative offices, classroom space and related amenities, and all work related and incidental thereto. The Facilities will operate as a new vocational high school academy with new programs of study in welding, HVAC, electrical, plumbing, carpentry, and cosmetology. The building will house administrative services, student services and CTE education. The Facilities will be on a subdivided site within the existing Bayonne High School campus. The new vocational school will be able to accommodate approximately 400 students per session.

The County’s obligation is to make rental payments and pay other amounts due under the lease agreement, and to perform its obligations thereunder. The County has no rights of set-off, recoupment or counterclaim. These rental payments, if not made from other sources, shall be payable from the levy of ad valorem taxes upon all the taxable property in the County without limitation as to rate or amount. The remaining debt service requirements on these bonds, in the form of rental payments, are as follows:

| Year | Total Lease Payment | Series 2016 | |
|-----------|-------------------------|-------------------------|-------------------------|
| | | Principal | Interest |
| 2025 | \$ 1,458,775.00 | \$ 455,000.00 | \$ 1,003,775.00 |
| 2026 | 1,460,400.00 | 480,000.00 | 980,400.00 |
| 2027 | 1,455,900.00 | 500,000.00 | 955,900.00 |
| 2028 | 1,460,150.00 | 530,000.00 | 930,150.00 |
| 2029 | 1,458,025.00 | 555,000.00 | 903,025.00 |
| 2030-2034 | 7,297,000.00 | 3,240,000.00 | 4,057,000.00 |
| 2035-2039 | 7,291,875.00 | 4,155,000.00 | 3,136,875.00 |
| 2040-2044 | 7,292,600.00 | 5,330,000.00 | 1,962,600.00 |
| 2045-2049 | 7,297,500.00 | 6,615,000.00 | 682,500.00 |
| | <u>\$ 36,472,225.00</u> | <u>\$ 21,860,000.00</u> | <u>\$ 14,612,225.00</u> |

Lincoln Park Golf Course Project – The County also entered into a lease agreement with the HCIA as part of an agreement regarding the financing of the Lincoln Park Golf Course Project. Refer to Note 4 “County-Guaranteed Debt” for further description of the matter.

Casino-in-the-Park Project - The County also entered into two lease agreements with the HCIA as part of agreements regarding the financing of the Casino-in-the-Park Project. Refer to Note 4 “County-Guaranteed Debt” for further description of the matter.

Courthouse Project - The County also entered into a lease agreement with the HCIA as part of an agreement regarding the financing of the Hudson County Courthouse Project. Refer to Note 4 “County-Guaranteed Debt” for further description of the matter.

NOTE 12. COMMITMENTS AND CONTINGENCIES (continued)

ARBITRAGE REBATE

The County is subject Section 148 of Internal Revenue Code, which was enacted to minimize the arbitrage benefits from investing gross proceeds of tax-exempt bonds in higher yielding investments and to remove the arbitrage incentives to issue more bonds, to issue bonds earlier, or to leave bonds outstanding longer than is otherwise reasonably necessary to accomplish the governmental purposes for which the bonds were issued. The County has obtained outside professional services to calculate and monitor the arbitrage requirements for certain bond issues. At December 31, 2024 and 2023 the County has reserved \$2,450,000 to meet potential arbitrage requirements.

SUBSIDY OF RECOVERY ZONE BONDS

During the year ended December 31, 2011, the County issued General Obligation Recovery Zone Economic Development Bonds in the amount of \$20,700,000. By designating the Bonds as “Recovery Zone Economic Development Bonds,” the County, through the HCIA, will receive cash subsidy payments from the United States Treasury equal to 45 percent of the interest payable on the Bonds on each interest payment date. Over the course of the bonds, through maturity in 2030, the County is due to receive \$7,701,988.81 in subsidies in support of interest payable.

GRANT PROGRAMS

The County participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. The state and federal grants received and expended in the years ended December 31, 2018 and 2017 were subject to Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, which mandate that grant revenues and expenditures be audited in conjunction with the County’s annual audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. These grantor agencies reserve the right to conduct additional audits of the County’s grant programs for economy, efficiency and program results. As a result of these audits, costs previously reimbursed could become disallowed and require repayment by the County to the grantor agency. As of December 31, 2024 and 2023, the County does not believe that any material liabilities will result from such audits, however, certain matters concerning the County’s Community Development Block Grant (CDBG) grants identified by Federal monitoring are described in more detail below.

The County received notice from the United States Department of Housing and Urban Development (HUD) that the County’s is not expending grant funds in a timely manner. The CDBG program must maintain a balance in its Letter of Credit due from HUD that is less than 1.5 times its annual grant. The County was determined to have violated this timeliness requirement for four consecutive years. In a letter referencing a consultation on November 14, 2024, HUD notified the County that it will not reduce its funding for the 2024 grant by \$344,540, which represents the amount that the County is considered to be in violation of this requirement. The County continues to be at risk for lost funding until it becomes compliant with the timeliness requirement.

NOTE 12. COMMITMENTS AND CONTINGENCIES (continued)

LITIGATION

The County, its officers and employees, are Defendant in a number of lawsuits, including but not limited to, lawsuits arising out of alleged torts by the County and its employees, alleged breaches of contract and alleged violations of civil rights. The County is engaged in a number of activities, such as police protection and public works construction, which could result in future litigation with a possible significant monetary exposure to the County. It should be noted that the County is self-insured and maintains a "Settlement and Judgement Fund" and an excess insurance policy with a \$500,000/\$750,000 loss retention, based upon the year in which it was filed. Additionally, any claims arising out of the dissolution of the HCUA is covered by either a bond issue previously authorized by the Board of County Commissioners and by the terms of the service agreements with the several municipal authorities, which make said municipal authorities responsible for the payment of any claims. Litigation with potential substantial exposure exceeding \$1,000,000 as noted by County Counsel is highlighted as follows:

- **Abreu, Rosario and Mercedes, Esteysi:** This case concerns serious bodily injury suffered by the Plaintiff when a tree fell on her at Braddock Park. It is alleged that the Plaintiff suffered serious bodily injury due to the County's negligence in maintaining its trees. Given the nature of the allegations, and the fee shifting theories, this matter has a potential value in excess of \$1,000,000.00.
- **Bonilla, Estate of Carlos:** This case concerns the death of a person in custody at the Hudson County Correctional Center. It is alleged that the decedent received inappropriate, insufficient, and incorrect medical care, depriving him of his civil rights and resulting in his death. Given the nature of the allegations, and the fee shifting theories, this matter has a potential value in excess of \$1,000,000.
- **Borroto, Estate of Carlos:** This case concerns the death of a person in custody at the Hudson County Correctional Center. It is alleged that the decedent received inappropriate, insufficient, and incorrect medical care, depriving him of his civil rights and resulting in his death. Given the nature of the allegations, and the fee shifting theories, this matter has a potential value in excess of \$1,000,000.
- **Cresci, Peter:** This is a lawsuit alleging retaliation from Mr. Cresci acting as a lawyer and suing on behalf of employees of the County. It is asserted that the County and others retaliated against him for bringing such lawsuits or claims. Because of the nature of the allegations and the fee shifting theories under which the allegations were brought that the case has a potential value up to \$1,000,000.
- **Faulknor, Mavis:** This is an employment case against Meadowview Hospital for discrimination on the basis of gender and race. Because of the nature of the allegations and the fee shifting theories, the matter has a potential in excess of \$1,000,000. This matter is pending an Appeal.
- **Guance, Luisa:** This case concerns the estate of Rayniel Lewis Guance de Leon, the deceased. Plaintiff alleges the County was negligent in its maintenance of its roads causing Mr. Guance's death. Given the nature of the allegations, and the fee shifting theories, this matter has a potential value in excess of \$1,000,000.
- **Ihenakwe, Esther:** This is a case filed by multiple County employees alleging they were discriminated against because of their gender and retaliated against. Given the nature of the allegations, and the fee shifting theories, this matter has a potential value in excess of \$1,000,000.
- **Kazanovich, Estate of Bella:** This case concerns the murder of a person by a former Hudson County Correctional Officer, while off duty. It is alleged that the County failed to and/or was negligent in training the officer and/or in evaluating the employee psychologically for fitness. Given the nature of the allegations, and the fee shifting theories, this matter has a potential value in excess of \$1,000,000.
- **M.P and E.O.:** This case concerns two alleged victims of sexual assault and/or abuse. These alleged victims were juvenile inmates of the County's former juvenile detention center. It is alleged that the County failed to and/or was negligent in protecting these inmates from said alleged abuse. Given the nature of the allegations, and the fee shifting theories, this matter has a potential value in excess of \$1,000,000.

NOTE 12. COMMITMENTS AND CONTINGENCIES (continued)

- **Post River Road Urban Renewal:** This case concerns the JFK Blvd East Concrete Arch Over Cliff at East of 76th Street, North Bergen. Plaintiff alleges that the County's negligence caused a rockfall which damaged Plaintiff's property. Given the nature of the allegations, and the fee shifting theories, this matter has a potential value in excess of \$1,000,000.
- **Nalls-Castillo, Tish:** This is a false arrest and improper seizure and defamation case brought under several civil rights statutes as the seizing person was a law enforcement officer. Given the nature of the complaint and the fact that all theories are fee shifting the case could have a potential of value in excess of \$1,000,000.
- **Ocasio, Luis:** This matter is related to No. 1 on the list as Mr. Ocasio was a part of the original group bringing a lawsuit. The parties have since split and he is separately represented by counsel on his own. The allegations and theories are essentially identical and are fee shifting. Therefore, the case does have a potential value in excess of \$1,000,000. This case is now an appeal.
- **Riano, Estate of Adriana:** This case concerns the death of a person in a vehicular accident that occurred on Paterson Plank Road, a County road. It is alleged that the County was deliberately indifferent towards the medical needs of the inmate, among other claims, (including Monell claims). Given the nature of the allegations, and the fee shifting theories, this matter has a potential value in excess of \$1,000,000.
- **Roman, Estate of Eunice:** This case concerns the suicide of an inmate while housed at the Hudson County Correctional Facility. It is alleged that the "dangerous nature" of the road in question was a key contributing factor as well as the allegation made by the decedent that the County was on notice of previous serious accidents. Given the nature of the allegations, and the fee shifting theories, this matter has a potential value in excess of \$1,000,000.
- **Shpilberg, Daniel:** This case concerns the murder of a person by a former Hudson County Correctional Officer, while off duty. It is alleged that the County failed to and/or was negligent in training the officer and/or in evaluating the employee psychologically for fitness. Given the nature of the allegations, and the fee shifting theories, this matter has a potential value in excess of \$1,000,000.
- **Sosa, Geurys:** This case concerns the permanent injuries of a person in custody at the Hudson County Correctional Center. It is alleged that the decedent received inappropriate, insufficient, and incorrect medical care, depriving him of his civil rights and resulting in his permanent injuries. Given the nature of the allegations, and the fee shifting theories, this matter has a potential value in excess of \$1,000,000.
- **Vakharia, Hina:** This case concerns serious bodily injured suffered by Plaintiff while working at the Days Hotel. It is alleged that the County is responsible for housing the perpetrator of the attack at the Days Hotel, and as such, was negligent in its placement. Given the nature of the allegations, and the fee shifting theories, this matter has a potential value in excess of \$1,000,000.

NOTE 13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 23, 2025, the date which the financial statements were available to be issued.

Issuance of Debt

\$210,954,561 Bond Anticipation Notes, Series 2025 – On February 27, 2025, the County sold \$210,954,561 of Bond Anticipation Notes maturing February 26, 2026 with an interest rate of 4%. These notes are being issued to renew the Series 2024 \$140,605,157 Bond Anticipation Notes, which were issued to finance various capital, road, public property and park improvements in the County as authorized by seven capital ordinances adopted from 2018 to 2023. An additional \$70,349,404 was added to the notes in order to finance 2023 and 2024 road and bridge improvement, 2024 park improvements and the construction of tower project for Hudson County Community College.

NOTE 13. SUBSEQUENT EVENTS (continued)

\$6,655,000 General Obligation Bonds, Series 2025 – The County anticipates selling \$6,655,000 of Bonds on June 26, 2025, bearing interest rates ranging from 4.0% to 4.375%. Payments would be expected to be due annually on July 1 from 2026 through 2045. The annual payments would range from \$175,000 to \$525,000. \$3,500,000 of the bonds are County Vocational-Technical Schools Bonds (issued pursuant to the New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as Amended), for various improvements to the Hudson County Schools of Technology as authorized by County Ordinance No. 451-7-2024 adopted on July 11, 2024. The remaining \$3,155,000 of the bonds are County College Bonds (issued pursuant to the County College Bond Act, 1971 N.J. Laws c. 12, as Amended), for various improvements to the Hudson County Community College as authorized by County Ordinance No. 557-9-2024 adopted on September 12, 2024.

Guaranteed Debt

\$44,589,000 HCIA Tax-Exempt County-Guaranteed Pooled Notes, Series 2025A - On March 13, 2025, the HCIA issued \$44,589,000 County Guaranteed Pool Notes Series 2025A maturing March 12, 2026. These notes are Tax-Exempt Notes and bear an interest rate of 4.0%. These notes constitute direct, special, and limited obligations of the HCIA with a County Guaranty that remains in effect until these notes are paid in full.

\$94,161,517 HCIA County-Secured Lease Revenue Bonds, Series 2025B – As of the date of this report, the HCIA anticipates selling \$78,301,517 of Tax-Exempt County Guaranteed Pooled Notes, Series 2025B-1, with an interest rate of 4.0% and \$15,860,000 of Federally Taxable County Guaranteed Pooled Notes, Series 2025B-2, with an interest rate of 5.25%. The HCIA expects these notes to be delivered on June 25, 2025, with a maturity of June 24, 2026. These notes constitute direct, special, and limited obligations of the HCIA with a County Guaranty that remains in effect until these notes are paid in full.

\$52,500,000 HCIA County-Guaranteed Housing Revenue Bonds – On March 13, 2025 the County adopted an ordinance authorizing the guaranty of the payment of the principal of and interest on not exceeding \$52,500,000 aggregate principal amount of County-Guaranteed Housing Revenue Bonds issued by the Hudson County Improvement Authority for the purpose of providing additional security therefor, consenting to such financing and determining certain other matters in connection therewith.

Improvement Authorization Ordinances

\$39,995,920 Various 2025 Capital Improvements – On January 23, 2025 the County adopted an ordinance providing for various 2025 Capital Improvements and the acquisition of equipment for the Department of Roads and Public Property and appropriating \$39,995,920 therefor (including State and Federal Funds received from the American Rescue Plan Act of 2021 in the amount of \$4,070,000) and authorizing the issuance of \$34,215,161 Bonds or Notes to finance part of the cost thereof.

\$37,199,047 Various 2025 Road and Bridge Improvements – On February 27, 2025 the County adopted an ordinance providing for various 2025 Road and Bridge Improvements and appropriating \$37,199,047 (including Federal Grants received or expected to be received in the aggregate amount of \$12,670,000 and State Grants received or expected to be received in the aggregate amount of \$12,811,065) therefor and authorizing the issuance of \$10,556,649 Bonds or Notes to finance part of the cost thereof.

\$22,661,740 Various 2025 Park Improvements – On June 12, 2025 the County adopted an ordinance providing for various 2025 Park Improvements and appropriating \$22,661,740 therefor (including State Grants received or expected to be received in the aggregate amount of \$3,099,000) and authorizing the issuance of \$18,631,180 bonds or notes to finance part of the cost thereof.

APPENDIX C

FINANCIAL STATEMENT SUMMARIES (2025 (Unaudited), 2024, 2023, and 2022)

COUNTY OF HUDSON
COMPARATIVE ASSETS
CURRENT FUND
December 31

| Assets: | 2025 | | 2024 | | 2023 | | 2022 | |
|--|------|-------------|------|-------------|------|-------------|------|-------------|
| Regular Fund | | | | | | | | |
| Cash and Investments | \$ | 134,856,460 | \$ | 167,503,163 | \$ | 228,505,000 | \$ | 210,561,338 |
| Change Funds | | 700 | | 700 | | 700 | | 700 |
| | | 134,857,160 | | 167,503,863 | | 228,505,700 | | 210,562,038 |
| | | | | | | | | |
| Receivables and Other Assets with Full Reserves: | | | | | | | | |
| Added and Omitted Taxes | | 5,362,257 | | 6,074,942 | | 3,177,710 | | 8,552,708 |
| Intergovernmental Receivables | | | | | | | | |
| Recovery Zone Bond Subsidy | | | | | | | | |
| Due from Grant Fund | | - | | 853,390 | | | | |
| Due to/from Other Funds | | 469,096 | | - | | 1,009,127 | | 1,005,850 |
| Security Deposits | | | | | | | | |
| Federal & State Revenue Rec. | | - | | - | | - | | - |
| | \$ | 5,831,353 | \$ | 6,928,333 | \$ | 4,186,836 | \$ | 9,558,558 |
| | | | | | | | | |
| Total Assets | \$ | 140,688,514 | \$ | 174,432,196 | \$ | 232,692,536 | \$ | 220,120,596 |

COUNTY OF HUDSON
COMPARATIVE LIABILITIES, RESERVES AND FUND BALANCE
CURRENT FUND
December 31

| Liabilities, Reserves and Fund Balance: | 2025 | 2024 | 2023 | 2022 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Regular Fund Liabilities: | | | | |
| Appropriation Reserves & Commitments | \$ 39,332,594 | \$ 37,282,490 | \$ 78,705,666 | \$ 58,608,271 |
| Accounts Payable | \$ 30,760,528 | \$ 62,377,135 | \$ 68,498,661 | \$ 78,156,420 |
| Reserves For: | | | | |
| Due to/from Other Funds | | | \$ 5,597,669 | |
| Reserve Tax Rebate on Capital Investment | \$ 2,450,000 | \$ 2,450,000 | \$ 2,450,000 | \$ 2,450,000 |
| USDA Disallowance | | | | |
| Unclaimed Property | \$ 433,864 | \$ 432,110 | \$ 312,890 | \$ 312,890 |
| HCST Summer Youth Program | \$ 70,332 | \$ 70,332 | \$ 70,332 | \$ 70,332 |
| Compensated Absences | \$ - | \$ - | \$ 10,960,819 | \$ 10,960,819 |
| Prepaid Revenues | \$ 211,256 | \$ 1,686,730 | \$ 1,463,322 | \$ 202,813 |
| Appropriation Refunds | \$ - | \$ - | | |
| Reserve-Sale of County Prop | | | | |
| Reserve for Debt Service | | | | |
| Reserve for Forfeited Bail | \$ 758,388 | \$ 737,138 | \$ 726,138 | \$ 726,138 |
| Cash Transfer Welfare Admin | | | | |
| Misc Contr-Open Space Traust Fund | | | | |
| Due State of NJ-Realty Transfer Fee | \$ 2,683,607 | \$ 2,515,210 | \$ 1,695,842 | \$ 2,443,095 |
| County College -(EFA) Interest | \$ 33,652 | \$ 33,652 | \$ 33,652 | \$ 33,652 |
| Receivables & Other Assets | \$ 6,659,271 | \$ 6,928,333 | \$ 4,186,836 | \$ 9,558,558 |
| Total Liabilities | \$ 83,393,492 | \$ 114,513,127 | \$ 174,701,827 | \$ 163,522,987 |
| Fund Balance | \$ 57,295,022 | \$ 59,919,068 | \$ 57,990,710 | \$ 56,597,609 |
| Total Liabilities, Reserves & Fund Balance | \$ 140,688,514 | \$ 174,432,196 | \$ 232,692,536 | \$ 220,120,596 |

COUNTY OF HUDSON
COMPARATIVE OPERATIONS AND CHANGES IN FUND BALANCE
CURRENT FUND
December 31

| Revenue: | 2025 | 2024 | 2023 | 2022 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Fund Balance Utilized | \$ 52,000,000 | \$ 42,000,000 | \$ 42,000,000 | \$ 35,000,000 |
| Misc. Revenue Anticipated | 189,708,865 | 185,929,960 | 204,764,827 | 194,749,411 |
| Receipts from Current Taxes | 453,180,876 | 429,180,876 | 414,180,876 | 399,180,876 |
| Non-Budget Revenues | 6,254,246 | 5,680,137 | 11,629,306 | 11,917,271 |
| Other Credit to Income | 18,458,575 | 49,962,492 | 24,803,086 | 34,322,837 |
| Total Revenue and Other Income | \$ 719,602,562 | \$ 712,753,466 | \$ 697,378,096 | \$ 675,170,396 |
| | | | | |
| Expenditures: | | | | |
| Budget Appropriations: | | | | |
| Operating | 513,219,904 | 510,865,627 | 506,586,352 | 476,355,905 |
| Capital Improvements | 48,254,701 | 47,606,914 | 45,849,454 | 54,581,118 |
| Debt Service | 47,133,550 | 41,882,828 | 41,327,641 | 44,274,329 |
| Deferred Charges, Statutory | | | | |
| Expend & Judgments | 61,618,454 | 68,469,739 | 60,217,048 | 54,158,488 |
| Other Charges | | | | |
| Total Expenditures | \$ 670,226,609 | \$ 668,825,107 | \$ 653,980,495 | \$ 629,369,840 |
| Excess in Revenue | 49,375,953 | 43,928,359 | 43,397,601 | 45,800,556 |
| Fund Balance, January 1 | 59,919,068 | 57,990,710 | 56,593,109 | 45,792,553 |
| | 109,295,022 | 101,919,068 | 99,990,710 | 91,593,109 |
| Decreased by Utilization as Anticipated | | | | |
| Revenue | 52,000,000 | 42,000,000 | 42,000,000 | 35,000,000 |
| Reserve from Fund Balance | | | | |
| Fund Balance, December 31 | \$ 57,295,022 | \$ 59,919,068 | \$ 57,990,710 | \$ 56,593,109 |

COUNTY OF HUDSON
COMPARATIVE ASSETS, LIABILITIES, AND RESERVES
FEDERAL AND STATE GRANTS
December 31

| Assets: | 2025 | 2024 | 2023 | 2022 |
|---|-------------------|--------------------|--------------------|--------------------|
| Cash | 45,574,588 | 69,626,684 | 46,369,794 | 93,106,447 |
| State and Federal Grant Receivable | 52,353,485 | 76,899,961 | 71,923,444 | 70,550,547 |
| Due to/from Other Funds | - | 953,077 | 5,597,669 | |
| Total Assets | 97,928,073 | 147,479,722 | 123,890,907 | 163,656,994 |
| | | | | |
| Liabilities and Reserves: | | | | |
| Appropriated Reserves for Federal and State Grants | 97,928,073 | 147,426,672 | 123,283,274 | 127,695,372 |
| Unappropriated Reserves for Federal and State Grants | | | | |
| Due to/from Other Funds | - | - | - | - |
| Prepaid Revenues | - | 53,050 | 607,633 | 35,961,622 |
| Total Liabilities and Reserves: | 97,928,073 | 147,479,722 | 123,890,907 | 163,656,994 |

COUNTY OF HUDSON
COMPARATIVE ASSETS, LIABILITIES, AND RESERVES
TRUST FUNDS
December 31

| Assets: | 2025 | 2024 | 2023 | 2022 |
|------------------------------|-----------------------|-----------------------|----------------------|----------------------|
| Cash and Investments: | | | | |
| Checking Accounts | \$ 67,044,919 | \$ 57,534,719 | \$ 49,673,608 | \$ 45,739,574 |
| Cash Management Account | 2,437,638 | 3,349,716 | 2,309,083 | 1,262,844 |
| Money Market Fund | 11,857,988 | 11,738,370 | 13,334,028 | 15,180,226 |
| Certificates of Deposit | | | | |
| Revenue Accounts Receivables | | | | |
| Due From (To) Current | | | | |
| Community Development | | | | |
| Programs Accounts Receivable | 26,415,638 | 27,673,397 | 30,756,846 | 30,990,503 |
| Total Assets | \$ 107,756,183 | \$ 100,296,203 | \$ 96,073,565 | \$ 93,173,147 |

| | | | | |
|-----------------------------------|-----------------------|-----------------------|----------------------|----------------------|
| Liabilities and Reserves: | | | | |
| Reserve for Revenue Accounts | | | | |
| Receivable | | | | |
| Reserve for: | | | | |
| Due From (To) Other Funds | \$ 316,435 | \$ 581,723 | \$ 1,009,127 | \$ 949,029 |
| Due to Claims | | | | |
| County Open Space | 15,304,624 | 13,654,583 | 10,115,563 | 9,360,242 |
| Dedicated Revenue | 28,649,945 | 25,090,892 | 20,481,358 | 19,894,058 |
| Motor Vehicle Fines | 3,387,568 | 2,701,666 | 2,564,529 | 2,293,927 |
| Community Development | | | | |
| Programs | 21,503,993 | 19,512,577 | 21,564,823 | 24,414,984 |
| Other Cash Reserves | 32,633,447 | 27,375,463 | 25,764,040 | 17,339,330 |
| Self Insurance Fund | 205,225 | 4,705,119 | 9,051,261 | 13,230,203 |
| State Unemployment Insurance | | | | |
| Fund | 4,513,174 | 5,432,406 | 4,722,338 | 4,890,846 |
| Confiscated Cash Seized on Arrest | 800,527 | 800,527 | 800,527 | 800,527 |
| Fund Balance | 441,245 | 441,245 | | |
| Total Liabilities and Reserves | \$ 107,756,183 | \$ 100,296,203 | \$ 96,073,565 | \$ 93,173,147 |

\$ - \$ - \$ -

COUNTY OF HUDSON
COMPARATIVE ASSETS, LIABILITIES, AND RESERVES AND FUND BALANCE
GENERAL CAPITAL FUND
December 31

| Assets: | 2025 | 2024 | 2023 | 2022 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Cash: Checking Accounts | \$ 13,259,725 | \$ 630,068 | \$ 1,928,476 | \$ 3,256,792 |
| Investment - NJ/ARM | 624,114 | 598,667 | 568,897 | 541,292 |
| Escrow - Bond Proceeds | 99,873,337 | 69,427,383 | 1,074,002 | 31,197,795 |
| Money Market Fund | | | | |
| Due to/from Other Funds | 0 | 0 | | |
| State/Federal/Other Aid Receivable | 121,578,080 | 105,195,737 | 85,250,612 | 60,197,531 |
| Grant Receivable | 9,283,550 | 4,213,550 | 3,500,000 | |
| Deferred Charge to Future Taxation: | | | | |
| Funded | 362,614,079 | 385,355,328 | 406,458,046 | 426,944,199 |
| Unfunded | 316,867,194 | 252,548,879 | 226,236,957 | 149,023,645 |
| Total Assets | \$ 924,100,078 | \$ 817,969,613 | \$ 725,016,991 | \$ 671,161,254 |
| Liabilities, Reserves and Fund Balance: | | | | |
| Liabilities: | | | | |
| Serial Bonds | \$ 355,681,663 | \$ 377,248,000 | \$ 397,189,000 | \$ 416,510,000 |
| Bond Anticipation Notes | 210,954,561 | 140,605,157 | - | - |
| Capital Improvement Fund | 2,721,812 | 3,525,464 | 1,910,632 | 6,218,342 |
| Mortgage Payable HCIA | 5,936,875 | 6,886,250 | 7,826,875 | 8,758,750 |
| Improvement Authorizations: | | | | |
| Funded | 59,419,113 | 81,120,851 | 125,896,671 | 94,205,152 |
| Unfunded | 162,425,690 | 105,622,577 | 118,983,010 | 61,997,645 |
| Retainage Percentage Due Contractors | 478,344 | 651,398 | 923,029 | 1,100,108 |
| Contracts Payable | 96,714,359 | 77,221,882 | 44,639,617 | 49,213,203 |
| Reserve for Payment of Bonds & NJ EFA | | | | |
| Bonds | 14,372,100 | 11,772,950 | 18,481,120 | 25,200,000 |
| Green Acres Loan Payable | 995,541 | 1,221,078 | 1,442,171 | 1,675,449 |
| Reserve to Pay Bans | 4,105,783 | 1,475,180 | 315,187 | 315,187 |
| Reserve for State Road Aid Allotment | | | | |
| Receivable | 2,142,500 | 2,142,500 | 2,142,500 | 2,142,500 |
| Grants Reserve | | | - | |
| Reserve for Escrow Investment Earnings | | | | |
| Reserve for Youth Consultation Services | 130,935 | 130,935 | 130,935 | 130,935 |
| Reserve for Public Buildings, Grounds, | | | | |
| Parks, Art Inclusion | 4,863,482 | 3,930,159 | 3,506,329 | 2,738,218 |
| Reserve for Prelim Exp Cnty Wide Bldg | - | - | 751,140 | 1,140 |
| RESERVE FOR PRELIM EXP PARKS | | | | |
| ARCH,ENVRN,SHADE TREE | 439,816 | 534,334 | | |
| RESERVE FOR | | | | |
| INCLUSIVITY(DISABILITYACCES) | 1,686,070 | 1,075,190 | | |
| Due To/from Fund | 152,661 | 1,066,934 | - | 75,850 |
| Fund Balance | 878,774 | 1,738,774 | 878,774 | 878,774 |
| Total Liabilities, Reserves and Fund Balance | \$ 924,100,078 | \$ 817,969,613 | \$ 725,016,991 | \$ 671,161,254 |
| Bond and Notes Authorized But Not Issued | | | | |
| (Memo) | \$ 105,912,633 | \$ 111,943,722 | \$ 226,236,957 | \$ 149,023,645 |

COUNTY OF HUDSON
COMPARATIVE APPROPRIATIONS
CURRENT FUND
(in thousands)
December 31

| | 2025 | 2024 | 2023 | 2022 |
|--|----------------|----------------|----------------|----------------|
| Operations: | | | | |
| Legislative, Administrative, Constitutional Offices | 135,225 | 123,189 | 114,287 | 107,142 |
| Judiciary | 1,777 | 1,690 | 1,537 | 1,622 |
| Regulation | 55,333 | 55,941 | 48,363 | 45,939 |
| Public Resources | - | - | - | - |
| Parks, Community Service & Planning | 21,366 | 19,128 | 17,904 | 17,064 |
| Roads, Public Property & Engineering | 44,751 | 42,865 | 38,871 | 41,916 |
| Health & Human Services | 37,506 | 42,966 | 39,689 | 36,330 |
| Housing & Comm. Reintegrat | - | 3,511 | 2,621 | 3,631 |
| Family Services | 80,308 | 70,957 | 63,929 | 65,502 |
| Corrections | 93,617 | 82,332 | 76,436 | 73,950 |
| Education | 64,768 | 60,763 | 58,379 | 56,649 |
| Unclassified | 1,048 | 1,175 | 730 | 785 |
| Public and Private Programs Offset by | | | | |
| Revenues | 19,031 | 47,607 | 26,389 | 21,673 |
| Contingent | 30 | - | - | 30 |
| Total Operations | 554,761 | 552,123 | 489,135 | 472,231 |
| Capital Improvement | 48,263 | 47,607 | 45,849 | 63,141 |
| Debt Service | 47,188 | 41,383 | 41,328 | 44,324 |

COUNTY OF HUDSON
COMPARATIVE APPROPRIATIONS
CURRENT FUND
(in thousands)
December 31

| | 2025 | 2024 | 2023 | 2022 |
|-------------------------------------|----------------|----------------|----------------|----------------|
| Statutory Expenditures: | | | | |
| Contributions to: | | | | |
| Public Employees' | | | | |
| Retirement System | 21,686 | 21,236 | 20,284 | 18,402 |
| Social Security System | 15,850 | 14,850 | 13,691 | 13,200 |
| Police and Fireman's | | | | |
| Retirement System | 21,828 | 21,566 | 21,301 | 17,965 |
| Consolidated Police and | | | | |
| Fireman's Pension Fund | 0 | 0 | 18 | 25 |
| Hudson Co. Employees | | | | |
| Pension Fund | 500 | 500 | 900 | 1,000 |
| Fund | 120 | 180 | 173 | 325 |
| Non-Contributory County | | | | |
| Pension | 1,980 | 2,100 | 2,131 | 2,400 |
| Veteran's Pension | 0 | 0 | 0 | 0 |
| Deferred Contribution | | | | |
| Retirement Plan | 110 | 105 | 83 | 85 |
| Insurance | 300 | 300 | 300 | 300 |
| NJ State Disability | | | | |
| Insurance | 1,000 | 1,000 | 836 | 850 |
| Total Statutory Expenditures | 63,374 | 61,837 | 59,717 | 54,552 |
| Deferred Charges | - | 500 | 500 | 500 |
| Total Expenditures | 713,587 | 703,450 | 636,529 | 634,749 |

APPENDIX D

FORM OF APPROVING LEGAL OPINION



90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

February ____, 2026

County Executive and Members of the
Board of County Commissioners
County of Hudson
Jersey City, New Jersey

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Board of County Commissioners of the County of Hudson (the "County"), a body politic and corporate and political subdivision of the State of New Jersey (the "State"), and other proofs submitted to us relative to the authorization, sale, issuance, execution and delivery of the \$210,954,561 aggregate principal amount of Bond Anticipation Notes, Series 2026 (the "Notes") of the County. The Notes are dated February 25, 2026, mature on February 24, 2027 and bear interest at the rate of ____ and ____ hundredths per centum (____%) per annum.

[The Notes are issued in fully registered book-entry form, without coupons, initially registered in the name of, and held by, Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. Individual purchases of the Notes will be made in book-entry form, without certificates, in principal denominations of \$5,000 each or any integral multiple of \$1,000 in excess thereof or any odd denomination in excess thereof, through book entries made on the books and records of DTC and its participants. So long as DTC or its nominee is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made by the County or a duly designated paying agent directly to Cede & Co., as nominee for DTC, which will, in turn, remit such payments to DTC participants, which will, in turn, remit such payments to the beneficial owners of the Notes.]

The Notes are not subject to redemption prior to their stated date of maturity.

The Notes are authorized by, and are issued pursuant to, (i) the provisions of the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"); (ii) various bond ordinances duly adopted by the Board of County Commissioners of the County, approved by the County Executive, and published as required by law (the "Ordinances"); and (iii) a resolution duly adopted by the Board of County Commissioners of the County on January 29, 2026 (the "Resolution").

The Notes are being issued to currently refund the County's \$210,954,561 Bond Anticipation Notes, Series 2025, dated February 27, 2025 and maturing February 26, 2026 (the "Prior

Notes”), which Prior Notes were originally issued to temporarily finance the cost of various capital improvements and acquisitions in and for the County, including paying the costs associated with the issuance of such notes.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the authorization, sale, issuance, execution and delivery of the Notes pursuant to the Local Bond Law, the Ordinances, and the Resolution; (ii) the Notes have been duly authorized, executed and delivered and constitute valid and legally binding general obligations of the County enforceable in accordance with their terms; and (iii) the County has pledged its full faith and credit for the payment of the principal of and interest on the Notes and, unless paid from other sources, all the taxable property located within the County is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of the principal of and interest on the Notes.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance and delivery of the Notes for the interest thereon to be and remain excludable from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Notes to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Notes. The County has covenanted in a tax certificate relating to the Notes to maintain the exclusion of the interest on the Notes from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the County with the provisions of the Code and the aforementioned covenants and representations in its tax certificate, interest on the Notes is not includable for Federal income tax purposes in the gross income of the owners of the Notes pursuant to Section 103 of the Code. The Notes are not “specified private activity bonds” within the meaning of Section 57 of the Code and, therefore, the interest on the Notes will not be treated as a preference item for purposes of computing the Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Notes and any gain on the sale thereof are not includable in gross income of the owners of the Notes under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

Except as stated in the preceding paragraphs, we express no opinion as to any Federal, state, local or foreign tax consequences of the ownership or disposition of the Notes. Furthermore, we express no opinion as to any Federal, state, local or foreign tax law consequences with respect to the Notes, or the interest thereon, if any action is taken with respect to the Notes or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is rendered on the basis of Federal law and the laws of the State of New Jersey as enacted and construed on the date hereof.

We have examined the form of the executed Note and, in our opinion, the form of the Note is regular and proper.

Very truly yours,

APPENDIX E

FORM OF CERTIFICATE OF COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS

CERTIFICATE OF COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS

I, CHERYL G. FULLER, Director of the Department of Finance and Administration/County Treasurer of the County of Hudson (the "County"), a body politic and corporate and political subdivision of the State of New Jersey (the "State"), DO HEREBY CERTIFY in connection with the authorization, sale, issuance, execution and delivery of the County's \$210,954,561 aggregate principal amount of Bond Anticipation Notes, Series 2026, dated February 25, 2026 and maturing on February 24, 2027 (the "Notes"), that pursuant to the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the "Rule"), specifically subsections (d)(3) and (b)(5)(i)(C) thereof, the County (or its duly appointed Dissemination Agent) will provide notice (the "Notice") to the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access system ("EMMA") as a Portable Document File (PDF file) to www.emma.msrb.org of any of the following events with respect to the County and/or the Notes herein described, as applicable: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) 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 or determinations with respect to the tax status of the Notes, or other material events affecting the tax-exempt status of the Notes; (7) modifications to rights of security holders, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the securities, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the County; (13) consummation of a merger, consolidation, or acquisition involving the County, or sale of all or substantially all of the assets of the County, other than in the ordinary course of business, 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; (14) appointment of a successor or additional trustee or change of name of a trustee, if material; (15) incurrence of a Financial Obligation (as defined below) of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect Noteholders, if material; or (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties (collectively, the "Listed Events").

"Financial Obligation" shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) listed hereinabove. The term *"Financial Obligation"* shall not include municipal securities as to which a final official statement has been provided to the MSRB, through the EMMA system, consistent with the Rule.

If the County (or its duly appointed Dissemination Agent) (a) has or obtains knowledge of the occurrence of any of the Listed Events not requiring a materiality determination, or (b) determines that the occurrence of a Listed Event requiring a materiality determination would be material to the Beneficial Owners of the Notes, the County (or its duly appointed Dissemination Agent) shall file a Notice of each such occurrence with the MSRB via EMMA in a timely manner not in excess of ten (10) business days after such determination.

The County's obligations under this Certificate shall terminate upon the redemption, defeasance or payment in full of the Notes.

In the event the County fails to comply with any provision of this Certificate, any Noteholder may take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its obligations under this Certificate. Notwithstanding the above, the remedy for a breach of the provisions of this Certificate or the County's failure to perform hereunder shall be limited to bringing an action to compel specific performance.

This Certificate shall inure solely to the benefit of the County, the purchaser and the holders from time to time of the Notes, and shall create no further rights in any other person or entity hereunder.

The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Digital Assurance Certification, LLC, Orlando, Florida. The County shall compensate the Dissemination Agent (which shall be appointed) for the performance of its obligations hereunder in accordance with an agreed upon fee structure.

IN WITNESS WHEREOF, I have hereunto set my hand on behalf of the County this ____ day of February, 2026.

**COUNTY OF HUDSON,
STATE OF NEW JERSEY**

**CHERYL G. FULLER,
Director of the Department of Finance and
Administration/County Treasurer**

Acknowledged and Accepted by:

**DIGITAL ASSURANCE CERTIFICATION, LLC,
as Dissemination Agent**

**BRIANNA STEGER,
Senior Vice President
Securities Compliance Division**