NEW ISSUE (BOOK-ENTRY ONLY)

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

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 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) will not be treated as a preference item under section 57 of the Code for purposes of calculating the Federal alternative minimum tax. 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 is not includable in gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" *herein.*

COUNTY OF HUDSON
STATE OF NEW JERSEY

$182,121,155 BOND ANTICIPATION NOTES

Dated Date: December 9, 2019
Maturity Date: December 8, 2020

Coupon: 2.00%
Price: 100.838 Yield: 1.15%
Cusip: 4437266E9*

The $182,121,155 aggregate principal amount of Bond Anticipation Notes, dated December 9, 2019 (the "Notes") 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 the bonds in anticipation of the issuance of which the Notes are issued, but if not so paid or if not paid from other sources, are payable ultimately from *ad valorem* taxes levied upon all taxable property within the County without limitation as to rate or amount for the payment of the Notes and the interest thereon.

The Notes will be in fully registered book-entry only form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), acting as securities depository for the Notes. Individual purchases of the Notes may be made in the principal amount of $5,000 or any integral multiple of $1 in excess thereof through book entries made on the books and records of DTC and its participants.

Principal of and interest on the Notes will be payable by the County or a duly designated paying agent on the maturity date. As long as DTC is acting as securities depository for the Notes, principal and interest will be payable by wire transfer to DTC or its nominee, which is obligated to remit such principal and interest to DTC Participants. DTC Participants and Indirect Participants will be responsible for remitting such payments to the Beneficial Owners of the Notes. *See* "THE DEPOSITORY TRUST COMPANY ("DTC") INFORMATION" herein.

The Notes are authorized by and are issued pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), and by various bond ordinances duly adopted by the Board of Chosen Freeholders of the County on the dates set forth herein.

The Notes are being issued to provide for the current refunding of a $182,121,155 principal portion of prior Bond Anticipation Notes of the County issued in the aggregate principal amount of $202,121,155 on December 11, 2018 and maturing on December 10, 2019 (the "Prior Notes"), which Prior Notes were originally issued to temporarily finance the cost of various capital improvements, including the acquisition and installation of various capital items and the acquisition of property, in and for the County (the remaining portion of such Prior Notes is being paid by a 2019 budgetary appropriation of the County in the amount of $20,000,000).

The Notes are not subject to redemption prior to maturity.

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.

The Notes are offered when, as and if issued and delivered subject to the approval of the legality thereof by Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel, and certain other conditions. NW Financial Group, LLC, Hoboken, 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 Donato J. Battista, Esq., Jersey City, New Jersey, County Counsel. It is anticipated that the Notes will be available for delivery through DTC on or about December 9, 2019.

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

Dated November 26, 2019

COUNTY OF HUDSON
STATE OF NEW JERSEY

COUNTY EXECUTIVE
Thomas A. DeGise

COUNTY ADMINISTRATOR
Abraham A. Antun

COUNTY COUNSEL
Donato J. Battista, Esq.

DIRECTOR OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION/COUNTY TREASURER
Cheryl G. Fuller

BOARD OF CHOSEN FREEHOLDERS
Anthony P. Vainieri, Jr., Chairperson
William O'Dea, Vice Chairperson
Anthony L. Romano, Jr., Chairperson Pro Tempore
Albert J. Cifelli
Kenneth Kopacz
Tilo E. Rivas
Caridad Rodriguez
Joel Torres
Jerry Walker

CLERK OF THE BOARD OF CHOSEN FREEHOLDERS
Alberto G. Santos

COUNSEL TO THE BOARD OF CHOSEN FREEHOLDERS
Edward J. Florio, Esq.

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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
Hoboken, New Jersey

No dealer, broker, salesperson or other person has been authorized by 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.

The information contained herein has been provided by the County, The Depository Trust Company, New York, 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 an agreement between the County and the 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, estimates and expressions of opinion herein are subject to change without notice. The delivery of this Official Statement or any sale of the Notes made hereunder shall not, 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 and may not be reproduced or used in whole or part, for any other purpose. The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety.

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 such person to make such an offer, solicitation or sale.

The presentation of information in this Official Statement is intended to show recent historical information and except as expressly stated otherwise, it 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, will necessarily continue or be repeated in the future.

In order to facilitate the distribution of the Notes, the Underwriter 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 prices at which the Notes are offered to the public by the Underwriter and the yields resulting therefrom may vary from the initial public offering prices or yields on the inside front cover page hereof. In addition, the Underwriter may allow concessions or discounts from such initial public offering prices 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

$182,121,155 BOND ANTICIPATION NOTES

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 sale and issuance of the County's $182,121,155 aggregate principal amount of Bond Anticipation Notes (the "Notes"). This Official Statement, including the Preliminary Official Statement which is deemed final by the County as of its date pursuant to Rule 15c2-12 (collectively, the "Official Statement"), which includes the cover page and the 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 and has been authorized by the County to be distributed in connection with the 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 this issue. 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, including tables of receipts and disbursements, 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

The Notes comprise an issue of general obligation bond anticipation notes of the County in the aggregate principal amount of $182,121,155, which Notes are being issued in anticipation of the issuance of bonds. The Notes shall be dated and shall bear interest from and shall mature as shown on the cover of this Official Statement. The Notes shall bear interest at the rate shown on the cover of this Official Statement, which interest is payable upon the maturity date as shown on the cover of this Official Statement. 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 are not subject to redemption prior to maturity.

The Notes will be issued as fully registered notes in book-entry only form, and when issued, will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, 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 on the date of maturity by wire transfer of immediately available funds to DTC or its nominee. Purchases of beneficial interests in the Notes will be made in book-entry only form, without certificates, in denominations of $5,000 or any integral multiple of $1 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 a duly designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC Participants, which will in turn remit such payments to the beneficial owners of the Notes. *See* "THE DEPOSITORY TRUST COMPANY ("DTC") INFORMATION" herein.

AUTHORIZATION FOR THE ISSUANCE OF THE NOTES

The Notes have been authorized and are issued pursuant to: (i) Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), and (ii) the bond ordinances duly adopted by the Board of Chosen Freeholders of the County on the dates set forth in the chart below. The bond ordinances authorizing the Notes were published in full or in summary, as applicable, 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.

PURPOSE OF NOTE ISSUE AND USE OF NOTE PROCEEDS

The Notes are being issued to provide for the current refunding of a $182,121,155 principal portion of prior Bond Anticipation Notes of the County issued in the aggregate principal amount of $202,121,155 on December 11, 2018 and maturing on December 10, 2019 (the "Prior Notes"), which Prior Notes were originally issued to temporarily finance the cost of various capital improvements, including the acquisition and installation of various capital items and the acquisition of property, in and for the County (the remaining portion of such Prior Notes is being paid by a 2019 budgetary appropriation of the County in the amount of $20,000,000). 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 Chosen Freeholders of the County on the dates set forth in the following table and published as required by law:

Ordinance Number	General Purpose and Date of Final Adoption	Amount of Prior Notes Being Refunded
536-11-2008	Various capital improvements and the acquisition and installation of capital items by and in the County, finally adopted November 25, 2008	$0
276-07-2009	Various capital improvements in and for the County, finally adopted July 9, 2009	$4,819,678
265-05-2012	Various capital improvements in and for the County, finally adopted May 16, 2012	$26,003,214
719-12-2013	Various capital improvements and acquisitions in and for the County, finally adopted December 12, 2013	$29,359,628
715-12-2014	Acquisition of properties for various purposes in and for the County, finally adopted December 11, 2014	$50,507,000

Ordinance Number	General Purpose and Date of Final Adoption	Amount of Prior Notes Being Refunded
753-12-2015	Various 2015 capital improvements and equipment acquisitions in and for the County, finally adopted December 23, 2015	$42,746,824
591-9-2017	Various capital acquisitions and improvements in and for the County, finally adopted September 14, 2017	$28,684,811
	TOTAL	$182,121,155

SECURITY 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 principal of and interest on the Notes. The Notes are payable in the first instance from the proceeds of the sale of bonds in anticipation of which the Notes were issued, but if not so paid or if not paid from other sources, the County has the power, and is obligated by law to levy *ad valorem* taxes upon all taxable property in the County for the payment 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 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* "MUNICIPAL BANKRUPTCY" herein.

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

MARKET PROTECTION FOR THE NOTES

In addition to the issuance of the Notes, it is anticipated that within the next ninety (90) days, the County will guaranty or secure additional bonds of the Hudson County Improvement Authority (the "Authority") for the issuance of not to exceed $7,500,000 Federally Taxable County-Guaranteed Lease Revenue Bonds, Series 2020 (Casino in the Park Project), anticipated to be issued in January 2020. Additionally, the County anticipates guarantying the County-Guaranteed Pooled Notes, Series 2020 A (Local Unit Loan Program) to be issued by the Authority in February 2020. The County also anticipates either issuing and/or guarantying bonds of the Authority of approximately $300,000,000 in the first quarter of 2020, for the purpose of financing the construction of a new County justice complex.

THE DEPOSITORY TRUST COMPANY ("DTC") INFORMATION

The Depository Trust Company ("DTC"), New York, New York 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 aggregate principal amount of the issue of Notes, 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"). 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 each actual purchaser of each Note (a "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 the 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.

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 (the "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 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, the Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of 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 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 depository with respect to the Notes at any time by giving reasonable notice to the County or the Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

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

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

THE AGENT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE OWNERS OF THE NOTES (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE NOTES.

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 approved by the recorded affirmative vote of at least two-thirds of the full membership of the Board of Chosen Freeholders of the County. The Local Bond Law requires publication and posting of the ordinance or a summary thereof. If the 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 counties, 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.

Tax anticipation notes are limited in amount by law and, in the case of the County, may be renewed from time to time, but 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 and 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. Refunding bonds may be issued in accordance with N.J.A.C. 5:30-2.5 and, therefore, no approval is required by the Local Finance Board, in the Division of Local Government Services, New Jersey Department of Community Affairs (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 ten (10) days of the delivery of the refunding bonds.

Statutory Debt Limitation

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 aggregate equalized valuations of all taxable real property, together with improvements to such property, and the assessed valuation of 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 Valuations 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" below.

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

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. 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 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 Chosen Freeholders and is 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.

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) 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.

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 counties, 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 must be certified as approved by the Director prior to final adoption of the budget by a county Board of Chosen Freeholders. 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 nondisbursement items. The Director is empowered to permit a higher level of anticipation, however, should there be sufficient statutory or other evidence to substantiate that such anticipation is reasonable.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the budgetary review functions, focusing on anticipated revenues, and serves to protect the solvency of all local units. 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 appropriations. 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 of less than 10,000 persons, must adopt (with some exceptions) and annually revise a three (3) year capital program. The capital program, when adopted, does not constitute the appropriation of funds, but sets forth a plan of capital expenditures which the local unit may contemplate over the next six (6) years or the next three (3) years, as applicable. Expenditures for capital purposes may be made either by ordinances adopted by the governing body which set forth the items and the methods of financing, or from the annual operating budget. *See* "CAPITAL IMPROVEMENT PROGRAM" herein.

Limitation on Expenditures ("CAP Law")

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 County tax levy, subject to certain exceptions. The Cost-of-Living Adjustment is defined as the annual percentage increase, rounded to the nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services 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 resolution approved by a majority vote of the full membership of the governing body, provide that the tax levy 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 the 3.5% over the previous year's county tax levy. *See* N.J.S.A. 40A:4-45.14. In addition, pursuant to Chapter 100 of the Laws of New Jersey of 1994 (N.J.S.A. 40A:4-45.15a, -45.15b) and Chapter 74 of the Laws of New Jersey of 2004, counties may "CAP Bank" under the Local Budget Law. A county is permitted to appropriate available "CAP Bank" in either of the next two (2) succeeding years' final appropriations if its actual appropriations in a fiscal year are below the allowable Cost-of-Living-Adjustment. 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 by law by an affirmative vote of fifty percent (50%).

The Division of Local Government Services has advised that counties and municipalities must comply with both the 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 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 full membership of the governing body. 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. Transfers between major appropriation accounts are prohibited, except for: (i) during the first three (3) months of a current fiscal year, appropriation reserves may be transferred to the immediately preceding year's budget; and (ii) transfers between major appropriation accounts are permitted during the last two (2) months of a current fiscal year. 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, contingent expenses, capital improvement fund or from other sources as provided in the statute.

Anticipation of Real Estate Taxes

N.J.S.A. 40A:4-29 provides limits for the anticipation of delinquent tax collections: "[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 product 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:4-26 provides that: "[n]o miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified 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.

Debt Statements

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 January 31 of each fiscal year, the County must file with the Division an Annual Debt Statement which is dated as of the last day of the preceding fiscal year. 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.

CAPITAL IMPROVEMENT PROGRAM

N.J.A.C. 5:30-4 provides that the Capital Budget and Capital Improvement Program of a local unit must be adopted as part of the annual budget. It 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.

TAX MATTERS

Federal Income Taxation

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 its tax certificate relating to the Notes that it 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 in the tax certificate described above, interest on the Notes is not includable in gross income of the holders thereof for Federal income tax purposes pursuant to Section 103 of the Code and is not treated as a preference item under Section 57 of the Code. Except as provided above, no opinion is expressed regarding any Federal tax consequences arising with respect to ownership of the Notes.

Original Issue Premium

The Notes were purchased at a premium ("original issue premium") over the stated principal amounts of the Notes. For Federal income tax purposes, original issue premium generally must be amortized over the term of the Notes. Amortizable bond premium is accounted for as reducing the tax-exempt interest on the Notes rather than creating a deductible expense or loss. Under Section 171(a)(2) of the Code, no deduction is allowed for the amortizable bond premium (determined in accordance with Section 171(b) of the Code) on tax-exempt bonds. Under Section 1016(a)(5) of the Code, however, an adjustment must be made to the purchaser's basis in the Notes to the extent of any amortizable bond premium that is disallowable as a deduction under Section 171(a)(2) of the Code. Holders of the Notes should consult their tax advisors for an explanation of the bond premium amortization rules.

Additional Federal Income Tax Consequences

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 further of the opinion that, under existing laws of the State, interest on the Notes and any gain realized on the sale of the Notes are not includable in gross income under the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., as amended. 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 tax-exempt status of interest on the Notes, gain from the sale or other disposition of the Notes, the market value of the Notes 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 advisers 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 delivery of the Notes and assumes no obligation to update its opinion after such date 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 paid or to be paid on the Notes as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

See Appendix C 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.

MUNICIPAL BANKRUPTCY

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 not 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.

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 their 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.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Notes are subject to the approval of Bond Counsel, whose approving legal opinion with respect to the Notes will be delivered with the Notes substantially in the form set forth as Appendix C hereto. Certain legal matters with respect to the Notes will be passed on for the County by its Counsel, Donato J. Battista, Esq., Jersey City, New Jersey ("County Counsel"). The various legal opinions to be delivered concurrently with the delivery of the Notes express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

NOTEHOLDERS' RISK

It is to be 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.

CERTIFICATES OF THE COUNTY

Upon the delivery of the Notes, the original purchaser shall receive certificates, 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 therein, 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 certificates in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Notes and receipt of payment therefor, and certificates 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 Notes or the interest thereon, as applicable, or questioning the validity of the statutes or the proceedings under which the Notes are issued, as applicable, and that neither the corporate existence or boundaries of the County, nor the title of any of the said officers to the respective offices, is being contested.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to the County of Hudson, Hudson County Administration Annex, Third Floor, 567 Pavonia Avenue, Jersey City, New Jersey 07306, Cheryl G. Fuller, Director of the Department of Finance and Administration/County Treasurer, (201) 795-6077, or to the County's Municipal Advisor, NW Financial Group, LLC, 2 Hudson Place, Hoboken, New Jersey 07030, Michael Hanley, (201) 656-0115.

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.

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 or the delivery of the Notes, or the levy or the

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 the collection of taxes, or contesting the corporate existence or the boundaries of the County or the title of any of the present officers. Further, to the knowledge of the County Counsel, no litigation is presently pending or threatened that, in the opinion of the County Counsel, would have a material adverse impact on the financial condition of the County if adversely decided. Upon the delivery of the Notes, the County shall furnish an opinion of its County Counsel for the Notes, dated the date of delivery of the Notes, attesting to the status of litigation in the County.

COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE NOTES

The County has covenanted for the benefit of noteholders 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 United States Securities and Exchange Commission (the "SEC"). The Notices will be filed by the County with the Municipal Securities Rulemaking Board (the "MSRB") and with a state information depository, if any. The specific nature of the Notices will be detailed in a certificate to be executed on behalf of the County by its Director of the Department of Finance and Administration/County Treasurer, in the form appearing in Appendix D hereto (the "Note Disclosure Certificate"). Such Note Disclosure Certificate shall be delivered concurrently with the delivery of the Notes. Except as noted below, as of the date of this Official Statement, the County has made the filings required to comply with all previous undertakings under the Rule.

Pursuant to certain previous continuing disclosure undertakings, in the previous five (5) years, the County failed to timely file a certain event notice relating to rating changes of program ratings on certain bonds which benefit from State credit enhancements. Such filing has subsequently been made and the required failure to file notice has 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

Bond Counsel has participated in the preparation and review of this Official Statement, but has not participated in the collection of financial or statistical information contained in Appendix A and Appendix B and throughout this Official Statement, nor has it verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto.

County Counsel has not participated in the preparation of the information contained in this Official Statement, 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 "LITIGATION" and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

Donohue, Gironda, Doria & Tomkins, LLC, Auditor to the County, has not participated in the review or preparation of this Official Statement and has not verified the accuracy or completeness thereof and accordingly, expresses no opinion or other assurance or assumes any responsibility with respect thereto, but has prepared the financial statements described below under the heading entitled "FINANCIAL STATEMENTS" and contained in 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.

NW Financial Group, LLC, Hoboken, New Jersey, the Municipal Advisor to the County, 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.

RATING

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC (the "Rating Agency") has assigned a short-term rating of "SP-1+" to the Notes. An explanation of the significance of the rating may be obtained from the Rating Agency at 55 Water Street, New York, New York 10041. Such rating reflects only the views of such Rating Agency, and an explanation of the significance of the rating may be obtained from the 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 the Rating Agency, if in the judgment of the 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 Note 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 JP Morgan Securities LLC, New York, New York (the "Underwriter"), at a price of $183,623,654.53 (the "Purchase Price") in accordance with the terms of the Notice of Sale for the Notes dated November 18, 2019 (the "Notice of Sale"). The Purchase Price represents the par amount of the Notes plus a bid premium in the amount of $1,502,499.53. The Underwriter is reoffering the Notes to the public at the initial public reoffering yield set forth on the front cover page of this Official Statement, which may subsequently change without notice.

MUNICIPAL ADVISOR

NW Financial Group, LLC, Hoboken, New Jersey, has served as Municipal Advisor to the County with respect to the issuance of the Bonds (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 the 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.

FINANCIAL STATEMENTS

The balance sheets of the various funds of the County as of December 31, 2018 and 2017 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, independent auditor, as stated in its report appearing in Appendix B.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the County and the 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 contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

COUNTY OF HUDSON

/s/ Thomas A. DeGise
THOMAS A. DEGISE
County Executive

DATED: November 26, 2019

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”) is a peninsula 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 634,266 as per the 2010 census for New Jersey issued by the U.S. Census Bureau. With over 13,585 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 Kennedy International and LaGuardia Airports in New York. Within its 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, internally, 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 Chosen Freeholders 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 Chosen Freeholders, 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

County Executive

Mr. Thomas A. DeGise has served as the County Executive since November 2002. Prior to serving as County Executive, Mr. DeGise was Jersey City's longest serving Municipal Council President, holding that office from 1993 to 2001. He entered public life as a community leader during the 1980's, founding the New #28 School Neighborhood Association and eventually chairing the Heights Coalition of Neighborhood Associations (HCNA), a group dedicated to improving quality of life in Jersey City's Heights Section. He was an educator in the Jersey City Schools from 1975 to 2002. Mr. DeGise earned his Bachelor of Arts in Political Science from St. Peters College in 1973.

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

On December 30, 2002, Donato J. Battista was appointed to serve as County Counsel. Previously, Mr. Battista was employed in private practice with the Office of Cole & Cole, Esqs. in Jersey City, New Jersey. He also had served as counsel to the Ethical Standards Board of the City of Jersey City. Mr. Battista is a graduate of St. Peter's College with a Bachelor of Science in History. He took post-graduate courses at Seton Hall University and he is also a graduate of Seton Hall University School of Law receiving a Juris Doctorate. He is admitted to the New Jersey State Bar and 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 Qualified Purchasing Agent.

Freeholder Chairperson

Anthony P. Vainieri, Jr. was born in Jersey City and is a lifelong resident of North Bergen. He attended Horace Mann Grammar School and North Bergen High School. He later went to college to obtain a Certificate of Proficiency in Funeral Service that made it possible to take the NJ State Board and National Exams in funeral service becoming a Licensed Practitioner of Mortuary Science. He currently serves as the Manager and co-owner of the Vainieri Funeral Home in North Bergen. In addition Freeholder Vainieri serves as the Chief of Staff to the Mayor of North

Bergen and is Chairman of the North Bergen Zoning Board. He is a former member of the Hudson County Schools of Technology, a former Commissioner on the North Bergen Housing Authority and a former member of the NJ State Board of Mortuary Science. Freeholder Vainieri has been a member of the Board of Chosen Freeholders since January 1, 2015 and is Chairman of the Finance and Transportation Committees.

Freeholder
Vice Chairperson

William O'Dea was elected freeholder in September 1997.

Now serving his fifth full term, Freeholder O'Dea is Chairman of the Public Resources Committee, Chairman of the Banking Committee, representative to the Hudson County Improvement Authority, and a member of the Hudson County Schools of Technology Board of School Estimate. He is a member of the following committees: Taskforce on the Homeless; Contracts Review; and Environment, Health and Human Services.

A native of Jersey City, he 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.

Freeholder 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.

Chairperson
Pro Tempore

Anthony R. Romano began serving on the Hudson County Board of Freeholders 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

Freeholder 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.

Freeholder 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.

Source: Hudson County Board of Chosen Freeholders, Office of the Clerk of the Board.

Board of Chosen Freeholders

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

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

The legislative power of the County is vested in the Board of Chosen Freeholders. Under the Optional County Charter Law approved by the voters in 1975, the Board of Chosen Freeholders, 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 2016/2017 school year, Hudson County's 12 municipalities and 16 Charter Schools had 5 Early Childhood Centers, 83 public elementary schools, 16 middle schools and 21 high schools. Supplementing these are 2 public special education schools, 2 private schools for the disabled, 4 adult/evening high schools and 2 satellite schools of technology.

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, Kearny and Jersey City there are vocational education programs for high school students. Vocational education is also provided to adults through the HCST adult evening and adult high school.

As of September 2008, there were 363 registered family day care providers and 197 licensed child care centers registered with the Urban League of Hudson County of which 27 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 having a rail tunnel, which traverses the Hudson River, with six (6) stations 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 East. "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 nearing completion of a $3.8 billion redevelopment program that includes: the extension of the AirTrain system, a second International Arrivals Facility, modernized passenger terminals, improved airport access, additional parking facilities, expanding roadways, and improved runways and taxiways.

The airport provides over 20,000 parking spaces. There are over 17,000 public parking spaces, in the short-term, daily and economy/long-term lots and about 3,000 employee parking spaces. In January 2000, construction began on a six level 3,200-space parking garage at AirTrain Station P4. Construction began in the summer of 2000 for a 3,400-space four-level parking garage at Terminal C. Both garages are complete.

On December 8, 2005, The Port Authority of New York and New Jersey (the "Port Authority"), which owns Newark Liberty International Airport, approved its strategic plan, setting forth planned capital projects for 2006-2015, as approved by its Board. The plan includes $268 million designated for modernization of Terminal B and $50 million for modernization, expansion and structural parking at Terminal A of Newark Liberty International Airport.

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 eleven (11) lines.

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
North Jersey Coast Line	Gladstone Branch	Only)

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 (20) stations from West Side Avenue, Jersey City, East 22nd Street, Bayonne to Lincoln Harbor, Weehawken. In October 2005, the Port Imperial Terminal was opened to weekend service. In 2006, two (2) more stations opened expanding service northward to Bergenline Avenue and Tonnelle Avenue, North Bergen.

The PATH is a rapid rail system that operates among Newark, Harrison, Jersey City and Hoboken in New Jersey and six (6) stations across the Hudson River in New York. The PATH has thirteen (13) rail stations throughout northeastern New Jersey and Manhattan, including the World Trade Center Station, which was reopened on November 23, 2003.

The Port Authority's strategic plan approved by its Board on December 8, 2005, includes approved 2006-2015 capital projects totaling $1.1 billion designated for the completion of PATH rail car replacement and modernization of signal and power systems, platforms and rail yards.

Ferry

New York Waterway and Billy Bey Ferry Co. offer frequent and convenient ferry service into and out of Manhattan from Weehawken, Hoboken and Jersey City to World Financial Center and Pier 11/Wall Street in lower Manhattan, and to West 39th in midtown Manhattan, where free transfer is available to a variety of "loop" buses.

New York Water Taxi operates one ferry route between the Colgate Docks in Jersey City and Pier 11 near Wall Street. Liberty Park Water Taxi operates one ferry route between Liberty Landing Marina in Jersey City and Battery Park City/World Financial Center in Manhattan.

Bus

An extensive public/private system of bus routes provides intra-county and intra-state service via many local routes.

Major Highways

Rt. 495, Rt. 185, Rt. 3, Rt. 7, Rts. 1 & 9, Rt. 440 and the New Jersey Turnpike link the County to other eastern market areas and Rt. I-95, Rt. I-78, and Rt. I-280 provide western links within the State and New York.

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.

Seaport

Port Jersey Industrial Marine Center 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 Port Jersey Corporation has formed its own railroad which will service the 17 berths and industrial complex. The Greenville Yards of Conrail are adjacent to this seaport. Port Jersey's geographic location provides excellent access to the sea from the Port of New York's Upper Harbor.

Communications

Newspapers

The Jersey Journal, published in Jersey City daily except Sundays and holidays, has a circulation of 30,000. New York City and New Jersey metropolitan area papers also have wide circulation. Several foreign language newspapers are available as well.

Postal Facilities

One of the largest postal distribution facilities in the entire northeastern United States is located in Jersey City. Local delivery is made from 33 offices throughout the County.

Telephone

Verizon New Jersey provides the majority of telephone access lines in the State. It provides voice, data, DSL and video services to residential and business customers. Previously, as New Jersey Bell, it had filed a proposal with the Board of Regulatory Commissioners to accelerate the installation of a fully fiber-optic network in the State by 2010.

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 Chosen Freeholders (the "County Freeholders") 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 Freeholders 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 Chosen Freeholders of Atlantic County, et al., 112 P.3d 652 (1997) ("Atlantic Coast").

The Hudson County Improvement Authority currently has outstanding $85,660,000 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. These funds are expected to be repaid to Hudson County upon completion of the remediation and sale of the Koppers Site. The Hudson County Improvement Authority and Hudson County are currently participating in a cooperative effort to market the site.

On May 1, 2012, the County permanently financed a portion of the outstanding obligations through the issuance of County Secured Koppers Site Revenue Bonds, Series 2012 through the Hudson County Improvement Authority in the amount of $6,265,000. Further, on May 1, 2013, the County permanently financed the remaining portion of the outstanding notes through the issuance of County Secured Koppers Site Revenue Bonds, Series 2013 through the Hudson County Improvement Authority in the amount of $19,880,000. Both series of bonds are continuously callable and reach final maturity on May 1, 2025.

Water

Water is supplied to Hudson County municipalities as follows:

Municipality	Supplier
Bayonne	North Jersey District Water Supply Commission
East Newark	North Jersey District Water Supply Commission
Kearny	North Jersey District Water Supply Commission
Harrison	Passaic Valley Water Commission
Hoboken	United Water Company
Jersey City	United Water Company
Guttenberg	United Water Company
North Bergen	United Water Company
Secaucus	United Water Company
Union City	United Water Company
Weehawken	United Water Company
West New York	United Water Company

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

Municipality	1950	1960	1970	1980	1990	2000	2010	2018 Estimates	Land Area (Sq. Mi.)
Bayonne	77,203	74,215	72,743	65,047	61,444	61,842	63,024	65,083	5.63
East Newark	2,173	1,872	1,922	1,923	2,157	2,377	2,406	2,647	0.10
Guttenberg	5,566	5,118	5,754	7,340	8,268	10,807	11,176	11,326	0.19
Harrison	13,490	11,743	11,811	12,242	13,425	14,424	13,620	17,836	1.22
Hoboken	50,676	48,441	45,380	42,460	33,397	38,577	50,005	53,455	1.28
Jersey City	299,017	276,101	260,350	223,532	228,537	240,055	247,597	265,549	14.92
Kearny	39,952	37,472	37,585	35,735	34,874	40,513	40,684	41,422	9.14
North Bergen	41,560	42,387	47,751	47,019	48,418	58,092	60,773	61,627	5.20
Secaucus	9,750	12,154	13,228	13,719	14,061	15,931	16,264	20,742	5.89
Union City	55,537	52,180	57,305	55,593	58,012	67,088	66,455	68,520	1.27
Weehawken	14,830	13,504	13,383	13,168	12,385	13,501	12,554	14,864	0.85
West New York	37,683	35,547	40,627	39,194	38,125	45,768	49,708	52,990	1.02
Hudson County	647,437	610,734	607,839	556,972	553,099	608,975	634,266	676,061	46.69

Source: 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	1990			553,090	N/A
	2000			608,975	10.10%
	2010			634,266	-2.92%
		2018		676,061	6.59%
			2019	708,100	7.97%
			2024	718,700	1.50%
			2029	747,400	3.99%
			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
1980-2010

Municipality	1980	1990	2000	2010	Percent Change 1980-1990	Percent Change 1990-2000	Percent Change 2000-2010
Bayonne	26,363	26,468	26,826	27,693	0.40%	1.35%	3.23%
East Newark	696	755	799	802	8.48	5.83	0.38
Guttenberg	4,061	4,504	4,650	5,243	10.91	3.24	12.75
Harrison	4,618	5,120	5,254	4,962	10.87	2.62	-5.56
Hoboken	16,821	17,421	19,915	25,316	3.57	14.32	27.12
Jersey City	87,999	90,723	93,648	106,937	3.10	3.22	14.19
Kearny	13,301	13,435	13,872	14,296	1.01	3.25	3.06
North Bergen	19,375	21,274	22,009	23,184	9.80	3.45	5.34
Secaucus	5,502	6,013	6,385	6,352	9.29	6.19	-0.52
Union City	21,500	22,592	23,741	24,591	5.08	5.09	3.58
Weehawken	5,208	5,583	6,159	6,211	7.20	10.32	0.84
West New York	15,832	15,794	17,360	19,257	-0.24	9.92	10.93
Hudson County	221,276	229,682	240,618	264,844	3.80%	4.76%	10.07%

Source: Hudson County 1990 Data Book, Department of Planning and Economic Development, 1990 Census Profile Series, Census 2000 Housing Units, U.S. Census Bureau.
Additional Source for Update: State of NJ Dept. of Labor and Workforce Development, State Data Center, Summary file-1 Data for Hudson County 2010 Census, 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 2009-2018.

DWELLING UNITS AUTHORIZED BY BUILDING PERMIT

Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Building Permits	1,618	917	1,581	2,676	3,521	4,621	5,060	4,164	5,073	4,617
Single Units	84	55	47	46	130	272	400	338	243	1,065
Multi Units	1,534	862	1,534	2,630	3,391	4,349	4,660	3,826	4,830	3,552

Source: New Jersey Building Permits Program Data. State of New Jersey Department of Labor, Division of Labor Market and Demographic Research.

TOTAL DWELLING UNITS AUTHORIZED BY BUILDING PERMIT

By Municipality
2009-2018

Municipality	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Bayonne	68	46	46	189	286	193	188	63	558	757
East Newark	2	0	0	60	60	0	0	0	8	10
Guttenberg	51	2	2	22	8	18	21	2	109	10
Harrison	14	10	7	483	22	468	309	739	1,339	45
Hoboken	149	254	309	234	420	475	743	110	679	221
Jersey City	1,048	170	548	616	1,687	2,180	2,658	1,494	1,604	2,493
Kearny	0	0	0	0	2	151	0	84	0	4
North Bergen	0	0	0	0	0	0	0	10	31	226
Secaucus	69	373	406	665	667	632	657	766	14	65
Union City	77	19	2	55	39	43	94	81	40	95
Weehawken	28	13	0	217	226	403	5	558	238	380
West New York	112	30	261	135	104	58	385	257	453	311
Hudson County	1,618	917	1,581	2,676	3,521	4,621	5,060	4,164	5,073	4,617

Source: State of New Jersey Department of Labor, Division of Labor Market and Demographic Research.

NEW JERSEY COUNTIES
TOTAL RESIDENTIAL UNITS AUTHORIZED BY BUILDING PERMITS
RESIDENTIAL BUILDING PERMITS AUTHORIZED 2009-2018

COUNTY	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Atlantic County	512	512	390	441	484	722	710	1,083	1,090	833
Bergen County	806	1,232	1,660	2,535	2,751	3,408	2,672	3,144	3,001	2,849
Burlington County	806	682	791	713	734	1,000	892	825	1,133	1,268
Camden County	585	487	603	898	1,368	1,506	1,121	553	1,400	765
Cape May County	428	434	452	491	658	638	614	642	809	643
Cumberland County	262	246	182	190	219	211	237	134	88	74
Essex County	777	663	575	1,334	1,463	2,617	3,214	2,386	2,317	2,053
Gloucester County	865	716	592	534	939	491	736	724	736	640
Hudson County	1,618	917	1,581	2,676	3,521	4,621	5,060	4,164	5,073	4,617
Hunterdon County	268	275	287	181	199	348	425	355	287	621
Mercer County	269	655	400	444	964	368	896	711	605	501
Middlesex County	1,018	1,568	1,225	1,307	1,652	1,901	2,990	2,351	2,730	2,737
Monmouth County	964	915	864	1,034	1,663	1,484	1,399	1,933	1,474	1,897
Morris County	613	579	547	878	1,665	1,611	2,262	1,695	1,648	1,589
Ocean County	902	1,322	933	1,125	2,171	2,937	2,621	2,635	3,427	2,283
Passaic County	281	402	406	528	838	518	507	397	568	624
Salem County	149	105	82	61	38	51	43	50	40	63
Somerset County	438	716	580	1,169	1,221	1,310	1,551	995	730	1,309
Sussex County	182	210	172	267	262	222	216	169	106	156
Union County	488	730	566	929	1,111	1,966	2,185	1,594	1,085	2,312
Warren County	165	174	191	204	278	244	289	257	154	108
New Jersey	12,396	13,540	13,079	17,939	24,199	28,174	30,640	26,797	28,501	27,942

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

Year	Labor Force	County Unemployment as % of Civilian Labor Force	State Unemployment as % of Civilian Labor Force	National Unemployment as % of Civilian Labor Force
2007	290,000	5.0	4.3	4.6
2008	294,000	6.2	5.3	5.8
2009	300,200	10.5	9.1	9.3
2010	352,900	9.6	9.5	9.6
2011	357,400	9.2	9.3	8.9
2012	360,700	8.9	9.3	8.1
2013	359,500	7.9	8.2	7.4
2014	357,200	6.4	6.8	6.2
2015	358,800	5.4	5.8	5.3
2016	359,200	4.7	5.0	4.9
2017	360,300	4.4	4.6	4.4
2018	357,600	3.9	4.1	3.9

Source: U.S. Department of Labor, Bureau of Labor Statistics, and New Jersey Department of Labor, Bureau of Labor Force Statistics.

Economy

The following chart shows the distribution of the Bergen-Hudson-Passaic Metropolitan Statistical Area labor force by industry group for the years 2009 through 2018.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Goods Producing	**89.3**	**86.4**	**86.8**	**85.7**	**86.4**	**87.4**	**88.8**	**89.8**	**90.7**	**92.0**
Manufacturing	61.9	60.6	60.8	59.2	58.7	58.2	58.4	59.3	60.0	61.1
Mining, Logging, and Construction	27.4	25.8	26.0	26.5	27.7	29.2	30.4	30.5	30.7	30.8
Service Providing	**775.6**	**775.4**	**778.3**	**785.7**	**792.5**	**800.3**	**810.3**	**820.9**	**832.0**	**836.1**
Trade, Transportation, and Utilities	200.3	200.3	201.6	203.9	204.1	206.5	208.3	208.6	210.6	212.2
Information	19.7	19.5	18.7	18.1	18.1	19.1	19.6	19.4	19.4	18.6
Financial Activities	73.7	71.5	70.3	68.9	69.1	66.3	67.5	70.3	74.2	75
Professional and Business Services	128.3	129.7	136.3	140.5	143.2	140.4	141.8	142.6	142.1	140.3
Education and Health Services	136.9	139.7	140.6	143.4	144.1	148.9	152.3	156.4	160.9	162.8
Leisure and Hospitality	62	63.3	63.6	63.7	66.4	67.8	69.6	71.4	72.9	75.8
Other Services	33.2	32.9	33.2	34.4	34.0	36.3	35.9	36.5	36.4	36.5
Government	121.6	118.6	114.1	112.8	113.4	115.9	115.4	115.6	115.4	114.8
Total	**864.9**	**861.8**	**865.1**	**871.4**	**878.8**	**887.7**	**899.1**	**910.7**	**922.7**	**928.0**

Source: New Jersey Department of Labor, Division of Labor Market and Demographic Research.

NEW JERSEY
ESTIMATED OCCUPATIONAL EMPLOYMENT PROJECTIONS

Occupation Title	2016 Estimated Employment	2026 Projected Employment	Numeric Change	Total Percent Change
Total, All Occupations	**4,318,450**	**4,671,200**	**352,750**	**8.2**
Management Occupations	251,800	275,500	23,700	9.4
Business and Financial Operations Occupations	247,300	266,650	19,350	7.8
Computer and Mathematical Occupations	147,000	161,500	14,500	9.9
Architecture and Engineering Occupations	54,150	59,700	5,550	10.3
Life, Physical, and Social Science Occupations	39,850	43,300	3,450	8.7
Community and Social Service Occupations	65,900	73,750	7,850	11.9
Legal Occupations	40,450	43,850	3,400	8.4
Education, Training, and Library Occupations	328,200	346,200	18,000	5.5
Arts, Design, Entertainment, Sports, and Media Occupations	63,850	66,550	2,700	4.3
Healthcare Practitioners and Technical Occupations	242,300	271,850	29,550	12.2
Healthcare Support Occupations	166,750	206,100	39,350	23.6
Protective Service Occupations	116,200	117,650	1,450	1.3
Food Preparation and Serving Related Occupations	307,500	349,850	42,350	13.8
Building and Grounds Cleaning and Maintenance Occupations	145,200	160,750	15,550	10.7
Personal Care and Service Occupations	162,550	195,300	32,750	20.2
Sales and Related Occupations	442,100	458,750	16,650	3.8
Office and Administrative Support Occupations	678,000	682,300	4,300	0.6
Farming, Fishing, and Forestry Occupations	3,250	3,200	-50	-0.5
Construction and Extraction Occupations	146,500	162,900	16,400	11.2
Installation, Maintenance, and Repair Occupations	146,800	157,250	10,450	7.1
Production Occupations	169,550	176,750	7,200	4.3
Transportation and Material Moving Occupations	353,400	391,500	38,100	10.8

Source: New Jersey Department of Labor, Division of Labor Market and Demographic Research.

25 Largest Taxpayers
2019

	Taxpayer		Total Assessed Value
1	COA 99 HUDSON, LLC	$	520,290,000
2	M-C PLAZA II & III LLC C/OMC REALTY		376,000,000
3	101 HUDSON REALTY LLC % MACK-CALI		351,950,000
4	LIBERTY TOWERS TIC I & II, LLC		290,317,300
5	MEPT NEWPORT TWR.LLC.%ALTUS GROUP		261,230,000
6	HANCOK S-REIT JCITY CORP		224,955,500
7	1000 HARBOR BLVD LLC.		215,000,000
8	NEWPORT CENTRE		203,047,000
9	NEWPORT CNTR LLC C\O SLK GLOBAL		201,387,300
10	GRAND LHN III U.R., LLC		189,300,000
11	GROVE POINTE U.R.,LLC%D.CRONHEIM		185,000,000
12	25 RIVER DR. SO. URBAN RENEWAL		183,807,800
13	MC SOHO LOFTS TIC I & II, LLC		182,937,600
14	JP MORGAN CHASE BANK, NATIONAL ASSO		181,869,500
15	COLES ST. ASSOC. C/O NEWMARK & CO.		180,000,000
16	CAL-HARBOR SO. PIER UR ASSC. %M CALI		179,640,000
17	TOWER EAST U.R. % HUNTON, PAIGE		174,443,000
18	NEWPORT CENTRE		155,893,000
19	WELLS REIT II-INT'L FNCL TW%M. CAL		145,000,000
20	TOWER AMERICA % HUNTON,PAIGE		140,152,600
21	1200 HARBOR BLVD LLC & HARTZ MT		140,000,000
22	PKG ASSOCIATES,LLC %THE APPLIED MG		139,900,000
23	MARABELLA TOWER URBAN RENEWAL ASSOC		136,086,900
24	MCFEF WARREN LLC		132,000,000
25	NEWPORT CENTRE		126,364,500
		$	5,216,572,000

HCEDC TOP EMPLOYERS IN HUDSON COUNTY 1000 OR MORE

Employer	City	Number of Employees
United Parcel Service Inc. NY Corp.	Secaucus	6,100
UBS Financial SVC.	Weehawken	5,000
John Wiley & Sons Inc.	Hoboken	4,900
Goldman Sachs & Co. Inc.	Jersey City,	3,782
County of Hudson	Jersey City,	2,800
Bayonne Board of Education	Bayonne	2,745
Jersey City Board of Education	Jersey City	2,494
United Postal Service	Jersey City	2,200
Pershing LLC	Jersey City	2,000
Hanover Direct	Weehawken,	1,975
Bayonne Hospital	Bayonne,	1,867
New Jersey City University	Jersey City	1,663
Hoboken University Medical Ctr.	Hoboken	1,647
City of Bayonne	Bayonne,	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
The Children's Place Retail Store 915	Secaucus	1,500
Jersey City Medical Center Inc.	Jersey City	1,409
National Retail System Inc.	North Bergen,	1,259
Christ Hospital Health Service	Jersey City,	1,200
Deutsche Bank Trust Co. NJ Ltd.	Jersey City,	1,200
Palisades General Hospital	North Bergen,	1,200
Kearny Board of Education	Kearny	1,087
ICAP Services North America LLC.	Jersey City	1,061
Fidelity Investments	Jersey City	1,000
Insurance Service Office Inc.	Jersey City	1,000
Computershare Investor Service LLC	Jersey City	1,000
Cosco Shipping North America	Secaucus	1,000
West New York Board of Education	West New York	1,000

Source: Hudson County Economic Development Corp., Major Employers List, January 2017.

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.

Year	County Purpose	County Open Space
2019	$ 4.220668200	0.10
2018	4.442896800	0.10
2017	4.830015000	0.10
2016	5.256456600	0.10
2015	5.354033801	0.05
2014	5.432753843	0.05
2013	5.427580443	0.02
2012	5.120730860	0.10
2011	4.606056535	0.05
2010	4.100884057	N/A

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

HUDSON COUNTY
ASSESSED VALUATIONS OF LAND AND IMPROVEMENT BY CLASS

Year	Total	Class 1 Vacant Land	Class 2 Residential	Class 4a Commercial	Class 4b Industrial	Class 4c Apartments
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
2013	22,065,703,640	813,000,997	12,579,961,122	4,541,483,527	2,373,106,080	1,758,151,914
2012	22,059,173,124	830,678,729	12,599,549,374	4,588,573,358	2,318,154,730	1,722,216,933
2011	22,254,673,988	885,377,129	12,634,080,055	4,651,379,831	2,352,772,470	1,731,064,503
2010	21,951,680,966	916,654,528	12,363,451,935	4,611,693,223	2,400,631,570	1,659,249,710

Source: Hudson County Board of Taxation.

HUDSON COUNTY
NET VALUATIONS AS EQUALIZED

Year	Land	Improvements	Land and Improvements	Personal Property	Net Valuation Taxable	Valuation as Equalized	Net Valuation Taxable Divided by Valuations Equalized
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
2013	7,634,490,772	14,514,444,032	22,148,934,804	43,049,087	22,108,752,727	56,209,203,691	39.33
2012	7,649,489,836	14,514,012,032	22,163,501,868	47,041,091	22,106,214,215	57,804,197,033	38.24
2011	7,750,856,416	14,642,766,266	22,393,622,682	43,373,384	22,254,673,988	61,904,507,553	35.95
2010	7,580,446,090	14,531,622,026	22,112,068,116	38,886,432	21,990,567,398	66,652,575,537	33.00

Source: Hudson County Board of Taxation.

HUDSON COUNTY
Tax Levy - County Purpose

	2019	2018	2017	2016	2015
Bayonne	$ 27,226,051	$ 26,242,782	$ 26,294,413	$ 27,017,738	$ 28,440,609
East Newark	880,907	739,632	717,367	694,665	715,158
Guttenberg	4,613,516	4,643,859	4,557,904	4,697,652	4,803,745
Harrison	6,151,953	5,809,884	6,004,318	6,450,326	6,188,966
Hoboken	73,827,805	75,264,771	74,195,523	70,290,345	67,327,339
Jersey City	146,416,534	137,412,447	126,293,800	115,491,912	104,854,028
Kearny	17,166,587	17,178,549	17,673,754	18,989,597	18,509,406
North Bergen	27,663,731	27,352,336	26,935,179	26,541,907	25,529,571
Secaucus	22,874,117	21,428,274	23,505,445	23,825,377	22,862,721
Union City	17,493,853	17,230,571	17,439,293	17,912,576	16,902,714
Weehawken	16,651,787	15,809,842	13,996,033	13,240,946	14,502,521
West New York	13,214,035	12,567,927	12,930,723	12,190,712	13,106,975
Total	$ 374,180,876	$ 361,680,876	$ 350,543,753	$ 337,343,753	$ 323,743,753

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

HUDSON COUNTY
Tax Levy – County Open Space

	2019	2018	2017	2016	2015
Bayonne	$ 648,631	$ 596,939	$ 550,254	$ 527,725	$ 268,553
East Newark	20,875	16,658	14,852	13,215	6,717
Guttenberg	110,115	104,960	95,101	90,083	45,217
Harrison	146,181	130,876	126,957	126,316	57,865
Hoboken	1,761,928	1,701,639	1,546,411	1,348,278	636,000
Jersey City	3,561,500	3,164,096	2,660,997	2,232,752	1,012,320
Kearny	408,678	386,671	366,289	362,156	173,382
North Bergen	657,171	620,934	561,594	517,178	240,281
Secaucus	547,249	489,881	483,290	457,719	220,117
Union City	415,512	391,363	363,215	342,859	159,848
Weehawken	396,080	356,243	291,051	271,016	135,748
West New York	317,554	284,455	271,159	249,933	123,462
	$ 8,991,473	$ 8,244,716	$ 7,331,170	$ 6,539,230	$ 3,079,510

Source: County of Hudson, Board of Taxation

TAX-EXEMPT PROPERTIES IN HUDSON COUNTY
2018 ASSESSED VALUATION

Public Schools	$ 1,975,975,400
Schools other than Public	868,645,400
Public Property	7,588,060,981
Church and Charities	1,422,640,040
Cemeteries	128,091,000
Miscellaneous	15,296,866,476
Total	$ 27,280,279,297

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 2009 through 2018.

Fiscal Year Beginning January 1	County Purpose Tax	County Open Space Tax	Uncollected at End of Fiscal Year December 31
2018	$ 361,680,876	$ 8,244,716	-0-
2017	350,543,753	7,331,170	-0-
2016	337,343,753	6,539,530	-0-
2015	323,743,753	3,079,510	-0-
2014	309,843,753	2,908,832	-0-
2013	300,320,800	1,124,124	-0-
2012	291,096,475	5,780,418	-0-
2011	279,653,339	3,095,225	-0-
2010	269,353,339	695,215	-0-
2009	257,381,953	6,860,940	-0-

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

COMPARATIVE SCHEDULE OF FUND BALANCES - CURRENT FUND

Calendar Year	Balance December 31	Utilized in Budget of Succeeding Year
2018	$55,672,205	$47,000,000
2017	67,058,803	67,058,803
2016	38,212,443	34,614,535
2015	26,352,065	23,500,000
2014	25,565,615	24,000,000
2013	22,569,476	21,500,000
2012	23,099,387	22,500,000
2011	28,051,598	23,500,000
2010	25,060,546	24,000,000
2009	24,528,532	24,000,000

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

SUMMARY OF COUNTY DEBT
DECEMBER 31, 2018

Bonds and Notes Issued, Loans and Guarantees	$ 589,097,368
Authorized But Not Issued-Bonds and Notes	330,360,694
Total Bonds and Notes Issued and Authorized but Not Issued	919,458,061
Issued:	
Green Acres Loan Payable	2,660,575
Serial Bonds and Notes Issued	484,466,505
Self-Liquidating Bonds	-
Guarantees – Hudson County Improvement Authority	327,700,119
Total Issued Bonds and Notes, Loans and Guarantees	814,827,199
Authorized But Not Issued:	
Serial Bonds and Notes Authorized but Not Issued	104,630,863
Total Serial Bonds and Notes, Loans and Guarantees Issued and Not Issued	919,458,061
Statutory Deductions	
Serial Bonds and Notes Issued	20,099,434
Self-Liquidating Bonds	-
Serial Bonds and Notes Authorized But Not Issued	68,018,100
Guarantees – Hudson County Improvement Authority	327,700,119
Total Statutory Deductions	415,817,653
Net Debt	$ 503,640,409
Average Equalized Valuation of Real Property (Years 2016–2018)	78,902,701,233
Gross Debt as a Percentage of Equalized Valuations	1.160%
Net Debt as a Percentage of Equalized Valuations	0.638%
Gross Debt per Capita – 2010 Census: 634,266	$1,450
Net Debt per Capita – 2010 Census: 634,266	$794
Borrowing Power:	
2% of Average Equalized Valuation Basis	$ 1,578,054,025
Net Debt	495,001,619
Remaining Borrowing Power:	$ 1,083,052,406

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

STATUTORY DEBT
DECEMBER 31, 2018

	Gross Debt	Deductions	Net Debt
Total Bonds and Notes for Self-Liquidating Purposes	$ -	$ -	$ -
Total Serial Bonds and Notes Issued and Authorized But Not Issued	919,458,061	415,817,653	503,640,408
Total	$ 919,458,061	$ 415,817,653	$ 503,640,408

Average Equalized Valuation of Real Property (Years 2016-2018)	$78,902,701,233
Statutory Net Debt as a Percent of Valuation	0.638%

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

COUNTY OF HUDSON
DEBT STATEMENT AS OF DECEMBER 31, 2018
AUTHORIZED BUT NOT ISSUED

1.	Bonds Authorized not Issued	
2.	HCST Various Capital Improvements - 1997	50,000.00
3.	West Hudson & Lincoln Park	157,716.00
4.	Bayonne Park Playground	3,500.00
5.	Laurel Hill Extension	69,997.50
6.	HCST Various Capital Improvements - 1998	20,000.00
7.	Various Capital Improvements - 2000	211,146.00
8.	Open Space Capital Improvements - 2005	200.00
9.	Various Capital Improvements - 2005	250,000.00
10.	Various Capital Improvements - 2006	438.40
11.	Green Acres Improvements - 2006	1,050,000.00
12.	Open Space Trust - 2007	190.00
13.	Various Capital Improvements - 2008	362,000.00
14.	14th Street Viaduct	16,137,201.98
15.	Various Capital Improvement - 2011	1,111,500.00
16.	830 Bergen Acquisition	1,968,750.00
17.	Various Capital Improvements - 2012	1,090,476.00
18.	Various 2013 Road & Bridge Improvements	1,282,142.00
19.	HCST Improvements-2015	10,000,000.00
20.	FY 2014 Road & Bridge Improvements	980,639.70
21.	FY 2015 Road and Bridge	1,301,352.00
22.	FY 2016 Road and Bridge Improvements	1,560,000.00
23.	2017 Roads and Bridges	2,389,841.00
24.	Meadowview Campus Improvements	17,285,250.00
25.	Justice Complex Master Plan	346,000.00
26.	Various Roads and Bridges Improvements	3,221,717.00
27.	Various Park Improvements	10,162,805.00
28.	CY 18 - Various Capital Improvements	15,438,000.00
29.	HCST Various Improvements – 2018	8,000,000.00
30.	Energy Savings Plan – Refunding Bonds 2018	3,480,000.00
31.	FY 2019 Community College Chapter 12	6,700,000.00
		$104,630,862.58

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR THE NEXT TWENTY YEARS FOR GENERAL BONDED DEBT ISSUED AND OUTSTANDING*

Calendar Year	Principal	Interest	Total Debt Service
2019	26,251,693.76	11,807,424.71	38,059,118.47
2020	27,329,325.59	10,839,470.73	38,168,796.32
2021	28,900,616.81	9,735,808.32	37,801,233.61
2022	19,590,556.23	8,593,019.01	28,183,575.24
2023	20,145,152.72	7,804,364.18	27,949,516.90
2024	20,648,593.19	6,994,805.54	27,643,398.73
2025	20,033,662.15	6,194,503.18	26,228,165.33
2026	17,882,673.96	5,431,577.42	23,314,251.38
2027	18,138,974.15	4,810,001.87	22,948,976.02
2028	16,321,604.21	4,176,911.07	20,498,515.28
2029	14,312,413.63	3,573,220.10	17,885,633.73
2030	14,184,211.45	3,034,689.63	17,218,901.08
2031	10,404,182.97	2,515,404.42	12,919,587.39
2032	3,702,954.18	2,187,751.78	5,890,705.96
2033	2,225,401.32	2,106,447.14	4,331,848.46
2034	1,705,000.00	2,066,880.63	3,771,880.63
2035	1,720,000.00	2,038,665.00	3,758,665.00
2036	1,346,000.00	2,016,002.50	3,362,002.50
2037	1,000,000.00	2,000,000.00	3,000,000.00

* Excludes debt service on the County's Certificates of Participation, Lease Revenue Bond Issues 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 SIXTEEN YEARS FOR GREEN ACRES TRUST LOAN PROGRAMS

Calendar Year	Principal	Interest	Total Loan Payment
2019	273,568.76	51,850.45	325,419.21
2020	258,700.59	46,351.71	305,052.30
2021	224,175.29	41,450.80	265,626.09
2022	228,681.23	36,944.87	265,626.10
2023	233,277.72	32,348.42	265,626.14
2024	221,093.19	27,743.46	248,836.65
2025	225,537.15	23,299.48	248,836.63
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 December 31, 2018, the County has $202,121,155.00 Bond Anticipation Notes outstanding that are due on December 10, 2019.

Hudson County Lease-Purchase Agreement

In connection with a State Superior Court ruling that ordered construction of a correctional facility within the County, the County entered into a lease-purchase agreement with Hudson County Funding Company, Inc. on November 1, 1988 to fund the construction of the facility. The term of the agreement was November 1, 1988 to December 1, 2021. Concurrent with the signing of the agreement with Hudson County Funding Company, Inc., the County arranged for the issuance of $104,500,000 in Certificates of Participation. The Certificates of Participation represented proportionate interests in the rental payments to be made by the County to Hudson County Funding Company, Inc. with interest payments commencing in 1989 and principal payments commencing in 1992.

The lease-purchase agreement was amended on July 1, 1990 with the term of the agreement becoming July 1, 1990 to December 1, 2021. Additional Certificates of Participation in the amount of $19,100,000 were concurrently issued with principal payments commencing in 1992 and interest payments commencing in 1990.

On April 1, 1992, the 1988 and 1990 Series Certificates of Participation were refunded and replaced with the issuance of 1992 Series Refunding Certificates of Participation in the amount of

$135,635,000. The term of the 1992 Series Refunding Certificates of Participation was April 1, 1992 to December 1, 2021.

On September 1, 1998, the lease purchase agreement was amended and restated. As of May 15, 2002 and pursuant to the aforesaid amended and restated lease purchase agreement, the 1992 Series Refunding Certificates of Participation were refunded and replaced with the issuance of $118,915,000 Series 2002 Refunding Certificates of Participation. The term of the Series 2002 Refunding Certificates of Participation is May 15, 2002 to December 1, 2021.

The proceeds of the Series 2008 Certificates were issued to, among other things, currently refund $45,325,000 of the outstanding Series 2002 Refunding Certificates maturing June 1, 2017 through and including December 1, 2021.

Hudson County Lease-Purchase Agreement – Additional Project

In addition to the amended and restated lease-purchase agreement for the initial project described above, the County entered into a supplemental lease-purchase agreement with AGH Leasing, Inc. as of December 15, 2002 to fund the construction of a new dormitory housing facility, kitchen facility and related upgrades for the expansion (the "Additional Project"). In December 2003, the County directed the issuance of $25,220,000 Correctional Facility Certificates of Participation, Series 2002A (the "Series 2002A Certificates") to fund the cost of the Additional Project. Principal payments commenced December 1, 2005 and continue annually through 2012 for the serial portion, and will then be applied annually from December 1, 2013 through 2021 for mandatory sinking fund payments. Interest is paid semiannually commencing June 1, 2005. Capitalized interest of $2,078,574.33 was paid upon issuance, covering the semiannual dates proceeding June 1, 2005.

$5,780,000 Series 2004 Certificates were issued on May 13, 2004 to finance the remaining costs of the Additional Project. The Lease Purchase Agreement with AGH Leasing, Inc. was accordingly amended and supplemented as of May 13, 2004. Principal payments commenced December 31, 2005 and continue annually through 2017 for the serial portion, and will then be applied annually from December 1, 2017 through 2021 for mandatory sinking fund payments. Interest is paid semiannually commencing December 1, 2005. Capitalized interest of $245,014.88 was paid upon issuance, covering the semiannual dates proceeding December 31, 2005.

$17,155,000 of refunding Certificates of Participation (COPs) were issued in August 2013 (the Series 2013 Certificates) to advance refund a portion of the originally issued $25,220,000 aggregate principal amount of COPs, Series 2002A in the form of term certificates maturing on December 1, 2021 and advance refund a portion of the originally issued $5,780,000 COPs, Series 2004 maturing on various dates through December 1, 2021.

The following is an analysis of correctional facility lease payments remaining to be paid by the County from 2018 through final maturity.

Year	Lease Payment	Principal	Interest
2019	13,427,625.00	11,270,000.00	2,157,625.00
2020	13,426,100.00	12,000,000.00	1,426,100.00
2021	13,420,550.00	12,800,000.00	620,550.00

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

FACILITY LEASE REVENUE BONDS

1992 Bonds

On December 1, 1992, the Hudson County Improvement Authority (the "Authority") issued Facility Lease Revenue Bonds (Hudson County Lease Project, Series 1992) (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 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 Authority, the Authority 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 Authority, and upon acquisition, construction, installation or equipping of the 1992 Facilities. Pursuant to the terms of the lease agreement, the County is required to make rental payments to the Authority in amounts sufficient to pay or provide for the payment of (i) the debt service on the 1992 Bonds; (ii) certain expenses of the Authority and Fiduciaries; and (iii) certain expenses incurred by the Authority and the County in connection with the 1992 Bonds.

Hospital Remediation Bonds

On December 17, 1992, the Authority issued its 1992 Bonds pursuant to the General Bond Resolution to finance the cost of the acquisition, improvement and construction of various public facilities located in the County to be used by the County (the "Facilities"), including a new 590 bed long-term care facility (the "New Hospital Facility") in order to combine the operations at both the Meadowview Nursing Home Center and the B.S. Pollack Hospital operations at both the Meadowview Nursing Center and the B.S. Pollack 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.

For various reasons, however, the County abandoned the construction of the New Hospital Facility and 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 purchase agreement (the "Transfer Agreement"). Since the conveyance of the Hospitals to Progressive pursuant to the Transfer Agreement would result in private use of the Hospitals, the Authority and the County submitted a request to the Internal Revenue Service ("IRS") for a ruling that such transfer would not cause the interest on the 1992 Bonds to be includible in gross income of the holders thereof.

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 Authority would be required to:

1. make a tender offer to holders of $26,735,000 of the 1992 Bonds (the "Attributed Bonds") not later than ninety (90) days after the closing of the transfer of the Hospitals at a price that will not be less than (a) the price at which the Attributed Bonds would be offered if they were defeased with United States Treasury Obligations to the earliest call date after the date of

the transfer, including any redemption premium, plus (b) an additional premium designed so that a reasonable issuer under these circumstances would expect to purchase through the tender offer all of the Attributed Bonds for which the tender offer was made, assuming holders are reasonable persons motivated solely by economic factors; and

2. defease any of the Attributed 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, to the first call date (the tender and/or defeasance being hereinafter referred to as the "Defeasance and Retirement Plan").

On December 1, 1996, the Hospitals were transferred to Progressive and the ninety (90) day remediation period commenced. Therefore, in order to comply with the Letter Ruling, the Authority, on January 14, 1997, mailed an Invitation (the "Invitation") to all holders of the 1992 Bonds to tender, on a "first come first serve basis," their bonds at a tender price which was determined to satisfy the requirements of the Letter Ruling. The tender prices were determined by NW Financial Group, the Authority's and the County's financial advisor, as of the date of the Invitation. The Invitation expired on February 14, 1997 and the Authority received and accepted for purchase $21,360,000 of the Attributed Bonds (the "Tendered Bonds"). The Chair of the Local Finance Board approved the acceptance of the Tendered Bonds. The Authority has defeased the balance ($5,375,000 aggregate principal amount) of the Attributed Bonds (the "Defeased Bonds").

On March 13, 2002, by Resolution 153-3-2002, the Board of Chosen Freeholders for the County (the "Board") approved of and authorized the sale of the Meadowview Nursing Center to Secaucus Realty Holding, L.L.C., a subsidiary of Omni Asset Management, L.L.C. (the "Borrower").

As part of that sale, the Hudson County Improvement Authority agreed to accept payment of the sale price of $10,000,000 in May 2006 (the "Loan").

To evidence the indebtedness and to secure payment thereof, the Borrower on November 5, 2002 executed a mortgage note (the "Original Note") obligating the Borrower to repay $10,000,000, without interest, on or before May 5, 2006.

The Borrower made a prepayment on the Original Note in the amount of $250,000. In consideration for that prepayment, and recognizing the time value of money, the Original Note securing the indebtedness was reduced to a current principal amount of $9,700,000.

On March 19, 2009, Secaucus Realty Holding, L.L.C. paid off the remaining outstanding mortgage.

Advance Refunding Bonds

On August 1, 1998, the Authority issued $91,575,000 aggregate principal amount of Facility Lease Revenue Refunding Bonds, Series 1998 (the "1998 Bonds") to advance refund all of the Authority's outstanding $85,635,000 1992 Bonds and to pay the costs of issuance of the 1998 Bonds.

In November of 2010, Refunding Bonds in the amount of $65,900,000 (Series 2010 Bonds) were issued to currently refund the outstanding Series 1998 Bonds.

The following is an analysis of the combined lease payments remaining to be paid by the County through final maturity:

Year	Lease Payment*	Principal	Interest
2019	8,961,184	6,020,000	2,941,184
2020	8,959,689	6,345,000	2,614,689
2021	8,960,334	6,720,000	2,240,334
2022	8,958,393	7,115,000	1,843,393
2023	8,952,588	7,530,000	1,422,588
2024	8,956,641	7,980,000	976,641
2025	8,958,470	8,455,000	503,470

* In addition there is an administration fee payable to the Authority that is based on 1/10 of 1% of outstanding principal.
Source: County of Hudson, Department of Finance and Administration.

J.P. Morgan Securities LLC, successor to Bear, Stearns & Co., Inc. (the "Underwriter") entered into a Forward Bond Purchase Contract on March 12, 2004 (the "Purchase Contract") between the Authority and the Underwriter pursuant to which the Underwriter paid a fee (an "Upfront Fee") to the Authority for the acquisition of an option to cause the Authority to issue and sell the Series 2010 Bonds to the Underwriter for a Purchase Price equal to (i) the amount necessary to pay the principal of, and the redemption premium, if any, on the 1998 Bonds, (ii) an additional payment of $1,842,841.16 and (iii) certain costs of issuance, including the premium on the Policy (as defined in the body of the Preliminary Official Statement).

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 2018 through final maturity.

Year	Lease Payment*	Principal	Interest
2017	3,662,869.58	1,620,000.00	2,042,869.58
2018	3,684,775.00	1,710,000.00	1,974,775.00
2019	3,680,700.00	1,780,000.00	1,900,700.00
2020	3,679,200.00	1,865,000.00	1,814,200.00
2021	3,668,825.00	1,950,000.00	1,718,825.00
2022	3,668,825.00	2,050,000.00	1,618,825.00
2023	3,668,700.00	2,155,000.00	1,513,700.00
2024	3,658,450.00	2,255,000.00	1,403,450.00
2025	3,657,825.00	2,370,000.00	1,287,825.00
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.

Year	Lease Payment	Principal	Interest
2019	804,192.51	245,000.00	559,192.51
2020	805,908.13	255,000.00	550,908.13
2021	806,801.88	265,000.00	541,801.88
2022	806,842.51	275,000.00	531,842.51
2023	835,386.26	315,000.00	520,386.26
2024	837,486.26	330,000.00	507,486.26
2025	838,813.76	345,000.00	493,813.76
2026	834,286.26	355,000.00	479,286.26
2027	833,876.26	370,000.00	463,876.26
2028	876,461.26	430,000.00	446,461.26
2029	876,876.26	450,000.00	426,876.26
2030	875,941.26	470,000.00	405,941.26
2031	878,684.38	495,000.00	383,684.38
2032	875,006.25	515,000.00	360,006.25
2033	918,150.00	585,000.00	333,150.00
2034	918,150.00	615,000.00	303,150.00
2035	916,650.00	645,000.00	271,650.00
2036	918,525.00	680,000.00	238,525.00
2037	918,650.00	715,000.00	203,650.00
2038	960,900.00	795,000.00	165,900.00
2039	958,062.50	835,000.00	123,062.50
2040	960,762.50	885,000.00	75,762.50
2041	960,712.50	935,000.00	25,712.50

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, situate 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 grades 9-12 students.

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. See "SECURITY AND SOURCE OF PAYMENT" herein.

4. The County, as a second sub lessee of the Site, will enter 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.

Year	Lease Payment	Principal	Interest
2019	9,978,200.00	1,980,000.00	7,998,200.00
2020	9,981,725.00	2,075,000.00	7,906,725.00
2021	9,980,350.00	2,180,000.00	7,800,350.00
2022	9,978,600.00	2,290,000.00	7,688,600.00
2023	9,981,100.00	2,410,000.00	7,571,100.00
2024	9,977,600.00	2,530,000.00	7,447,600.00
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	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 to 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

Year	Principal	Coupon	Interest	Total Debt Service
2019	1,400,000	5.416%	1,085,728	2,485,728
2020	1,400,000	5.616%	1,009,904	2,409,904
2021	1,400,000	5.816%	931,280	2,331,280
2022	1,400,000	6.516%	849,856	2,249,856
2023	1,400,000	6.516%	758,632	2,158,632
2024	1,400,000	6.516%	667,408	2,067,408
2025	1,400,000	6.928%	576,184	1,976,184
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.

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:

	2019	2018	2017	2016
Contributory Plans				
Public Employees' Retirement System	$ 14,782,957.15	$ 13,568,775.11	$ 12,757,605.76	$11,626,939.88
Consolidated Police & Fireman's Retirement Fund	6,500.00	25,000.00	45,000.00	36,692.00
Police & Fireman's Retirement System	14,175,135.00	13,232,283.40	12,359,525.91	12,751,037.01
Defined Contribution Retirement Program	65,000	65,000	65,000	48,598.89
Total	$29,029,592.15	$26,891,058.51	$ 25,227,131.67	$ 24,463,267.78

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

On March 15, 2003, the County issued $5,040,000 Pension Refunding Bonds.

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 annual payments extend through fiscal year 2021.

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 will be 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:

	2019	2018	2017	2016
Hudson County Employee's Pension Fund	$ 1,525,000.00	$ 1,525,000.00	$ 1,525,000.00	$ 1,525,000.00
Court Attendants' Pension Fund	420,000.00	432,000.00	420,000.00	485,000.00
Total	$ 1,945,000.00	$ 1,957,000.00	$ 1,945,000.00	$ 2,010,000.00

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

The County also awards non-contributory pensions by resolution of the Board of Chosen Freeholders 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:

	2019	2018	2017	2016
Non-Contributory Pension Fund	$2,500,000.00	$2,500,000.00	$ 2,520,000.00	$ 2,583,000.00
Veterans' Pension Fund	-	-	-	-
Total	$2,500,000.00	$2,500,000.00	$ 2,520,000.00	$ 2,583,000.00

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, 2017 is on file with the Clerk of the Board of Freeholders and is available for review during business hours.

APPENDIX B
AUDIT REPORT OF THE COUNTY FOR THE CALENDAR YEARS ENDED 2018 AND 2017

COUNTY OF HUDSON

NEW JERSEY

REPORT OF AUDIT

FOR THE YEARS ENDED

DECEMBER 31, 2018 AND 2017

COUNTY OF HUDSON
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DONOHUE, GIRONDA, DORIA & TOMKINS, LLC

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INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and Members
of the Board of Chosen Freeholders
County of Hudson, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements – regulatory basis of the County of Hudson, New Jersey (the "County"), which comprise the comparative balance sheet – regulatory basis, of each fund and General Fixed Assets as of December 31, 2018 and 2017, and the related comparative statement 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 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (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 Responsibility

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

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

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

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

As described in Note A, 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 A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the County as of December 31, 2018 and 2017, and the changes in its financial position for the years then ended.

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, 2018 and 2017, 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 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 as described in Note A.

Other Matters

Management's Discussion and Analysis

Management has omitted the management's 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. 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 August 29, 2019, 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

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

Mark Bednarz

MARK W. BEDNARZ
RMA No. 547

Bayonne, New Jersey
August 29, 2019

COUNTY OF HUDSON
CURRENT FUND
AS OF DECEMBER 31, 2018 AND 2017

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	2018	2017
Assets		
Current Fund:		
Cash and Cash Equivalents	$ 202,781,122.09	$ 170,860,018.99
Cash - Change Funds	700.00	200.00
	202,781,822.09	170,860,218.99
Intergovernmental Receivables:		
Recovery Zone Bond Subsidy	258,773.40	258,773.40
Receivables and Other Assets with Full Reserves:		
Added and Omitted Taxes	5,125,552.03	3,470,124.04
Total Current Fund	208,166,147.52	174,589,116.43
Federal and State Grant Fund:		
Cash and Cash Equivalents	14,393,551.36	11,738,279.23
Interfunds Receivable	-	1,352,350.00
Federal and State Grants Receivable	40,167,049.13	45,679,085.25
Total Federal and State Grant Fund	54,560,600.49	58,769,714.48
Total Assets	$ 262,726,748.01	$ 233,358,830.91

See accompanying notes to financial statements

COUNTY OF HUDSON
CURRENT FUND
AS OF DECEMBER 31, 2018 AND 2017

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	2018	2017
Liabilities, Reserves and Fund Balance		
Current Fund:		
Liabilities		
Appropriation Reserves	$ 18,909,710.68	$ 26,407,104.12
Encumbrances Payable	56,553,261.80	30,718,988.49
Prepaid Revenues	7,636,713.53	5,169,595.02
Contracts and Commitments Payable	46,249,512.80	24,245,368.95
Due to State of New Jersey	1,561,625.25	2,906,485.95
Interfunds Payable	13,512,380.03	11,718,772.88
Reserve for:		
Forfeited Bail	77,312.50	-
Tax Rebate on Capital Investments	2,450,000.00	2,450,000.00
Unclaimed Property	312,890.09	312,890.09
HCST Summer Youth Program	71,331.55	97,331.55
County College (EFA) Interest	33,652.40	33,652.40
	147,368,390.63	104,060,189.45
Reserve for Receivable and Other Assets	5,125,552.03	3,470,124.04
Fund Balance	55,672,204.86	67,058,802.94
Total Current Fund	208,166,147.52	174,589,116.43
Federal and State Grant Fund:		
Reserve for Federal and State Grants		
Appropriated	38,282,526.61	43,696,018.77
Encumbered	16,278,073.88	15,073,695.71
Total Federal and State Grant Fund	54,560,600.49	58,769,714.48
Total Liabilities, Reserves and Fund Balance	$ 262,726,748.01	$ 233,358,830.91

See accompanying notes to financial statements

COUNTY OF HUDSON
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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

	2018	2017
Revenue and Other Income Realized		
Fund Balance Utilized	$ 67,058,802.94	$ 34,614,535.00
Miscellaneous Revenue Realized	210,107,064.78	194,371,916.50
Receipts from Current Taxes	361,680,876.11	350,543,753.11
Non-Budget Revenue	12,780,870.44	7,402,064.76
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	2,010,503.91	5,412,068.60
Contracts and Commitments Canceled	6,405,505.73	37,533,041.12
Reserves Cancelled	260,615.16	323,425.69
Prior Year Interfunds Returned	-	59,798.68
Miscellaneous Payables Cancelled	-	4,793.38
Forfeited Bail	-	146,987.31
	660,304,239.07	630,412,384.15
Expenditures		
Budget Appropriations:		
Operations		
Salaries and Wages	188,245,034.00	180,032,208.00
Other Expenses	287,991,752.07	273,713,193.40
Capital Improvements	34,661,207.54	28,589,702.12
Debt Service	41,195,554.37	38,335,292.93
Deferred Charges	6,500,000.00	507,200.70
Statutory Expenditures	45,823,158.51	44,087,231.67
	604,416,706.49	565,264,828.82
Refund of Prior Year Revenue	215,327.72	179,293.87
Interfund Advances Originating in Current Year	-	1,352,350.00
	604,632,034.21	566,796,472.69
Statutory Excess to Fund Balance	55,672,204.86	63,615,911.46
Fund Balance, January 1	67,058,802.94	38,057,426.48
	122,731,007.80	101,673,337.94
Decreased by:		
Utilization as Anticipated Revenue	67,058,802.94	34,614,535.00
Fund Balance, December 31	$ 55,672,204.86	$ 67,058,802.94

See accompanying notes to financial statements

COUNTY OF HUDSON

FOR THE YEAR ENDED DECEMBER 31, 2018

STATEMENT OF REVENUES - REGULATORY BASIS

	Ref.	Adopted Budget	Added by NJSA 40A:4-87	Realized	Excess (Deficit)
SURPLUS		$ 69,000,000.00	$ -	$ 67,058,802.94	$ (1,941,197.06)
MISCELLANEOUS REVENUES					
LOCAL REVENUES					
County Clerk		115,200.00	-	169,642.36	54,442.36
Register of Deeds and Mortgages		9,200,000.00	-	10,196,934.13	996,934.13
Surrogate		212,000.00	-	216,094.35	4,094.35
Sheriff		4,270,000.00	-	5,659,152.66	1,389,152.66
Intoxicated Driver Resource Center Fees		215,000.00	-	203,090.00	(11,910.00)
Parks & Recreation		7,368.74	-	13,644.50	6,275.76
Title IV-D, Social Security Act - Child Support Program		750,000.00	-	549,726.27	(200,273.73)
Maintenance of:					
State Prisoners in County Institutions		70,000.00	-	91,944.46	21,944.46
Federal and ICE Inmates in County Institutions		19,282,038.00	-	24,924,873.14	5,642,835.14
Reserve to Pay Bonds		92,202.00	-	-	(92,202.00)
Federal & State Contracts - Indirect Cost Allocation		4,000,000.00	-	4,000,000.00	-
Interest on Investments and Deposits		500,000.00	-	2,918,380.93	2,418,380.93
Mental Hospital		25,397,108.00	-	25,468,793.21	71,685.21
N.J. School Building Aid		2,973,350.00	-	2,973,350.00	-
		67,084,266.74	-	77,385,626.01	10,301,359.27
STATE AID WITHOUT OFFSETTING APPROPRIATIONS					
County College Bonds (NJSA 18A:64A-22.6)		3,878,450.83	-	3,657,030.00	(221,420.83)
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		1,610,621.00	-	1,768,458.00	157,837.00
Psychiatric Facilities (C.73,P.L. 1990):					
Maintenance of Patients in State Institutions					
for Mental Diseases		9,295,022.00	-	9,295,021.00	(1.00)
for Mentally Retarded		15,486,396.00	-	15,486,396.00	-
Division of Developmental Disabilities,					
Assessment Program		30,000.00	-	77,467.31	47,467.31
		26,422,039.00	-	26,627,342.31	205,303.31
PUBLIC AND PRIVATE REVENUES					
Federal and State Grants					
Council on the Arts		106,343.00	-	106,343.00	-
Area Plan Grant		4,411,353.00	1,959,533.00	6,370,886.00	-
Comprehensive Alcoholism & Drug Abuse		1,013,476.00	-	1,013,476.00	-
Recreational Opportunities for					
Individuals with Disabilities		20,900.00	-	20,900.00	-
County Historical Partnership Program		38,000.00	-	38,000.00	-
NJ Destination Marketing Organization		-	116,000.00	116,000.00	-
TB Health Services Grant		225,541.00	302,780.00	528,321.00	-
State Health Insurance Program		-	32,500.00	32,500.00	-
Prosecutor Insurance Fraud Reimb. Program		250,000.00	-	250,000.00	-
Sexual Assault Nurse Examiner/Response Team		-	66,758.00	66,758.00	-
Med. Assist. Treatment Substance Abuse		-	200,000.00	200,000.00	-
Click It or Ticket		-	5,500.00	5,500.00	-
Distracted Driving Crackdown Grant		-	40,000.00	40,000.00	-
Culture & Heritage		-	2,500.00	2,500.00	-

COUNTY OF HUDSON

FOR THE YEAR ENDED DECEMBER 31, 2018

STATEMENT OF REVENUES - REGULATORY BASIS

	Ref.	Adopted Budget	Added by NJSA 40A:4-87	Realized	Excess (Deficit)
MISCELLANEOUS REVENUES (continued)					
PUBLIC AND PRIVATE REVENUES (continued)					
Youth Incentive Program Award		$ 44,551.00	$ -	$ 44,551.00	$ -
Workforce Investment Act		-	2,336,616.00	2,336,616.00	-
HC Safe Communities Grant		62,400.00	-	62,400.00	-
Juvenile Detention Alternatives		124,000.00	-	124,000.00	-
Transportation Assistance Act		989,539.00	79,450.43	1,068,989.43	-
HIV Emergency Relief Formula		2,086,260.00	903,314.00	2,989,574.00	-
HIV Emergency Relief Supp.		-	1,608,939.00	1,608,939.00	-
Minority AIDS Initiative Program		207,685.00	252,966.00	460,651.00	-
Homeless and Family Shelter		1,708,319.00	351,723.00	2,060,042.00	-
Human Services Advisory Council		69,950.00	-	69,950.00	-
Workfirst NJ DFD		-	160,000.00	160,000.00	-
Work First NJ DOL		-	6,453,314.00	6,453,314.00	-
Programs for Clients of Family Court		307,803.00	-	307,803.00	-
SAIF Program		-	756,583.00	756,583.00	-
Clean Communities Grant		-	17,728.90	17,728.90	-
Juvenile Justice Commission Grant		842,354.00	-	842,354.00	-
HC ST Summer Youth Programs		27,000.00	-	27,000.00	-
Pedestrian Safety, Education & Enf. Fund		-	50,000.00	50,000.00	-
Drive Sober or Get Pulled Over		-	5,500.00	5,500.00	-
Subregional Trans. Planning		-	113,296.00	113,296.00	-
Alliance to Prevent Alcoholism		-	608,898.00	608,898.00	-
Emerg. Management Agency Assistance		-	55,000.00	55,000.00	-
State Homeland Security Grant		-	545,503.74	545,503.74	-
CWA PC Systems		-	1,067,130.00	1,067,130.00	-
Wastewater Management Plan		-	60,000.00	60,000.00	-
Hazard Mitigation Grant		-	187,500.00	187,500.00	-
Stop School Violence Prevention		-	500,000.00	500,000.00	-
N.J. Council on Development Disabilities		-	10,000.00	10,000.00	-
Urban Areas Security Initiative		-	325,000.00	325,000.00	-
		12,535,474.00	19,174,033.07	31,709,507.07	-
OTHER SPECIAL ITEMS					
County Clerk, P.L. 2001 C. 370		44,800.00	-	65,972.03	21,172.03
Register of Deeds and Mortgages, P.L. 2001 C. 370		2,300,000.00	-	2,549,233.53	249,233.53
Surrogate, P.L. 2001 C. 370		188,000.00	-	191,630.84	3,630.84
Sheriff, P.L. 2001 C. 370		2,730,000.00	-	3,618,146.78	888,146.78
Maintenance of Federal and ICE Inmates in County Institutions		3,402,712.00	-	4,398,507.03	995,795.03
Open Space Tax Debt Service		406,908.76	-	417,608.76	10,700.00
Division of Social Services (Welfare)		47,423,702.00	-	45,588,594.53	(1,835,107.47)
Added and Omitted Taxes		3,647,890.63	-	3,647,890.63	-
State of NJ - Lease of Court Space		225,000.00	-	226,152.00	1,152.00
NJ Superior Court - Service Agreements		235,000.00	-	229,650.87	(5,349.13)
Meadowview Campus-Treatment Leases		750,000.00	-	760,281.45	10,281.45
PILOT Payments, County Share (NJSA 40A:20-1 et.)		3,250,000.00	-	4,532,443.72	1,282,443.72
ARRA Recovery Zone Bonds Subsidy		521,753.40	-	501,447.22	(20,306.18)
Dedicated Revenue - Motor Vehicle Fines Reimb. of Previous Year Expenditures (N.J.S.A. 39:5.41)		4,000,000.00	-	4,000,000.00	-
		69,125,766.79	-	70,727,559.39	1,601,792.60

See accompanying notes to financial statements

COUNTY OF HUDSON

FOR THE YEAR ENDED DECEMBER 31, 2018

STATEMENT OF REVENUES - REGULATORY BASIS

	Ref.	Adopted Budget	Added by NJSA 40A:4-87	Realized	Excess (Deficit)
Total Miscellaneous Revenues		$ 179,045,997.36	$ 19,174,033.07	$ 210,107,064.78	$ 11,887,034.35
AMOUNT TO BE RAISED BY TAXATION					
County Purpose Tax		361,680,876.11	-	361,680,876.11	-
Budget Totals		609,726,873.47	19,174,033.07	638,846,743.83	9,945,837.29
Non-Budget Revenues		-	-	12,780,870.44	12,780,870.44
		$ 609,726,873.47	$ 19,174,033.07	$ 651,627,614.27	$ 22,726,707.73
Miscellaneous Revenues Anticipated					
Federal and State Grants				$ 31,709,507.07	
Revenues Accrued				178,397,557.71	
Total Miscellaneous Revenues Realized				$ 210,107,064.78	

See accompanying notes to financial statements

COUNTY OF HUDSON
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

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

Increased by Cash Received for:		Increased by Cash Received for (continued):	
Welfare Fringe/Indirect Cost Reimb.	$ 4,366,027.26	Special Civil - Fines and Costs	$ 526.07
Additional State Aid - Vo-Tech Bonds	3,067,047.00	Riverview Cable TV Right of Way	25.00
Appropriation Refunds	1,598,927.37	Miscellaneous Receipts:	
Criminal Alien Assistance	1,295,341.00	Sheriff Outside Employment	111,658.00
NJ Voter Registration Election Costs	446,125.00	Road Opening Permits	105,961.50
Meadowview Utilities Payments	308,400.00	Employee Fines	52,729.20
Lease of County Properties	298,208.74	Planning Board	46,682.02
County Sheriff GPS Monitoring Device	206,409.20	Improvement Authority Gasoline	32,811.92
Foreclosure Registry	148,500.00	Auction Proceeds	16,015.74
Various Fringe/Indirect Cost Reimb.	106,974.47	Excess Clerk Funds	6,914.41
Salary Refunds	95,589.90	Fees Reimbursed	6,800.00
Welfare Cash Transfers	90,002.15	Community College Gasoline Purchase	5,534.64
Interest on Delinquent Taxes	59,510.24	Encroachment Licenses	4,006.64
Division of Aging - State Aid	58,000.00	Land Sale	4,000.00
Social Security Administration Recoveries	32,400.00	Plans and Specifications	3,530.00
Motion Picture Photo Shoot Fees	31,319.21	Property Reimbursement	2,795.00
Sheriff's Account Adjustment	23,514.71	Scrap Metal	2,586.93
Prisoner Maintenance - Jail	22,975.00	LEA Rebate	1,841.21
Cancellation of Outstanding Checks	20,198.19	Bank Rebate	1,832.70
Payment In Lieu of Taxes	19,897.35	Tax Appeal Refund	1,571.01
Mental Health - Salary Reimbursement	15,000.00	Dumpster Permit	875.00
H.C. Chest Clinic	12,917.00	Franchise Agreement	763.42
Commissions - Vending Machines	11,499.72	Other	98.99
Telephone Commisions	11,511.37	County Wellness Program	71.00
Settlement of Claims	11,182.34	Settlement of Class Action	47.12
Inmate Medical Costs	8,082.37	OPRA Request	30.53
County Fines/ATS	5,602.80		
		Total Non-Budget Revenues Received in Cash	$ 12,780,870.44

See accompanying notes to financial statements

COUNTY OF HUDSON
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriated		Expended			Unexpended
	Adopted Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Balances Canceled
LEGISLATIVE						
Board of Chosen Freeholders						
Salaries and Wages	$ 739,203.00	$ 739,203.00	$ 676,119.04	$ 17,000.00	$ 46,083.96	$ -
Other Expenses	300,300.00	300,300.00	146,266.03	122,598.80	31,435.17	-
Clerk of the Board						
Salaries and Wages	343,789.00	353,789.00	339,856.99	8,000.00	5,932.01	-
Other Expenses	65,010.00	65,010.00	40,279.44	16,468.21	8,262.35	-
	1,448,302.00	1,458,302.00	1,202,521.50	164,067.01	91,713.49	-
ADMINISTRATIVE AND EXECUTIVE						
Law Department						
Salaries and Wages	3,278,821.00	3,268,821.00	3,147,052.88	70,000.00	51,768.12	-
Other Expenses	1,811,645.00	1,811,645.00	1,101,931.79	641,208.54	68,504.67	-
Division Consumer Protection						
Salaries and Wages	100.00	100.00	-	-	100.00	-
Other Expenses	6,210.00	6,210.00	-	820.20	5,389.80	-
Planning Board						
Salaries and Wages	100.00	100.00	-	-	100.00	-
Other Expenses	69,750.00	69,750.00	37,041.97	30,073.54	2,634.49	-
County Executive						
Salaries and Wages	970,608.00	970,608.00	936,164.05	22,200.00	12,243.95	-
Other Expenses	53,000.00	53,000.00	38,586.00	10,855.66	3,558.34	-
County Administrator						
Salaries and Wages	846,302.00	846,302.00	821,885.70	20,400.00	4,016.30	-
Other Expenses	1,400,000.00	1,400,000.00	669,650.54	717,674.95	12,674.51	-
Public Employees Award Program	100.00	100.00	-	-	-	100.00
Office of Cultural and Heritage Affairs						
Salaries and Wages	433,240.00	433,240.00	421,179.28	11,000.00	1,060.72	-
Other Expenses	294,150.00	294,150.00	196,392.22	55,585.75	42,172.03	-
	9,164,026.00	9,154,026.00	7,369,884.43	1,579,818.64	204,222.93	100.00
FINANCE AND ADMINISTRATION						
Director of Finance and Administration						
Salaries and Wages	476,956.00	476,956.00	415,966.85	10,500.00	50,489.15	-
Other Expenses	20,529.00	20,529.00	11,870.60	5,027.90	3,630.50	-
Audit Services	245,000.00	245,000.00	-	245,000.00	-	-
Division of Accounts and Controls						
Salaries and Wages	1,063,355.00	1,063,355.00	936,031.30	18,600.00	58,723.70	50,000.00
Other Expenses	125,000.00	125,000.00	43,782.06	50,712.05	30,505.89	-
Division of Purchasing						
Salaries and Wages	584,345.00	584,345.00	529,262.04	13,200.00	16,882.96	25,000.00
Other Expenses	28,000.00	28,000.00	24,967.23	2,136.01	896.76	-
Division of Management Information Services						
Salaries and Wages	100.00	100.00	-	-	100.00	-
Other Expenses	2,803,235.00	2,803,235.00	1,860,903.70	871,755.79	70,575.51	-
Division of Tax Assessments						
Salaries and Wages	473,508.00	473,508.00	434,410.51	-	39,097.49	-
Other Expenses	7,500.00	7,500.00	2,112.89	889.22	4,497.89	-
Division of Personnel						
Salaries and Wages	1,298,117.00	1,248,117.00	1,182,086.53	30,600.00	35,430.47	-
Other Expenses	466,185.00	466,185.00	250,780.42	184,918.24	30,486.34	-
Insurance						
Group Plans for Employees	53,500,000.00	53,500,000.00	47,112,473.85	286,066.40	6,101,459.75	-
Health Benefit Waiver	450,000.00	450,000.00	357,807.61	45,000.00	47,192.39	-
Workers' Compensation	13,000,000.00	13,000,000.00	866,829.88	12,133,170.12	-	-
Liability Insurance	13,000,000.00	13,000,000.00	-	13,000,000.00	-	-
	87,541,830.00	87,491,830.00	54,029,285.47	26,897,575.73	6,489,968.80	75,000.00

COUNTY OF HUDSON
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriated		Expended			Unexpended
	Adopted Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Balances Canceled
CONSTITUTIONAL OFFICES						
County Clerk						
Salaries and Wages	$ 1,484,754.00	$ 1,484,754.00	$ 1,397,329.09	$ 27,500.00	$ 59,924.91	$ -
Other Expenses	73,826.00	73,826.00	44,982.70	27,060.83	1,782.47	-
Register of Deeds and Mortgages						
Salaries and Wages	1,566,149.00	1,566,149.00	1,407,981.92	34,800.00	73,367.08	50,000.00
Other Expenses	245,643.00	245,643.00	200,319.46	42,275.93	3,047.61	-
Prosecutor's Office						
Salaries and Wages	21,399,297.00	20,949,297.00	19,436,170.40	468,000.00	745,126.60	300,000.00
Other Expenses	3,359,554.00	3,359,554.00	2,213,229.82	1,123,900.83	22,423.35	-
	28,129,223.00	27,679,223.00	24,700,013.39	1,723,537.59	905,672.02	350,000.00
THE JUDICIARY						
County Surrogate						
Salaries and Wages	1,373,852.00	1,373,852.00	1,252,735.23	30,000.00	91,116.77	-
Other Expenses	105,972.00	105,972.00	52,778.69	39,009.00	14,184.31	-
Probation Department						
Other Expenses	100.00	100.00	-	-	100.00	-
Title IV-D Social Security Act						
Other Expenses	100.00	100.00	-	-	100.00	-
	1,480,024.00	1,480,024.00	1,305,513.92	69,009.00	105,501.08	-
REGULATION						
Sheriff's Office						
Salaries and Wages	27,766,849.00	27,966,849.00	27,011,818.30	520,000.00	435,030.70	-
Other Expenses	2,000,878.00	2,000,878.00	1,428,722.37	491,035.20	81,120.43	-
Board of Elections						
Salaries and Wages	459,130.00	459,130.00	415,583.30	10,200.00	33,346.70	-
Other Expenses	75,000.00	75,000.00	40,974.42	12,309.37	21,716.21	-
Special Election Expense	985,000.00	985,000.00	863,799.17	-	121,200.83	-
County Clerk Elections						
Other Expenses	37,012.00	37,012.00	36,493.22	489.96	28.82	-
Special Election Expense	1,000,000.00	1,000,000.00	769,265.93	143,985.00	86,749.07	-
Superintendent of Elections	2,477,435.00	2,477,435.00	2,101,662.45	148,627.72	227,144.83	-
Weights and Measures						
Salaries and Wages	355,564.00	355,564.00	309,447.80	7,200.00	38,916.20	-
Other Expenses	500.00	500.00	-	-	500.00	-
Medical Examiner						
Other Expenses	2,070,000.00	2,070,000.00	1,213,777.51	856,222.49	-	-
	37,227,368.00	37,427,368.00	34,191,544.47	2,190,069.74	1,045,753.79	-
PARKS AND COMMUNITY SERVICES						
Director of Parks and Community Services						
Salaries and Wages	586,344.00	586,344.00	461,818.80	12,000.00	62,525.20	50,000.00
Other Expenses	38,700.00	38,700.00	7,975.28	11,495.86	19,228.86	-
Division of Parks						
Salaries and Wages	6,083,736.00	6,183,736.00	5,865,181.06	150,000.00	168,554.94	-
Other Expenses	2,630,000.00	2,830,000.00	1,926,603.12	773,037.32	130,359.56	-
Utilities	1,600,000.00	1,850,000.00	1,545,869.64	161,817.54	142,312.82	-
Division of Planning						
Salaries and Wages	644,415.00	644,415.00	612,776.14	15,600.00	16,038.86	-
Other Expenses	67,597.00	67,597.00	53,641.12	6,809.95	7,145.93	-
Office of Business Opportunity & Community Service						
Salaries and Wages	386,989.00	386,989.00	353,305.95	8,500.00	25,183.05	-
Other Expenses	77,825.00	77,825.00	38,729.61	19,995.14	19,100.25	-
Division of Housing and Community Development						
Salaries and Wages	222,434.00	222,434.00	161,961.80	4,500.00	55,972.20	-
Other Expenses	113,700.00	113,700.00	38,542.26	37,386.72	37,771.02	-
	12,451,740.00	13,001,740.00	11,066,404.78	1,201,142.53	684,192.69	50,000.00

COUNTY OF HUDSON
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriated		Expended			Unexpended
	Adopted Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Balances Canceled
ROADS & PUBLIC PROPERTY						
Director of Roads & Public Property						
Salaries and Wages	$ 719,011.00	$ 719,011.00	$ 678,286.91	$ 16,800.00	$ 23,924.09	$ -
Other Expenses	48,475.00	48,475.00	27,257.93	19,418.73	1,798.34	-
Division of Buildings and Grounds						
Salaries and Wages	12,333,778.00	12,273,778.00	11,807,871.00	264,000.00	101,907.00	100,000.00
Other Expenses	5,278,797.00	5,101,797.00	3,066,393.50	1,560,659.42	474,744.08	-
Fuel	100.00	100.00	-	-	100.00	-
Telephone, Water & Light	8,800,000.00	8,625,000.00	6,998,910.19	1,301,413.03	324,676.78	-
Motor Pool						
Salaries and Wages	866,984.00	866,984.00	800,192.90	13,200.00	53,591.10	-
Other Expenses	700,875.00	1,050,875.00	607,073.06	353,104.52	90,697.42	
Utilities	632,000.00	632,000.00	386,665.30	61,021.16	184,313.54	-
Division of Roads and Bridges						
Salaries and Wages	1,625,901.00	1,625,901.00	1,506,319.57	30,600.00	63,981.43	25,000.00
Other Expenses	1,057,522.00	1,057,522.00	625,070.49	285,856.96	146,594.55	-
County Bridges						
Other Expenses	100.00	100.00	-	-	100.00	-
Joint Bridges						
Salaries and Wages	110,226.00	110,226.00	76,060.71	2,300.00	31,865.29	-
Other Expenses	135,826.00	135,826.00	60,661.82	19,170.97	55,993.21	-
Lighting of Highways & Bridges	1,210,000.00	1,210,000.00	893,885.78	141,547.21	174,567.01	-
Office of Traffic Signals and Signs						
Salaries and Wages	501,402.00	501,402.00	425,048.66	12,000.00	39,353.34	25,000.00
Other Expenses	270,700.00	270,700.00	154,561.13	44,752.81	71,386.06	-
Division of Engineering						
Salaries and Wages	1,860,148.00	1,860,148.00	1,646,956.42	42,000.00	121,191.58	50,000.00
Other Expenses	62,630.00	62,630.00	47,090.32	8,496.39	7,043.29	-
Construction Board of Appeals						
Other Expenses	24,775.00	24,775.00	4,704.60	2,447.50	17,622.90	-
Office of Emergency Management						
Salaries and Wages	458,780.00	458,780.00	367,354.22	8,400.00	83,025.78	-
Other Expenses	78,993.00	123,993.00	51,098.40	65,307.73	7,586.87	-
Office of the Fire Marshall						
Salaries and Wages	116,119.00	126,119.00	112,989.83	2,880.00	10,249.17	-
Other Expenses	2,500.00	4,500.00	532.43	3,783.83	183.74	-
Division of Central Services						
Salaries and Wages	663,596.00	668,596.00	649,711.23	15,540.00	3,344.77	-
Other Expenses	836,586.00	836,586.00	537,609.85	186,540.05	112,436.10	-
	38,395,824.00	38,395,824.00	31,532,306.25	4,461,240.31	2,202,277.44	200,000.00
HEALTH AND HUMAN SERVICES						
Director of Health and Human Services						
Salaries and Wages	702,874.00	702,874.00	585,844.59	16,000.00	76,029.41	25,000.00
Other Expenses	695,535.00	695,535.00	452,616.91	109,603.21	133,314.88	-
Aid to Handicapped Adults	15,000.00	15,000.00	-	15,000.00	-	-
Children's Center for Special Needs - Contractual	75,000.00	75,000.00	40,159.00	34,841.00	-	-
Aid to County Branch - NJ Association for Retarded Citizens	50,000.00	50,000.00	9,916.62	40,083.38	-	-
Division of Compliance and Audits						
Salaries and Wages	100.00	100.00	-	-	100.00	-
Other Expenses	100.00	100.00	-	-	100.00	-
Office on Aging						
Salaries and Wages	319,895.00	319,895.00	279,817.91	7,500.00	32,577.09	-
Other Expenses	35,450.00	35,450.00	21,823.83	7,545.00	6,081.17	-
Veterans' Internments						
Salaries and Wages	82,671.00	82,671.00	79,070.07	2,000.00	1,600.93	-
Other Expenses	48,062.00	48,062.00	18,903.52	10,070.08	19,088.40	-
Office of Disability Services						
Salaries and Wages	154,649.00	154,649.00	124,181.75	3,600.00	26,867.25	-
Other Expenses	23,900.00	23,900.00	6,542.37	14,749.21	2,608.42	-

COUNTY OF HUDSON
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriated		Expended			Unexpended
	Adopted Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Balances Canceled
HEALTH AND HUMAN SERVICES (continued)						
Visiting Homemaker Service -						
Child Abuse Services in Emergency	$ 5,700.00	$ 5,700.00	$ 5,433.20	$ 266.80	$ -	$ -
Division of Psychiatric Services						
Salaries and Wages	100.00	100.00	-	-	100.00	-
Other Expenses	100.00	100.00	-	-	100.00	-
Meadowview Psychiatric Hospital						
Salaries and Wages	11,985,026.00	12,185,026.00	11,767,360.98	246,000.00	171,665.02	-
Other Expenses	2,796,615.00	2,696,615.00	1,564,336.30	853,677.80	278,600.90	-
Food and Kitchen Supplies	1,575,982.00	1,575,982.00	1,039,700.30	307,746.63	228,535.07	-
Division of Public Health						
Salaries and Wages	137,189.00	137,189.00	105,333.36	1,800.00	30,055.64	-
Other Expenses	1,636,220.00	1,636,220.00	1,220,235.00	406,745.00	9,240.00	-
Maintenance of Patients in State Institutions for:						
Mental Disease N.J.S.A. 30:4-79	13,840,140.00	13,840,140.00	13,840,139.00	-	1.00	-
Mental Retarded N.J.S.A. 30:4-79	15,486,396.00	15,486,396.00	15,486,396.00	-	-	-
Project C.A.A.R.E.	1,100,000.00	1,100,000.00	625,991.18	209,284.19	264,724.63	-
Employee Health Clinic						
Salaries and Wages	100.00	100.00	-	-	100.00	-
Other Expenses	100.00	100.00	-	-	100.00	-
T.B. Chest Clinic						
Salaries and Wages	675,771.00	675,771.00	439,615.38	21,000.00	140,155.62	75,000.00
Other Expenses	380,910.00	380,910.00	66,943.25	259,336.49	54,630.26	-
Transcend						
Salaries and Wages	1,066,613.00	1,066,613.00	797,432.02	49,000.00	220,180.98	-
Other Expenses	702,386.00	702,386.00	286,964.07	412,589.13	2,832.80	-
Diagnostic Shelter Program -						
Contractual	255,000.00	255,000.00	220,877.00	19,448.00	14,675.00	-
	53,847,584.00	53,947,584.00	49,085,633.61	3,047,885.92	1,714,064.47	100,000.00
DEPARTMENT OF FAMILY SERVICES						
Director of Family Services						
Salaries and Wages	403,719.00	403,719.00	394,042.77	9,600.00	76.23	-
Other Expenses	306,778.00	306,778.00	204,108.11	31,570.20	71,099.69	-
County Welfare Agency						
Salaries and Wages	34,959,583.00	34,959,583.00	32,607,209.92	780,000.00	572,373.08	1,000,000.00
Other Expenses	26,116,575.00	26,116,575.00	22,360,929.53	1,958,598.06	1,797,047.41	-
County Assistance Programs	2,061,715.00	2,061,715.00	2,018,000.00	-	43,715.00	-
Office of Workforce Development						
Salaries and Wages	226,462.00	226,462.00	146,396.44	3,600.00	51,465.56	25,000.00
Other Expenses	41,930.00	41,930.00	451.83	4,355.20	37,122.97	-
	64,116,762.00	64,116,762.00	57,731,138.60	2,787,723.46	2,572,899.94	1,025,000.00
DEPARTMENT OF CORRECTIONS						
Adult Correctional Center						
Salaries and Wages	49,200,000.00	49,200,000.00	45,672,080.33	830,000.00	1,197,919.67	1,500,000.00
Other Expenses	12,078,599.00	11,678,599.00	9,008,970.22	2,643,199.83	26,428.95	-
Food and Kitchen Supplies	3,250,000.00	3,250,000.00	2,941,224.60	260,000.00	48,775.40	-
Municipal Authorities and Utilities	1,600,000.00	1,600,000.00	1,185,339.49	300,000.00	114,660.51	-
Division of Juvenile Detention						
Salaries and Wages	100.00	100.00	-	-	100.00	-
Other Expenses	3,250,000.00	3,250,000.00	1,731,815.23	902,452.36	615,732.41	-
Food and Kitchen Supplies	100.00	100.00	-	-	100.00	-
	69,378,799.00	68,978,799.00	60,539,429.87	4,935,652.19	2,003,716.94	1,500,000.00

COUNTY OF HUDSON
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriated		Expended			Unexpended
	Adopted Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Balances Canceled
DEPARTMENT OF EDUCATION						
Superintendent of Schools						
Salaries and Wages	$ 237,235.00	$ 237,235.00	$ 215,062.76	$ 5,400.00	$ 16,772.24	$ -
Other Expenses	20,000.00	20,000.00	12,760.18	3,703.65	3,536.17	-
Hudson County Community College	14,127,962.00	14,127,962.00	14,127,962.00	-	-	-
Reimbursements for Residents						
Attending Out of County Two Year						
Colleges (NJSA 18A:64A-23)	175,000.00	175,000.00	71,839.81	60,000.00	43,160.19	-
Vocational School	29,310,000.00	29,310,000.00	29,310,000.00	-	-	-
	43,870,197.00	43,870,197.00	43,737,624.75	69,103.65	63,468.60	-
UNCLASSIFIED						
Ethics Board						
Salaries and Wages	12,541.00	12,541.00	12,237.17	-	303.83	-
Other Expenses	13,250.00	13,250.00	-	1,325.00	11,925.00	-
Administration of Debt Service	400,000.00	450,000.00	315,663.43	65,312.50	69,024.07	-
Advertisements and Announcements	100,000.00	100,000.00	56,674.36	10,000.00	33,325.64	-
Volunteer Fire Co. Instructions	4,000.00	4,000.00	2,000.00	2,000.00	-	-
	529,791.00	579,791.00	386,574.96	78,637.50	114,578.54	-
PUBLIC AND PRIVATE PROGRAMS						
Federal and State Grants						
Council on the Arts	106,343.00	106,343.00	106,343.00	-	-	-
Area Plan Grant	4,411,353.00	6,370,886.00	6,370,886.00	-	-	-
Comprehensive Alcohol						
and Drug Abuse	1,169,385.00	1,169,385.00	1,169,385.00	-	-	-
Recreational Opportunities for						
Individuals with Disabilities	20,900.00	20,900.00	20,900.00	-	-	-
County Historical Partnership	38,000.00	38,000.00	38,000.00	-	-	-
Destination Marketing Organization	-	116,000.00	116,000.00	-	-	-
TB Health Services Grant	225,541.00	528,321.00	528,321.00	-	-	-
State Health Insurance Program	-	32,500.00	32,500.00	-	-	-
Prosecutor Insurance Fraud Program	250,000.00	250,000.00	250,000.00	-	-	-
SANE/SART	-	66,758.00	66,758.00	-	-	-
Medical Assistance Treatment -						
Substance Abuse	-	200,000.00	200,000.00	-	-	-
Click It or Ticket	-	5,500.00	5,500.00	-	-	-
Distracted Driving Crackdown	-	40,000.00	40,000.00	-	-	-
Lead Hazard Reduction	-	187,500.00	187,500.00	-	-	-
Guarini - Culture & Heritage	-	2,500.00	2,500.00	-	-	-
Youth Incentive Program Award	44,551.00	44,551.00	44,551.00	-	-	-
Workforce Investment Act	-	2,336,616.00	2,336,616.00	-	-	-
HC Safe Communities Grant	62,400.00	62,400.00	62,400.00	-	-	-
Juvenile Detention Alternatives	124,000.00	124,000.00	124,000.00	-	-	-
Transportation Assistance Act	989,539.00	1,068,989.43	1,068,989.43	-	-	-
HIV Emergency Relief Formula	2,086,260.00	2,989,574.00	2,989,574.00	-	-	-
HIV Emergency Relief Supp.	207,685.00	1,816,624.00	1,816,624.00	-	-	-
Minority AIDS Initiative Program	-	252,966.00	252,966.00	-	-	-
Homeless and Family Shelter	1,708,319.00	2,060,042.00	2,060,042.00	-	-	-
Human Services Advisory Council	69,950.00	69,950.00	69,950.00	-	-	-
Workfirst NJ DFD	-	160,000.00	160,000.00	-	-	-
Work First NJ DOL	-	6,453,314.00	6,453,314.00	-	-	-
Clients of Family Court Programs	307,803.00	307,803.00	307,803.00	-	-	-
SAIF Program	-	756,583.00	756,583.00	-	-	
Clean Communities Grant	-	17,728.90	17,728.90	-	-	-
Juvenile Justice Commission Grant	842,354.00	842,354.00	842,354.00	-	-	-
HC ST Summer Youth Programs	27,000.00	27,000.00	27,000.00	-	-	-

COUNTY OF HUDSON
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriated		Expended			Unexpended
	Adopted Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Balances Canceled
PUBLIC AND PRIVATE PROGRAMS (continued)						
Federal and State Grants (continued)						
Pedestrian Safety, Education and Enforcement	$ -	$ 50,000.00	$ 50,000.00	$ -	$ -	$ -
Drive Sober or Get Pulled Over	-	5,500.00	5,500.00	-	-	-
Subregional Trans. Planning	-	113,296.00	113,296.00	-	-	-
Alliance to Prevent Alcoholism	-	608,898.00	608,898.00	-	-	-
Emergency Management Agency Assistance	-	55,000.00	55,000.00	-	-	-
State Homeland Security Grant	-	545,503.74	545,503.74	-	-	-
Urban Areas Security Initiative	-	325,000.00	325,000.00	-	-	-
Wastewater Management Plan	-	60,000.00	60,000.00	-	-	-
Stop School Violence Prevention	-	500,000.00	500,000.00	-	-	-
CWA PC Systems	-	1,067,130.00	1,067,130.00	-	-	-
N.J. Council on Develop. Disability	-	10,000.00	10,000.00	-	-	-
Matching Funds for Grants	75,000.00	75,000.00	-	-	75,000.00	-
Total Public and Private Programs	12,766,383.00	31,940,416.07	31,865,416.07	-	75,000.00	-
Total Operations	460,347,853.00	479,521,886.07	408,743,292.07	49,205,463.27	18,273,030.73	3,300,100.00
Contingent	30,000.00	30,000.00	-	-	15,000.00	15,000.00
Total Operations Including Contingent	460,377,853.00	479,551,886.07	408,743,292.07	49,205,463.27	18,288,030.73	3,315,100.00
Detail:						
Salaries and Wages	192,258,630.00	191,545,034.00	179,172,890.63	3,877,480.00	5,194,663.37	3,300,000.00
Other Expenses	268,119,223.00	288,006,852.07	229,570,401.44	45,327,983.27	13,093,367.36	15,100.00
CAPITAL IMPROVEMENTS						
Capital Improvement Fund	5,000,000.00	5,000,000.00	5,000,000.00	-	-	-
Correction Facility Lease Financing	13,420,825.00	13,420,825.00	13,420,825.00	-	-	-
Facility Lease Revenue Bonds:						
Various Projects	9,655,707.52	9,655,707.52	8,761,707.54	-	0.00	893,999.98
County Plaza	3,684,775.00	3,684,775.00	3,459,775.00	-	-	225,000.00
County Secured Lease Revenue Bonds	4,018,900.00	4,018,900.00	4,018,900.00	-	-	-
	35,780,207.52	35,780,207.52	34,661,207.54	-	0.00	1,118,999.98
COUNTY DEBT SERVICE						
Payment of Bond Principal						
Open Space Bonds	185,000.00	185,000.00	185,000.00	-	-	-
County College Bonds	485,000.00	485,000.00	485,000.00	-	-	-
State Aid County College Bonds	6,070,000.00	6,070,000.00	6,070,000.00	-	-	-
Vocational School Bonds	4,505,000.00	4,505,000.00	4,505,000.00	-	-	-
Other Bonds	14,146,250.00	14,146,250.00	14,146,250.00	-	-	-
Payment of Bond Anticipation Notes	20,000,000.00	20,000,000.00	-	-	-	20,000,000.00
Interest on Bonds						
Open Space Bonds	221,908.76	221,908.76	221,908.76	-	-	-
County College Bonds	521,343.76	521,343.76	521,343.77	-	(0.00)	(0.01)
State Aid County College Bonds	1,686,901.66	1,686,901.66	1,686,901.65	-	0.00	0.01
Vocational School Bonds	2,091,440.00	2,091,440.00	2,091,440.02	-	(0.00)	(0.02)
Other Bonds	6,105,766.06	6,105,766.06	6,105,766.07	-	(0.00)	(0.01)
Interest on Notes	4,851,525.01	4,851,525.01	4,851,524.90	-	(0.00)	0.11
Green Trust Loan Program	375,419.19	375,419.19	325,419.20	-	(0.00)	49,999.99
	61,245,554.44	61,245,554.44	41,195,554.37	-	(0.00)	20,050,000.07

See accompanying notes to financial statements

COUNTY OF HUDSON
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriated		Expended			Unexpended
	Adopted Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Balances Canceled
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Deferred Charges						
Various Capital Improvements	$ 6,500,000.00	$ 6,500,000.00	$ 6,500,000.00	$ -	$ -	$ -
Statutory Expenditures						
Contribution To:						
Public Employee Retirement System	13,568,775.11	13,568,775.11	13,568,775.11	-	-	-
Social Security System	13,375,000.00	13,375,000.00	13,107,591.09	-	267,408.91	-
County Employee Pension Fund	1,525,000.00	1,525,000.00	-	1,525,000.00	-	-
Police and Fire Retirement System	13,232,283.40	13,232,283.40	13,232,283.40	-	-	-
Consolidated Police/Fire Pension	25,000.00	25,000.00	21,719.47	-	3,280.53	-
Court Attendant Pension Fund	432,000.00	432,000.00	372,723.39	-	59,276.61	-
Non-Contributory County Pension	2,500,000.00	2,500,000.00	2,270,457.98	-	229,542.02	-
Veterans Pension Fund	100.00	100.00	-	-	100.00	-
Contribution To:						
Unemployment Compensation Insurance Insurance (N.J.S.A. 43:21-3)	300,000.00	300,000.00	-	300,000.00	-	-
N.J. State Disability Insurance	800,000.00	800,000.00	752,050.99	-	47,949.01	-
Deferred Contribution (DCRP)	65,000.00	65,000.00	50,877.13	-	14,122.87	-
	52,323,158.51	52,323,158.51	49,876,478.56	1,825,000.00	621,679.95	-
JUDGMENTS	100.00	100.00	-	-	-	100.00
TOTAL GENERAL APPROPRIATIONS	$ 609,726,873.47	$ 628,900,906.54	$ 534,476,532.54	$ 51,030,463.27	$ 18,909,710.68	$ 24,484,200.05

Budget as Adopted	$ 609,726,873.47
Added by N.J.S.A. 40A:4-87	19,174,033.07
	628,900,906.54
Appropriations Canceled	24,484,200.05
	$ 604,416,706.49

Capital Improvement Fund	$ 5,000,000.00
Deferred Charges	6,500,000.00
Self Insurance Trust Fund Expenditures	866,829.88
Federal and State Grant Appropriations	31,865,416.07
	44,232,245.95
Chargebacks from Other Funds	(1,618,791.86)
Cash Disbursed	491,863,078.45
	$ 534,476,532.54

See accompanying notes to financial statements

COUNTY OF HUDSON
TRUST FUND
AS OF DECEMBER 31, 2018 AND 2017

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	2018	2017
Assets		
Cash and Cash Equivalents		
Community Development	$ 772,461.42	$ 785,072.12
State Unemployment	3,089,444.15	3,317,181.00
Self Insurance	257,716.39	188,391.46
Other Trust	54,460,183.67	50,174,725.07
Subtotal Cash and Cash Equivalents	58,579,805.63	54,465,369.65
Interfunds Receivable	3,859,396.59	4,423,259.46
Community Development Programs Receivable	13,580,136.83	9,582,435.00
Total Assets	$ 76,019,339.05	$ 68,471,064.11
Liabilities and Reserves		
Reserve for:		
Encumbrances	$ 18,734,987.07	$ 18,535,766.53
Dedicated Revenues	18,348,047.44	19,284,758.23
Motor Vehicle Fines	7,027,660.16	7,343,183.68
County Open Space	11,540,261.48	9,991,723.54
Self-Insurance Fund	257,716.39	188,391.46
Accumulated Absences	4,423,259.46	4,423,259.46
State Unemployment Insurance Fund	3,089,444.15	3,317,181.00
Confiscated Cash Seized on Arrest	800,526.56	800,526.56
Other Cash Reserves	251,694.14	244,736.49
Community Development Programs	11,420,420.96	3,559,376.89
Other Reserves for HUD Programs	125,321.24	782,160.27
Total Liabilities and Reserves	$ 76,019,339.05	$ 68,471,064.11

See accompanying notes to financial statements

EXHIBIT C

COUNTY OF HUDSON
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2018 AND 2017

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	2018	2017
Assets		
Cash and Cash Equivalents	$ 88,478,922.72	$ 72,058,192.01
Escrow Account Deposit	24,520,000.00	-
State Road Aid Allotments Receivable	47,136,631.90	40,447,536.86
Due From State - Green Acres Program II	2,366,440.50	966,440.50
Due From US Government Earmark	750,000.00	750,000.00
Due from Port Authority of New York & New Jersey	237,038.00	237,038.00
Interfund Receivable	9,652,983.44	5,943,163.42
Deferred Charges to Future Taxation:		
Funded	283,033,449.80	278,872,878.16
Unfunded	306,525,216.74	276,168,884.06
Total Assets	$ 762,700,683.10	$ 675,444,133.01
Liabilities, Reserves and Fund Balance		
Bond Anticipation Notes	$ 202,121,155.00	$ 162,167,967.00
Reserve for Youth Consultation Services	130,934.65	130,934.65
General Serial and Term Bonds Payable	270,516,000.00	265,396,000.00
Capital Improvement Fund	5,641,153.17	2,425,239.17
Retained Percentages Due Contractors	1,776,208.31	1,209,354.24
Contracts Payable	53,238,354.39	41,424,143.11
Reserve for Payment of Debt	21,431,626.41	16,409,946.16
Reserve for State Road Aid Allotments	2,142,499.87	2,142,499.87
Green Acres Loans Payable	2,660,574.80	2,928,753.16
Reserve for Public Buildings, Grounds and Parks Arts Inclusion	1,051,166.88	1,193,666.88
Improvement Authorizations:		
Funded	79,501,338.28	50,800,133.26
Unfunded	111,880,822.96	117,915,397.13
Mortgage Payable - Due to HCIA	9,856,875.00	10,548,125.00
Fund Balance	751,973.38	751,973.38
Total Liabilities, Reserves, and Fund Balance	$ 762,700,683.10	$ 675,444,133.01
Bonds and Notes Authorized But Not Issued	$ 104,404,061.74	$ 114,000,917.06

See accompanying notes to financial statements

EXHIBIT C-1

COUNTY OF HUDSON
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS

	Ref.	
Balance: December 31, 2018 and 2017		$ 751,973.38

See accompanying notes to financial statements.

EXHIBIT D

COUNTY OF HUDSON
AFFORDABLE HOUSING UTILITY FUND
AS OF DECEMBER 31, 2018 AND 2017

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	2018	2017
Assets		
Operating Fund:		
Cash and Cash Equivalents	$ 379,736.43	$ 379,736.43
Interfund Receivable	4,156.40	1,331.33
	383,892.83	381,067.76
Capital Fund:		
Cash and Cash Equivalents:	207,639.24	204,814.17
Total Assets	$ 591,532.07	$ 585,881.93
Liabilities, Reserves and Fund Balance		
Operating Fund:		
Reserve for Receivables	$ 4,156.40	$ 1,331.33
Fund Balance	379,736.43	379,736.43
	383,892.83	381,067.76
Capital Fund:		
Interfund Payable	4,156.40	1,331.33
Improvement Authorizations - Funded	203,482.84	203,482.84
	207,639.24	204,814.17
Total Liabilities, Reserves and Fund Balance	$ 591,532.07	$ 585,881.93

See accompanying notes to financial statements

COUNTY OF HUDSON
AFFORDABLE HOUSING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

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

	2018	2017
Revenue and Other Income Realized		
Fund Balance Utilized	$ 250.00	$ 250.00
Other Credits to Income:		
Non-Budget Revenues	2,825.07	1,331.33
Prior Year Interfunds Returned	1,331.33	
	4,406.40	1,581.33
Expenditures		
Budget Appropriations		
Operations		
Other Expenses	-	6.32
Current Year Interfunds Advanced	4,156.40	1,331.33
	4,156.40	1,337.65
Statutory Excess to Fund Balance	250.00	243.68
Fund Balance, January 1	379,736.43	379,742.75
	379,986.43	379,986.43
Decreased by:		
Utilized as Anticipated Revenue	250.00	250.00
Fund Balance, December 31	$ 379,736.43	$ 379,736.43

See accompanying notes to financial statements

COUNTY OF HUDSON
AFFORDABLE HOUSING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

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	-	2,825.07	2,825.07
	$ 250.00	$ 3,075.07	$ 2,825.07

	$ 250.00
	2,825.07
	$ 3,075.07

See accompanying notes to financial statements

COUNTY OF HUDSON
AFFORDABLE HOUSING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended		
	Budet	Modified Budget	Paid or Charged	Reserved	Cancelled
Operations:					
Other Expenses	$ 250.00	$ 250.00	$ -	$ -	$ 250.00
	$ 250.00	$ 250.00	$ -	$ -	$ 250.00

Budget as Adopted	$ 250.00
Appropriations Canceled	250.00
	$ -

See accompanying notes to financial statements

EXHIBIT E

COUNTY OF HUDSON
GENERAL FIXED ASSETS
AS OF DECEMBER 31, 2018 AND 2017

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

	2018	2017
Assets		
Land and Improvements	$ 75,517,141.63	$ 75,517,141.63
Construction	320,098,029.36	316,426,008.84
Infrastructure	7,981.50	7,981.50
Machinery, Equipment and Licensed Vehicles	101,321,764.78	94,903,713.33
Total Assets	$ 496,944,917.27	$ 486,854,845.30
Investment in Fixed Assets		
Investment in General Fixed Assets	$ 496,944,917.27	$ 486,854,845.30

See accompanying notes to financial statements

NOTE A. 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 freeholders, 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 it 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

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).

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF PRESENTATION (continued)

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.

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.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF PRESENTATION (continued)

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.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

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.

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.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

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.

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.

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.

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.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

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 A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (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 B - 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.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

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 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.

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.

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.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

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 A, 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 B. 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 A - 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:

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

At December 31, 2018 and 2017, the County's deposits are summarized as follows, deposits are allocated among four financial institutions:

	2018	2017
Insured - FDIC	$ 1,456,946.72	$ 1,454,814.17
Insured - GUDPA	351,509,602.44	299,517,269.31
NJ Asset and Rebate Management Program	519,092.31	510,143.90
	$ 353,485,641.47	$ 301,482,227.38

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, 2018 and 2017 are held in foreign currency.

NOTE B. CASH AND CASH EQUIVALENTS (continued)

INVESTMENTS

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

- 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.

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, 2018 and 2017.

NOTE B. CASH AND CASH EQUIVALENTS (continued)

INVESTMENTS (continued)

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 Maturities (in Years)			
Investment Type	Fair Value*	< 1	1 - 5	6 - 10	> 10
2018 Government Investment Pools	$ 519,092.31	$ 519,092.31	$ -	$ -	$ -
2017 Government Investment Pools	$ 510,143.90	$ 510,143.90	$ -	$ -	$ -

*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, 2018 and 2017, the County had balances $519,092.31 and $510,143.90, respectively, in the NJARM Program government investment pool.

NOTE C. 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.

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, 2018 and 2017 as follows:

Year Ended Dec. 31	Total	County-Purpose Tax Levy Raised Suport of Budget	Added and Omitted Tax Levy	County Open Space Tax Levy
2018	$ 375,133,810.61	$ 361,680,876.11	$ 5,208,218.81	$ 8,244,715.69
2017	361,522,813.85	350,543,753.11	3,647,890.63	7,331,170.11

As of December 31, 2018 and 2017, the County had added and omitted taxes receivable of $5,125,552.03 and $3,470,124.04, respectively.

NOTE D. 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. At December 31, 2018 and 2017 the County's debt is summarized as follows:

	December 31, 2018			Dec. 31, 2017
Statutory Debt Pursuant to Local Bond Law	Issued	Authorized But Not Issued	Total	Total
General:				
General, School and College Improvement Bonds	$ 270,516,000.00	$ 104,404,061.74	$ 374,920,061.74	$ 379,396,917.06
Green Trust Loans	2,660,574.80	-	2,660,574.80	2,928,753.16
Bond Anticipation Notes	202,121,155.00	-	202,121,155.00	162,167,967.00
Total Gross Statutory Debt Issued	475,297,729.80	104,404,061.74	579,701,791.54	544,493,637.22
County Guaranty	477,367,999.00	-	477,367,999.00	541,328,243.00
Gross Statutory Debt	952,665,728.80	104,404,061.74	1,057,069,790.54	1,085,821,880.22
Less Statutory Deductions to Debt Limit:				
Debt Guaranteed by County	477,367,999.00	-	477,367,999.00	541,328,243.00
Funds in Hand for Payment of Debt				
Capital Fund: Reserve for Payment of Bonds	21,431,626.41	-	21,431,626.41	16,409,946.16
Trust Fund: Open Space Trust Fund	5,166,000.00		5,166,000.00	5,351,000.00
Merrill Lynch Delegation Agreement	-	-	-	6,100,000.00
NJSA 18A:64A-22.1 to 22.8 - County Colleges	27,492,500.00	3,350,000.00	30,842,500.00	27,392,500.00
	531,458,125.41	3,350,000.00	534,808,125.41	596,581,689.16
Net Statutory Debt	$ 421,207,603.39	$ 101,054,061.74	$ 522,261,665.13	$ 489,240,191.06

The County's long-term debt activity for the most recent two years ended is summarized as follows:

	Balance Dec. 31, 2016	New Issues	Retirements*	Balance Dec. 31, 2017	Due by Dec. 31, 2018
General Serial Bonds	$ 278,984,000.00	$ 11,100,000.00	$ 24,688,000.00	$ 265,396,000.00	$ 25,350,000.00
Green Acres Loans	3,191,647.36	-	262,894.20	2,928,753.16	268,178.36
	$ 282,175,647.36	$ 11,100,000.00	$ 24,950,894.20	$ 268,324,753.16	$ 25,618,178.36

* Includes $953,000 Retired through the application of Bond Premium Proceeds

	Balance Dec. 31, 2017	New Issues	Retirements	Balance Dec. 31, 2018	Due by Dec. 31, 2019
General Serial Bonds	$ 265,396,000.00	$ 35,920,000.00	$ 30,800,000.00	$ 270,516,000.00	$ 25,145,000.00
Green Acres Loans	2,928,753.16	-	268,178.36	2,660,574.80	273,568.76
	$ 268,324,753.16	$ 35,920,000.00	$ 31,068,178.36	$ 273,176,574.80	$ 25,418,568.76

* Includes $5,450,000 Redeemed by Hudson County Improvmeent Authority

NOTE D. COUNTY DEBT (continued)

Debt Refunding

During the years ended December 31, 2018 and 2017, the County renewed Bond Anticipation Notes in the amounts of $159,374,331 and $82,976,156, respectively. In addition, November 30, 2017, the County refunded $17,978,000 of its remaining balance of Community College Bonds originally issued in the amount of $32,353,000 on January 28, 2010. A balance of $3,345,000 and $4,925,000 remains on the 2010 College Bonds at December 31, 2018 and 2017, respectively.

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, 2017 and 2016 are Vocational School Bonds additionally secured under the School Bond Reserve Act of $52,380,000 and $48,355,000, 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, 2017 and 2016, the County recognized $3,856,065.74 and $3,527,735.00, respectively, as 'State Aid – County College Bond' revenues pursuant to this act.

Hudson County Community College Bonds issued and authorized but not issued totaled $55,415,000 and $54,785,000 as of December 31, 2018 and 2017, respectively. Of these amount, $27,492,500 and $27,392,500, respectively as of December 31, 2018 and 2017, are additionally secured pursuant to the County College Bond Act.

NOTE D. COUNTY DEBT (continued)

BONDS PAYABLE

General Serial and Term Bonds Payable

The County has outstanding at December 31, 2018 and 2017 various general serial and term bonds, including General Improvement and Refunding bonds, Vocational School Bonds and Community College Bonds. The following table summarizes the 2018 activity of such bonds, as well as the short term principal liability of each.

Summary of General Serial and Term Bonds Activity

Description	Balance Dec. 31, 2017	Increase	Decrease	Balance Dec. 31, 2018	Due by Dec. 31, 2019
Merrill Lynch Refunding Bonds issued April 17, 1991 for $10,000,000 maturing annually from 2012 through 2026 bearing variable interest rates	$ 6,100,000.00	$ -	$ 6,100,000.00	$ -	$ -
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%	18,200,000.00	-	1,400,000.00	16,800,000.00	1,400,000.00
General Improvement Refunding Bonds issued April 26, 2011 for $15,200,000 maturing annually through 2021 bearing interest rates of 2.00% to 5.00%	7,105,000.00	-	1,620,000.00	5,485,000.00	1,725,000.00
General Improvement Bonds issued June 19, 2012 for $10,925,000 maturing annually through 2032 bearing interest rates of 2.00% to 3.75%	9,140,000.00	-	535,000.00	8,605,000.00	550,000.00
General Improvement Refunding Bonds, Series 2014 issued Nov. 6, 2014 for $24,410,000 to refund Series 2006 General Improvement Bonds maturing Sept. 1 annually from 2015 through 2021 bearing interest rates of 1.5% to 5%	16,625,000.00	-	3,995,000.00	12,630,000.00	4,000,000.00
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%	62,625,000.00	-	3,845,000.00	58,780,000.00	3,890,000.00
Koppers Site HCIA Bonds issued May 1, 2012 for $6,265,000 maturing annually through 2025 bearing an interest rate of 2.50%	4,090,000.00	-	470,000.00	3,620,000.00	480,000.00

NOTE D. COUNTY DEBT (continued)

Summary of General Serial and Term Bonds Activity - continued

Description	Balance Dec. 31, 2017	Increase	Decrease	Balance Dec. 31, 2018	Due by Dec. 31, 2019
Koppers Site Refinance Completion Project	$ 13,900,000.00	$ -	$ 1,590,000.00	$ 12,310,000.00	$ 1,630,000.00
County Secured Revenue Bonds issued May 1, 2013 for $19,880,000 maturing annually through 2025 bearing an interest rate of 2.50%					
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%	-	24,520,000.00	-	24,520,000.00	-
Open Space Bonds issued July 13, 2011 for $6,446,000 maturing annually through 2036 bearing interest rates of 3.00% to 4.625%	5,351,000.00	-	185,000.00	5,166,000.00	205,000.00
County College Bonds issued June 25, 2013 for $8,710,000 maturing annually through 2033 bearing interest rates of 3.0% - 4.75%	7,710,000.00	-	250,000.00	7,460,000.00	480,000.00
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%	5,230,000.00	-	235,000.00	4,995,000.00	240,000.00
County Community College Bonds issued January 28, 2010 for $32,353,000 maturing annually through 2020 (2021-2030 Refunded) bearing interest rates of 3.00% to 4.00%	4,925,000.00	-	1,580,000.00	3,345,000.00	1,640,000.00
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%	6,530,000.00	-	580,000.00	5,950,000.00	600,000.00
County College Bonds issued June 25, 2013 for $1,500,000 maturing annually through 2028 bearing interest rates of 3.0% to 4.5%	1,220,000.00	-	70,000.00	1,150,000.00	100,000.00
County College Refunding Bonds issued May 9, 2013 for $5,765,000 maturing annually through 2018 bearing interest rates of 3.0% - 4.0%	1,135,000.00	-	1,135,000.00	-	-

NOTE D. COUNTY DEBT (continued)

Summary of General Serial and Term Bonds Activity - continued

Description	Balance Dec. 31, 2017	Increase	Decrease	Balance Dec. 31, 2018	Due by Dec. 31, 2019
County College Bonds, Series 2014 issued June 11, 2014 for $4,250,000 to Finance Ordiance No. 374-06-2013 maturing March 15 annually from 2015 through 2029 bearing interest rates of 2% to 3.25%	$ 3,650,000.00	$ -	$ 200,000.00	$ 3,450,000.00	$ 200,000.00
County College Refunding Bonds, Series 2014 issued Nov. 6, 2014 for $10,010,000 to refund Series 2006 Community College Bonds maturing Sept. 1 annually from 2015 through 2021 bearing interest rates of 1.5% to 5%	8,145,000.00	-	1,875,000.00	6,270,000.00	2,000,000.00
County College Bonds, Series 2015 (County College 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%	2,820,000.00	-	190,000.00	2,630,000.00	195,000.00
County College Bonds, Series 2016B (C. 12 Bonds) 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%	2,835,000.00	-	170,000.00	2,665,000.00	170,000.00
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%	3,100,000.00	-	170,000.00	2,930,000.00	175,000.00
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%	17,025,000.00	-	100,000.00	16,925,000.00	-
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%	-	3,400,000.00	-	3,400,000.00	205,000.00
Vocational School Refunding Bonds issued April 26, 2011 for $2,740,000 maturing annually through 2021 bearing interest rates of 2.00% to 5.00%	1,255,000.00	-	290,000.00	965,000.00	305,000.00

NOTE D. COUNTY DEBT (continued)

Summary of General Serial and Term Bonds Activity - continued

Description	Balance Dec. 31, 2017	Increase	Decrease	Balance Dec. 31, 2018	Due by Dec. 31, 2019
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%	$ 6,650,000.00	$ -	$ 775,000.00	$ 5,875,000.00	$ 950,000.00
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%	12,815,000.00	-	945,000.00	11,870,000.00	945,000.00
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%	19,635,000.00	-	1,445,000.00	18,190,000.00	1,490,000.00
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%	9,580,000.00	-	530,000.00	9,050,000.00	540,000.00
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%	8,000,000.00	-	520,000.00	7,480,000.00	530,000.00
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%	-	8,000,000.00	-	8,000,000.00	500,000.00
	$ 265,396,000.00	$ 35,920,000.00	$ 30,800,000.00	$ 270,516,000.00	$ 25,145,000.00

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

NOTE D. COUNTY DEBT (continued)

Merrill Lynch Refunding Bonds - Merrill Lynch Refunding Bonds, which were issued by the County for $10,000,000 on April 17, 1991, but under a delegation agreement, the debt service is paid by Merrill Lynch directly to the Hudson County Improvement Authority (HCIA). Such bonds shall mature serially each July 1, from 2012 through 2025, in the amount of $650,000 each year. On July 1, 2026, the remaining principal of $900,000 shall mature. Interest on the bonds is based on a variable rate. Interest is projected on the forgoing schedule on an average interest rate of 2.0%. These bonds were fully redeemed by HCIA on November 28, 2018. The outstanding balances on these bonds at December 31, 2018 and 2017 were $-0- and $6,100,000, respectively.

County College Bonds, Series 2010 – These bonds were issued under the County College Bond Act, as previously described, for the purpose of permanently financing various capital projects by and for Hudson County Community College as authorized by Ordinance No. 161-4-2008 adopted on April 10, 2008 ($30,000,000 issued herein) and Ordinance No. 70-1-2010 adopted on January 28, 2010 ($2,353,000 issued herein). Issued in 2006 for an original amount of $32,353,000, $17,978,000 of these bonds, including $953,000 funded by issuance premium, were refunded in 2017. These bonds had outstanding balances at December 31, 2018 and 2017 of $3,345,000 and $4,925,000, respectively.

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.

NOTE D. COUNTY DEBT (continued)

During the years ended December 31, 2018 and 2017, the County received $501,447.22 and $513,467.02, respectively, pursuant to the cash subsidy provided by the United States Treasury. The cumulative subsidy received over the life of the bonds at December 31, 2017 and 2016 are $4,187,903.96 and $3,686,456.74, respectively.

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, 2018 and 2017 of $16,800,000 and $18,200,000, respectively.

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 sinking fund schedule for each of the term bond payments required.

Schedule of Mandatory Sinking Fund Payments

	Recovery Zone Economic Development Bonds Maturing	
	Dec. 1, 2025	Dec. 1, 2030
2022	$ 1,400,000.00	$ -
2023	1,400,000.00	-
2024	1,400,000.00	-
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	$ 5,600,000.00	$ 7,000,000.00

NOTE D. COUNTY DEBT (continued)

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, 2018 and 2017 of $5,166,000 and $5,351,000, respectively.

General Obligation Refunding Bonds, Series 2011 – During the year ended December 31, 2011, the County issued $17,940,000 of refunding bonds dated April 26, 2011 consisting of:

- $15,200,000 General Improvement Refunding Bonds, Series 2011, the proceeds of which refunded the remaining principal balance of $15,200,000 and interest accrued through November 1, 2011 of the General Improvement Bonds issued on November 1, 2001 in the original amount of $20,885,000. These bonds had outstanding balances at December 31, 2018 and 2017 of $5,485,000 and $7,105,000, respectively.
- $2,740,000 Vocational School Refunding Bonds (NJ School Bond Reserve Act, 1980 NJ Laws C. 72, as amended), Series 2011, the proceeds of which refunded the remaining principal balance of $2,740,000 and interest accrued through November 1, 2011 of the Vocational School Bonds issued on November 1, 2001 in the original amount of $3,650,000. These bonds had outstanding balances at December 31, 2018 and 2017 of $965,000 and $1,255,000, respectively.
- Proceeds of both refunding bonds were also used to pay costs of issuance of the bonds.

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, 2012 consisting of:

- $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, 2018 and 2017 of $8,605,000 and $9,140,000, 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, 2018 and 2017 of $5,950,000 and $6,530,000, respectively.
- Proceeds of both bonds were also used to pay costs of issuance of the bonds.

NOTE D. COUNTY DEBT (continued)

Acquisition of Koppers Seaboard Site - On February 26, 1998 the Board of Chosen Freeholders approved Resolution 103-2-1998, subsequently amended on November 24, 1998 by Resolution 611-11-1998, authorizing the execution of a contingent purchase or lease agreement by and between the County and the HCIA. The County and the HCIA entered into an agreement that provides for the County's unconditional obligation to purchase or lease the Koppers Site, located in Kearny, New Jersey for a minimum net purchase price of $33,000,000 in the event that other efforts to sell or lease the site by the HCIA to a third party purchaser were unsuccessful. On June 14, 2001, the HCIA sent formal notification to the County that they were unable to transfer or lease the Koppers Site, in accordance with the provisions of the agreement.

The County agreed that the contingent purchase price be paid in three (3) annual installments of $11,000,000 each on October 1 of 2001, 2002 and 2003. The County has paid $33,000,000 to the HCIA in connection with the Koppers Site in accordance with the agreement. On July 26, 2001, the County adopted a bond ordinance in the amount of $33,300,000.00 to meet the obligation. The County issued bond anticipation notes in three $11,000,000 tranches in 2001, 2002 and 2003 and subsequently rolled over such bond anticipation notes, with certain pay-downs through and including the date hereof. Bonds were issued in 2012 to permanently finance the 2001 tranche and in 2013 to permanently finance the 2002 and 2003 tranches. Original authorization of these bonds was through Ordinance No. 300-7-2001.

- **HCIA Bonds, Series 2012** - During the year ended December 31, 2012, the County issued $6,265,000 of bonds at an interest rate of 2.5% for the purpose of refunding a portion of the outstanding amount of bond anticipation notes of the County issued August 31, 2011 and maturing May 1, 2012 providing for the acquisition of land in Kearny referred to as the Koppers Site. Of the $6,265,000 issued, $6,144,000 was for the purposes of refunding the bond anticipation notes and the remaining $121,000 was issued to finance the costs of issuance. These bonds had outstanding balances as of December 31, 2018 and 2017 of $3,620,000 and $4,090,000, respectively.
- **Completion, County Secured Revenue Bonds, Series 2013** - During the year ended December 31, 2013, the County issued $19,880,000 of bonds at an interest rate of 2.5% for the purpose of refunding the total outstanding amount of bond anticipation notes of the County issued May 1, 2012 and maturing May 1, 2013 providing for the acquisition of land in Kearny referred to as the Koppers Site. These bonds had outstanding balances as of December 31, 2018 and 2017 of $12,310,000 and $13,900,000, respectively.

NOTE D. COUNTY DEBT (continued)

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 consisting of:

- $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, 2018 and 2017 of $5,875,000 and $6,650,000, respectively.
- $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, 2018 and 2017 of $7,460,000 and $7,710,000, 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, 2018 and 2017 of $1,150,000 and $1,220,000, respectively.
- Proceeds of the above bonds were also used to pay costs of issuance of the bonds.

County College Refunding Bonds, Series 2013 – These bonds were issued to refund all of the County's $6,000,000 outstanding callable County College Bonds, Series 2003(County College Bond Act, 1971 N.J. Laws c. 12, as amended), dated July 15, 2003 and maturing on July 15 in the years 2014 through 2018, inclusive, and also to pay, when due, interest accrued on the Refunded Bonds through and including July 15, 2013 as well as the costs of issuance of the Bonds. Issued in 2013 for an original amount of $5,765,000, these bonds had outstanding balances at December 31, 2018 and 2017 of $-0- and $1,135,000, respectively.

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, 2018 and 2017 of $11,870,000 and $12,815,000 respectively.

NOTE D. COUNTY DEBT (continued)

General Obligation Refunding Bonds, Series 2014 – On November 6, 2014 the County issued $55,645,000 of refunding bonds consisting of:

- $24,410,000 General Improvement Refunding Bonds, Series 2014, the proceeds of which refunded $25,462,000 of the General Improvement Bonds, Series 2006 issued in the original amount of $39,082,000. These bonds had outstanding balances at December 31, 2018 and 2017 of $12,630,000 and $16,625,000, respectively.
- $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, 2018 and 2017 of $18,190,000 and $19,635,000, respectively.
- $10,010,000 County College Refunding Bonds (County College Bond Act, 1971 NJ Laws C. 12, as amended), Series 2014, the proceeds of which refunded 10,385,000 of the Community College Bonds issued September 12, 2006 in the original amount of $25,000,000 providing for improvements to Hudson County Community College. These bonds had outstanding balances at December 31, 2018 and 2017 of $6,270,000 and $8,145,000, 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 Equpment, 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 Equpment, 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 Improvemetns 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 Equpment, Furnishings, Vehicles and Other Capital Items	13,775,000.00
			$ 74,000,000.00

Issued in 2014 for an original amount of $74,000,000, these bonds had outstanding balances at December 31, 2018 and 2017 of $58,780,000 and $62,625,000, respectively.

NOTE D. 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, 2018 and 2017 of $3,450,000 and $3,650,000, 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, 2018 and 2017 of $4,995,000 and $5,230,000, 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, 2018 and 2017 of $2,630,000 and $2,820,000, 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, 2018 and 2017 of $9,050,000 and $9,580,000 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, 2018 and 2017 of $2,665,000 and $2,835,000, 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, 2018 and 2017 of $7,480,000 and $8,000,000 respectively.

NOTE D. COUNTY DEBT (continued)

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, 2018 and 2017 of $2,930,000 and $3,100,000, 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, 2018 and 2017 of $16,925,000 and $17,025,000, 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, 2018 and 2017 of $3,400,000 and $-0-, respectively.

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, 2018 and 2017 of $8,000,000 and $-0- 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, 2018 and 2017 of $24,520,000 and $-0- respectively.

NOTE D. COUNTY DEBT (continued)

LOANS PAYABLE

Green Trust Loans Payable – Such loan activity for the year ended December 31, 2018 is as follows:

Summary of Green Trust Loans Activity

	Balance Dec. 31, 2017	Decrease	Balance Dec. 31, 2018	Due by Dec. 31, 2019
Laurel Hill issued September 27, 2000 for $306,502.50 maturing semi-annually from 2001 through 2020 bearing an interest rate of 2%	$ 55,228.89	$ 18,044.50	$ 37,184.39	$ 18,407.20
Urban Nature Center issued November 3, 2003 for $270,000.00 maturing semi-annually from 2004 through 2023 bearing an interest rate of 2%	94,483.33	14,974.29	79,509.04	15,275.28
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%	228,064.80	26,562.39	201,502.41	27,096.30
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%	152,818.15	12,551.88	140,266.27	12,804.18
Mercer Park originally issued December 29, 2005 for $495,250.50 maturing semi-annually from 2006 through 2025 bearing an interest rate of 2%	98,849.34	38,950.60	59,898.74	39,733.50
West Hudson and Lincoln Parks - $650,259 Environmental Projects - $194,525 originally issued November 13, 2012 bearing an interest rate of 2%	587,997.70	60,254.43	527,743.27	61,465.54
Laurell Hill Park originally issued December 20, 2012 bearing an interest rate of 2%	762,282.66	44,047.52	718,235.14	44,932.87
Multi-Parks Playground originally issued August 19, 2013 bearing an interest rate of 2%	949,028.28	52,792.75	896,235.53	53,853.89
	$ 2,928,753.15	$ 268,178.36	$ 2,660,574.79	$ 273,568.76

NOTE D. COUNTY DEBT (continued)

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:

	Serial and Term Bonds			Green Acres Loans			
Year	Principal	Interest	Total	Principal	Interest	Total	**Total**
2019	$ 25,145,000.00	$ 11,677,390.52	$ 36,822,390.52	$ 273,568.76	$ 51,850.45	$ 325,419.21	**$ 37,147,809.73**
2020	26,240,000.00	10,723,226.52	36,963,226.52	258,700.59	46,351.70	305,052.29	**37,268,278.81**
2021	28,080,000.00	8,882,270.02	36,962,270.02	224,175.30	41,450.80	265,626.10	**37,227,896.12**
2022	19,350,000.00	7,679,446.02	27,029,446.02	228,681.24	36,944.88	265,626.12	**27,295,072.14**
2023	19,850,000.00	6,843,022.02	26,693,022.02	233,277.71	32,348.42	265,626.13	**26,958,648.15**
2024-2028	91,970,000.00	21,988,808.58	113,958,808.58	909,882.66	97,896.72	1,007,779.38	**114,966,587.96**
2029-2033	45,805,000.00	6,711,869.78	52,516,869.78	532,288.54	25,805.59	558,094.13	**53,074,963.91**
2034-2038	9,956,000.00	1,840,273.13	11,796,273.13	-	-	-	**11,796,273.13**
2039-2040	4,120,000.00	167,400.00	4,287,400.00	-	-	-	**4,287,400.00**
Total	$ 270,516,000.00	$ 76,513,706.59	$ 347,029,706.59	$ 2,660,574.80	$ 332,648.56	$ 2,993,223.36	**$ 350,022,929.95**

COUNTY-GUARANTEED DEBT

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

Original Guaranty			Guaranteed Debt Outstanding at:	
Date	Amount	Description	Dec. 31, 2018	Dec. 31, 2017
09/22/2005	$ 40,000,000.00	Harrison Stadium Project	$ 38,460,174.00	$ 39,589,797.00
09/22/2005	45,000,000.00	Harrison Parking Garage Project	-	44,870,000.00
08/25/2009	23,000,000.00	Bayonne Crossing Project	12,113,825.00	13,121,446.00
03/11/2010	12,500,000.00	Weehawken Port Imperial Parking Project	11,785,000.00	11,785,000.00
11/10/2010	95,000,000.00	Solid Waste System Revenue Refunding Bonds	75,320,000.00	77,420,000.00
03/03/2012	5,465,000.00	Renewable Energy Program Revenue Bonds	3,640,000.00	4,005,000.00
04/22/2011	18,000,000.00	830 Bergen Ave	13,350,000.00	14,140,000.00
12/10/2010	13,000,000.00	Lincoln Park Golf Course Project	11,805,000.00	12,045,000.00
12/11/2014	160,000,000.00	Career Technical High School	160,000,000.00	160,000,000.00
04/12/2018	25,000,000.00	Guttenberg General Obligation Bond Project	19,150,000.00	-
04/13/2009	300,000,000.00	Local Unit Loan Program Pooled Note Financing:		
		Series 2018A / Series 2017A	35,107,000.00	38,865,000.00
		Series 2018B / Series 2017B	40,764,000.00	70,390,000.00
		Series 2018C / Series 2017C	55,873,000.00	55,097,000.00
		Total Guaranty of Oustanding Bonds, Loans and Notes	$ 477,367,999.00	$ 541,328,243.00

NOTE D. COUNTY DEBT (continued)

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. Note activity under this Loan Program during the year ended December 31, 2018 is summarized as follows:

		Interest	Maturity		Oustanding at
		Rate	Amount	Date	Dec. 31, 2018
Dated March 22, 2018					
Series 2018A-1	Tax-Exempt	2.50%	$ 24,870,000.00	03/21/2019	$ 24,870,000.00
Series 2018A-2	Taxable	3.00%	10,237,000.00	03/21/2019	10,237,000.00
Dated June 5, 2018					
Series 2018B-1A	Tax-Exempt	3.00%	$ 8,942,000.00	06/04/2019	$ 8,942,000.00
Series 2018B-1B	Tax-Exempt	3.25%	6,537,000.00	10/31/2018	-
Series 2018B-2	Taxable	3.25%	31,822,000.00	09/04/2019	31,822,000.00
Dated October 4, 2018					
Series 2018C-1	Tax-Exempt	3.00%	$ 42,373,000.00	10/03/2019	$ 42,373,000.00
Series 2018C-2	Taxable	3.50%	13,500,000.00	10/03/2019	13,500,000.00
					$ 131,744,000.00

NOTE D. COUNTY DEBT (continued)

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

- **Guaranteed Pooled Notes, Series 2018A** - On March 22, 2018, the HCIA issued $35,107,000 of County Guaranteed Pool Notes Series 2018A maturing March 21, 2019, consisting of: $24,870,000 Tax Exempt County Guaranteed Pool Notes Series 2018A-1 at an interest rate of 2.5% and $10,237,000 Federally Taxable County Guaranteed Pool Notes Series 2018A-2 at an interest rate of 3.0%. These notes were issued to provide funds to make loans to the City of Union City, the Township of Weehawken, and the Local Authority on behalf of the Weehawken Special Improvement District (Township of Weehawken Guaranty), and related refinancing costs and costs of issuance.
- **Guaranteed Pooled Notes, Series 2018B** - On June 5, 2018, the HCIA issued $47,301,000 of County Guaranteed Pool Notes Series 2018B, consisting of: $8,942,000 Tax-Exempt County Guaranteed Pool Notes Series 2018B-1A maturing June 4, 2019 at an interest rate of 3.0%; $31,822,000 Federally Taxable County Guaranteed Pool Notes Series 2018B-2 maturing June 4, 2019 at an interest rate of 3.25%; and $6,537,000 Tax-Exempt County Guaranteed Pool Notes Series 2018B-1B maturing October 31, 2018 at an interest rate of 3.25%. The 2018B-1A notes were issued to provide funds to make loans to the City of Bayonne, Township of Weehawken, and the City of Union City for tax obligations and various capital improvements. The 2018B-1B notes were issued to make loan to the Township of Weekawken for improvements to the municipal building and parks, as well as the acquisition of real property. The 2018B-2 notes were issued to make loan to the City of Bayonne to fund certain costs associated with the dissolution of the Bayonne Local Redevelopment Authority and the Township pf Weehawken to fund a cash operating deficit and self-insurance reserves. All notes include funding for related refinancing costs and costs of issuance.
- **Guaranteed Pooled Notes, Series 2018C** - On October 4, 2018, the HCIA issued $55,873,000 of County Guaranteed Pool Notes Series 2018C, consisting of: $42,373,000 Tax-Exempt County Guaranteed Pool Notes Series 2018C-1 maturing October 3 2019 at an interest rate of 3.0%.; and $13,500,000 Federally Taxable County Guaranteed Pool Notes, Series 2018C-2 maturing October 3, 2019 at an interest rate of 3.5%. The Tax Exempt notes were issued to provide funds to make loans for the purposes of property acquisition and improvements to buildings, property and equipment to the City of Bayonne, City of Union City, Township of Weehawken, and the Town of West New York, as well as the related refinancing costs and costs of issuance. The Federally Taxable notes were issue to provide funds to make a loan to the Parking Authority of the Township of Weehawken for the purpose of acquiring land and buildings.

NOTE D. COUNTY DEBT (continued)

Note activity under this Loan Program during the year ended December 31, 2017 is summarized as follows:

		Interest Rate	Maturity Amount	Maturity Date	Oustanding at Dec. 31, 2017
Dated March 23, 2017					
Series 2017A-1	Tax-Exempt	2.25%	$ 28,598,000.00	04/05/2018	$ 28,598,000.00
Series 2017A-2A	Taxable	2.13%	10,267,000.00	04/05/2018	10,267,000.00
Series 2017A-2B	Taxable	2.13%	1,992,000.00	10/31/2017	-
Dated June 6, 2017					
Series 2017B-1A	Tax-Exempt	2.25%	$ 24,175,000.00	06/15/2018	$ 24,175,000.00
Series 2017B-1B	Tax-Exempt	2.25%	579,000.00	10/31/2017	-
Series 2017B-2	Taxable	2.00%	46,215,000.00	06/15/2018	46,215,000.00
Dated October 4, 2017					
Series 2017C-1	Tax-Exempt	2.25%	$ 41,247,000.00	10/18/2018	$ 41,247,000.00
Series 2017C-2	Taxable	2.25%	13,850,000.00	10/18/2018	13,850,000.00
					$ 164,352,000.00

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

- **Guaranteed Pooled Notes, Series 2017A -** On March 23, 2017, the HCIA issued $40,857,000 of County Guaranteed Pool Notes Series 2017A maturing April 5, 2018, consisting of: $28,598,000 Tax Exempt County Guaranteed Pool Notes Series 2017A-1 at an interest rate of 2.25% and $12,259,000 Federally Taxable County Guaranteed Pool Notes Series 2017A-2 at an interest rate of 2.125%. These notes were issued to provide funds to make loans to the City of Union City, the Township of Weehawken, and the HCIA Authority on behalf of the special improvement district in the Township of Weehawken, and related refinancing costs and costs of issuance.
- **Guaranteed Pooled Notes, Series 2017B -** On June 6, 2017, the HCIA issued $70,969,000 of County Guaranteed Pool Notes Series 2017B maturing June 15, 2018, consisting of: $24,574,000 Tax-Exempt County Guaranteed Pool Notes Series 2017B-1 at an interest rate of 2.25% and $46,215,000 Federally Taxable County Guaranteed Pool Notes Series 2017B-2 at an interest rate of 2.0%. These notes were issued to provide funds to make loans to the City of Union City, the Township of Weehawken, and the City of Bayonne, and related refinancing costs and costs of issuance.

NOTE D. COUNTY DEBT (continued)

- **Guaranteed Pooled Notes, Series 2017C -** On October 4, 2017, the HCIA issued $55,097,000 of County Guaranteed Pool Notes Series 2017c maturing October 18, 2018, consisting of: $41,247,000 Tax-Exempt County Guaranteed Pool Notes Series 2017C-1 at an interest rate of 2.25% and $13,850,000 Federally Taxable County Guaranteed Pool Notes Series 2017C-2 at an interest rate of 2.25%.

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, 2018 and 2017 was $38,460,174 and $39,589,797, respectively.

Harrison Parking Garage Project - On September 22, 2005, the County guaranteed the payment of principal and interest on $45,000,000 County Guaranteed Parking Revenue Bonds (Harrison Parking Garage Project) issued by the HCIA. The proceeds of these bonds are to be used to construct a 1,500 space parking facility to accommodate the stadium. On September 15, 2018 thee bonds were paid in ful and the County Guaranty was terminated. The balance outstanding on these bonds at December 31, 2018 and 2017 was $-0- and $44,870,000, 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 Changes) 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, 2018 and 2017 was $12,113,825 and $13,121,446, respectively.

NOTE D. COUNTY DEBT (continued)

Weehawken Port Imperial Parking Redevelopment Project - On March 11, 2010, the County adopted an Ordinance 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. The balance outstanding on these bonds at December 31, 2018 and 2017 was $11,785,000, each year.

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 Bonds are being issued to refund on a current refunding basis the Refunded Bonds which are defined as the HCIA's Solid Waste System Revenue Bonds, Refunding Series 1998-1 (Non -AMT), Solid Waste System Revenue Bonds, Refunding Series 1998-2 (Non-AMT), Solid Waste System Revenue Bonds, Kopper Site Project Series 1998A (AMT) and Solid Waste System Revenue Bonds, Federally Taxable Series 1998B. In addition, proceeds of the Bonds will be applied to fund a Bond Reserve Fund, and pay the costs and expenses associated with the issuance of the Bonds. During the year ended December 31, 2012, the HCIA refunded $45,055,000 of these bonds by issuing $45,605,000 Refunding Series 2012 Term Bonds. The bonds are not a debt or liability of the County, except to the extent of the County Guarantee. The total balance outstanding on these bonds at December 31, 2017 and 2016 was $75,320,000 and $77,420,000, respectively.

NOTE D. 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, 2018 and 2017 was $160,000,000, each year.

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, 2018 and 2017 was $19,150,000 and $-0-, respectively.

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 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.

NOTE D. COUNTY DEBT (continued)

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
2019	$ 804,192.51	$ 245,000.00	$ 559,192.51
2020	805,908.13	255,000.00	550,908.13
2021	806,801.88	265,000.00	541,801.88
2022	806,842.51	275,000.00	531,842.51
2023	835,386.26	315,000.00	520,386.26
2024-2028	4,220,923.80	1,830,000.00	2,390,923.80
2029-2033	4,424,658.15	2,515,000.00	1,909,658.15
2034-2038	4,632,875.00	3,450,000.00	1,182,875.00
2039-2041	2,879,537.50	2,655,000.00	224,537.50
	$ 20,217,125.74	$ 11,805,000.00	$ 8,412,125.74

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.

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.

NOTE D. COUNTY DEBT (continued)

The amount of the County's future minimum payments under the agreement is as follows:

Renewable Energy Program - Minimum Future Payments

Year	Total Lease Payments	Principal	Interest
2019	$ 510,990.00	$ 365,000.00	$ 145,990.00
2020	497,943.00	365,000.00	132,943.00
2021	483,999.00	365,000.00	118,999.00
2022	469,418.00	365,000.00	104,418.00
2023	454,325.00	365,000.00	89,325.00
2024-2028	2,022,100.00	1,815,000.00	207,100.00
	$ 4,438,775.00	$ 3,640,000.00	$ 798,775.00

MORTGAGE PAYABLE 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.

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.

NOTE D. COUNTY DEBT (continued)

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. 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.

As of December 31, 2017 and 2016, the County's mortgage payable due to the HCIA was $10,548,125.00 and $11,226,250.00, respectively. Assuming the entirety of bond proceeds are utilized under the project, the County would be obligated to pay its full share of the HCIA obligation, with the total remaining payments due to the HCIA in accordance with the following amortization schedule:

The amount of the outstanding bonds issued by the HCIA under the agreement over the amount of the installment payments due by the County is a guarantee of the County, though not a direct liability. The outstanding balance of the bonds issued by the HCIA pursuant to the guarantee as of December 31, 2018 and 2017 was $13,350,000 and $14,140,000, respectively. 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 as pledged and are not a debt or liability of the County, except to the extent of the County Guarantee and the County's obligations under the aforementioned installment purchase agreement.

Bergen Avenue Installment Payment Obligations

Assuming Full Utilization of Bond Proceeds for Improvements

Year	Total	Principal	Interest
2019	$ 1,188,731.25	$ 713,125.00	$ 475,606.25
2020	1,184,837.50	730,625.00	454,212.50
2021	1,186,237.50	761,250.00	424,987.50
2022	1,187,528.13	791,875.00	395,653.13
2023	1,186,893.75	826,875.00	360,018.75
2024-2028	5,934,118.75	4,615,625.00	1,318,493.75
2029-2032	3,547,952.50	3,241,875.00	306,077.50
	$ 15,416,299.38	$ 11,681,250.00	$ 3,735,049.38

NOTE D. COUNTY DEBT (continued)

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.

As of December 31, 2018 and 2017, the County had outstanding total outstanding Bond Anticipation Notes of $202,121,155.00 and $162,167,967.00 respectively, as highlighted in the table below:

ACTIVITY OF BOND ANTICIPATION NOTES

Balance: December 31, 2017					Balance: December 31, 2018		
Interest Rate	Maturity Date	Balance	New Notes Issued	Budget Appropriation	Amount	Maturity Date	Interest Rate
$84,976,156 Bond Anticipation Notes Originally issued December 18, 2015							
Equipment, Furnishings and Vehicles, Ord. No. 536-11-2008							
3.00%	12/12/2018	$ 18,360,000.00	$ -	$ 744,697.00	$ 17,615,303.00	12/10/2019	4.00%
Various Capital Improvements, Ord. No. 276-07-2009							
3.00%	12/12/2018	5,210,000.00	-	195,161.00	5,014,839.00	12/10/2019	4.00%
Various 2012 Capital Improvements, Ord. No. 265-05-2012							
3.00%	12/12/2018	28,267,156.00	-	964,092.00	27,303,064.00	12/10/2019	4.00%
Various 2013 Capital Improvements, Ord. No. 719-12-2013							
3.00%	12/12/2018	31,139,000.00	-	889,686.00	30,249,314.00	12/10/2019	4.00%
$79,191,811 Bond Anticipation Notes Originally issued December 13, 2017							
Acquisition of Properties for Various Purposes, Ord. 715-12-2014							
3.00%	12/12/2018	50,507,000.00	-	-	50,507,000.00	12/10/2019	4.00%
Various Capital Acquisitions and Improvements, Ord. 591-09-2017							
3.00%	12/12/2018	28,684,811.00	-	-	28,684,811.00	12/10/2019	4.00%
$42,746,824 Bond Anticipation Notes Originally issued December 12, 2018							
Acquisition of Properties for Various Purposes, Ord. 753-12-2015							
3.00%	12/12/2018	-	42,746,824.00	-	42,746,824.00	12/10/2019	4.00%
		$ 162,167,967.00	$ 42,746,824.00	$ 2,793,636.00	$ 202,121,155.00		

NOTE D. 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 year ended December 31, 2018:

	Increased by:		Decreased by:			
Balance, Dec. 31, 2017	Debt Authorized	Notes Matured	Bonds and Notes Issued	Grants, Aid & Loans	Budget Appropriations	Balance, Dec. 31, 2016
$ 114,000,917.06	$ 77,868,522.00	$ 162,167,967.00	$ 238,041,155.00	$ 2,298,553.32	$ 9,293,636.00	$ 104,404,061.74

The following activity relates to bonds and notes authorized but not issued that occurred during the year ended December 31, 2017:

	Increased by:		Decreased by:			
Balance, Dec. 31, 2016	Debt Authorized	Notes Matured	Bonds Issued & Notes Renewed	Grants, Aid Loans & Other	Budget Appropriations	Balance, Dec. 31, 2017
$ 145,238,428.60	$ 60,759,902.00	$ 83,976,156.00	$ 173,267,967.00	$ 1,205,602.54	$ 1,500,000.00	$ 114,000,917.06

SUMMARY OF STATUTORY DEBT CONDITION – ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement.

	Gross Debt	Deductions	Net Debt
General Debt	$ 1,057,069,790.54	$ 534,808,125.41	$ 522,261,665.13

Net debt, $522,261,665.13 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended, $78,902,701,233 equals 0.662%. 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

2% of Equalized Valuation Basis	$ 1,578,054,024.66
Net Debt	522,261,665.13
Remaining Borrowing Power	$ 1,055,792,359.53

NOTE E. 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, 2018 and 2017, which were appropriated and included as anticipated revenue in the succeeding year were as follows:

	Fund Balance Dec. 31, 2017	Utilized in 2018 Budget	Fund Balance Dec. 31, 2018	Utilized in 2019 Budget
Current Fund	$ 67,058,802.94	$ 67,058,802.94	$ 55,672,204.86	$ 47,000,000.00
General Capital Fund	751,973.38	-	751,973.38	-
Affordable Housing Utility Operating Fund	379,736.43	250.00	379,742.75	250.00

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

NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION

Substantially all County employees participate in the Consolidated Police and Fireman's Pension Fund (CPFPF), 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 CPFPF, which is a single employer plan. The CPFPF, 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 - CPFPF

The Consolidated Police and Fireman's Pension Fund (CPFPF) 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, 2018, 2017 and 2016, the County contributed $21,719.47, $50,815.61 and $36,691.48, respectively.

NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

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.

STATE-MANAGED PENSION PLANS – PERS

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.

NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

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, 2018 and 2017, this base salary amount was $8,300, each year. 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 DRCP. 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.

NOTE F. 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:

	County Contribution			Employee Contributions			
Year Ended Dec. 31,	Amount Paid or Charged	As a Percentage of Base Wages	Base Wages Subject to Contributions	Amount Contributed	As a Percentage of Base Wages: Prosecutor	As a Percentage of Base Wages: Regular	
2018	$ 13,568,775.11	12.7%	$ 106,903,785	$ 8,021,664.67	10.00%	7.34%	(1)
2017	12,757,605.76	12.5%	102,341,235	7,534,589.50	10.00%	7.20%	(1)
2016	11,626,939.88	11.8%	98,625,839	7,137,155.30	10.00%	7.20%	(1)

(1) Rates change to that noted on July 1 of each year.

At June 30, 2018 and 2017, the County's net pension liability for PERS, including the County's proportionate share, was as follows:

Year Ended June 30,	Proportionate Share: Rate	Proportionate Share: Change	Net Pension Liability
2018	1.47284%	0.04115%	$ 289,995,537
2017	1.43169%	0.02860%	333,274,401

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, 2018 and 2017, 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:

	2018		2017	
At:	Rate	Amount	Rate	Amount
1% Decrease	4.66%	$ 364,635,975	4.00%	$ 413,449,513
Current Discount Rate	5.66%	289,995,537	5.00%	333,274,401
1% Increase	6.66%	227,376,983	6.00%	266,478,597

NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2018 and June 30, 2017 measurement dates were determined by actuarial valuations as of July 1, 2017 and 2016, respectively, which were rolled forward to June 30, 2018 and 2017, respectively. These actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

Measurement Date of	Inflation Rate	Age-Based Increases Through 2026	Age-Based Increases Thereafter	Investment Rate of Return
June 30, 2018	2.25%	1.65-4.15%	2.65-5.15%	7.00%
June 30, 2017	2.25%	1.65-4.15%	2.65-5.15%	7.00%

Mortality – For both the June 30, 2018 and 2017 Measurement Dates, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants (set back two years for males and seven years for females). In addition, the tables provided for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back one year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back three years for males and set forward one year for females).

The actuarial assumptions used in both the July 1, 2017 and 2016 valuations were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements will be.

NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018 and June 30, 2017) 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, 2018 and 2017 are summarized in the following table:

June 30, 2018			June 30, 2017		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%	Absolute Return / Risk Mitigatior	5.00%	5.51%
Cash Equivalents	5.50%	1.00%	Cash & Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%	U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%	Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%	Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%	Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%	Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%	Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%	Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%	Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%	Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%	U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%	Non-U.S. Developed Markets Ec	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%	Emerging Market Equities	6.50%	11.64%
Buyouts / Venture Capital	8.25%	13.08%	Buyouts / Venture Capital	8.25%	13.08%

NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Discount Rate - The discount rate used to measure the total pension liability was 5.66% and 5.00% as of June 30, 2018 and 2017, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% as of June 30, 2018 and 2017, respectively, and a municipal bond rate of 3.87% and 3.58% as of June 30, 2018 and 2017, respectively, based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year for each of the June 30, 2018 and June 30, 2017 measurement dates. Local employers contributed 100% of their actuarially determined contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046 and 2040 as of June 30, 2018 and 2017, respectively. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and 2040 as of June 30, 2018 and 2017, respectively, and the municipal bond rate was applied to projected benefit payments after those dates in determining the total pension liability.

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, 2018 and 2017:

	June 30, 2018			June 30, 2017		
	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	$ 47,786,461	$ (92,725,152)	$ (44,938,691)	$ 67,143,307	$ (66,897,147)	$ 246,160
Difference Between Expected and Actual Experience	5,530,258	(1,495,311)	4,034,947	7,847,462	-	7,847,462
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(2,720,170)	(2,720,170)	2,269,374	-	2,269,374
Changes in Proportion	20,367,442	-	20,367,442	17,988,536	-	17,988,536
	$ 73,684,161	$ (96,940,633)	$ (23,256,472)	$ 95,248,679	$ (66,897,147)	$ 28,351,532

NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

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,	
2019	$ 8,150,990
2020	3,097,907
2021	(15,190,644)
2022	(14,775,391)
2023	(4,539,334)
Thereafter	-
	$ (23,256,472)

STATE-MANAGED PENSION PLANS – PFRS

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 F. 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:

	County Contribution			Employee Contributions	
Year Ended Dec. 31,	Amount Paid or Charged	As a Percentage of Base Wages	Base Wages Subject to Contributions	Amount Contributed	As a Percentage of Base Wages
2018	$ 13,232,283.40	25.6%	$ 51,604,387.00	$ 5,160,438.90	10.00%
2017	12,359,525.91	25.8%	47,931,307.00	4,792,487.60	10.00%
2016	12,751,037.01	27.4%	46,462,822.33	4,645,679.57	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.

NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

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, 2018 and 2017, 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,	City (employer) Proportionate Share Rate	Proportionate Share Change	Net Pension Liability	State of N.J. (Nonemployer) On-Behalf of County	Total
2018	1.44992%	-0.02414%	$ 196,198,505	$ 26,650,322	$ 222,848,827
2017	1.47406%	0.18337%	227,566,208	25,489,332	253,055,540

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, 2018 and 2017, 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:	2018 Rate	2018 Amount	2017 Rate	2017 Amount
1% Decrease	5.51%	$ 262,587,352	5.14%	$ 299,837,220
Current Discount Rate	6.51%	196,198,505	6.14%	227,566,208
1% Increase	7.51%	141,439,799	7.14%	168,187,354

Actuarial Assumptions

The total pension liability for the June 30, 2018 and June 30, 2017 measurement dates were determined by actuarial valuations as of July 1, 2017 and 2016, respectively, which were rolled forward to June 30, 2018 and 2017, respectively. These actuarial valuations used the following actuarial assumptions:

Measurement Date of	Inflation Rate	Age-Based Increases Through 2026	Age-Based Increases Thereafter	Investment Rate of Return
June 30, 2018	2.25%	2.10-8.98%	3.10-9.98%	7.00%
June 30, 2017	2.25%	2.10-8.98%	3.10-9.98%	7.00%

NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Mortality – For the June 30, 2018 Measurement Date, preretirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale 88 and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements are based the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale 88 and the Conduent modified 2014 projection scales thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

For the June 30, 2017 Measurement Date, preretirement mortality rates were based on the RP-2000 Preretirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and three years using the plan actuary's modified 2014 projection scales and further projected on a generational basis using the plan actuary's modified 2014 projection scales. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then three years using the plan actuary's modified 2014 projection scales and further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2017 and July 1, 2016 valuations were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 6.51% and 6.14% as of June 30, 2018 and 2017, respectively. This single blend discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% as of June 30, 2018 and 2017, and a municipal bond rate of 3.87% and 3.58% as of June 30, 2018 and 2017, respectively, based on 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.

NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in most recent fiscal year. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062 and 2057 as of June 30, 2018 and 2017, respectively. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and 2057 as of June 30, 2018 and 2017, respectively, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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, 2018 and June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS target asset allocations as of June 30, 2018 and 2017 are summarized in the following table:

June 30, 2018			June 30, 2017		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%	Absolute Return / Risk Mitigatior	5.00%	5.51%
Cash Equivalents	5.50%	1.00%	Cash & Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%	U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%	Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%	Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%	Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%	Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%	Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%	Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%	Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%	Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%	U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%	Non-U.S. Developed Markets Ec	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%	Emerging Market Equities	6.50%	11.64%
Buyouts / Venture Capital	8.25%	13.08%	Buyouts / Venture Capital	8.25%	13.08%

NOTE F. 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 (excluding employer specific amounts) for the years ended June 30, 2018 and 2017:

	June 30, 2018			June 30, 2017		
	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	$ 16,841,002	$ (50,282,290)	$ (33,441,288)	$ 28,061,449	$ (37,268,691)	$ (9,207,242)
Difference Between Expected and Actual Experience	1,996,064	(811,915)	1,184,149	1,476,315	(1,335,624)	140,691
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(1,073,383)	(1,073,383)	4,342,496	-	4,342,496
Changes in Proportion	2,640,047	(13,122,816)	(10,482,769)	4,504,467	(13,990,718)	(9,486,251)
	$ 21,477,113	$ (65,290,404)	$ (43,813,291)	$ 38,384,727	$ (52,595,033)	$ (14,210,306)

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,	
2019	$ (448,337)
2020	(9,192,316)
2021	(18,916,552)
2022	(11,633,169)
2023	(3,622,917)
Thereafter	-
	$ (43,813,291)

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.

NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

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.

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.

PERS and PFRS Fiduciary Net Position

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.

NOTE F. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

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.

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 Chosen Freeholders 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:

	2018	2017	2016
County Contributory Plans:			
County Employees' Pension Fund	$ 1,525,000.00	$ 1,525,000.00	$ 1,525,000.00
Court Attendants' Pension Fund	372,723.39	365,829.24	415,240.96
County Non-Contributory Plans:			
Non-Contributory County Pension Fund	2,270,457.98	2,261,030.14	2,367,203.62
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 G. POST-EMPLOYMENT BENEFITS

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 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; or
3. Retired on an approved Disability Retirement (regardless of years of service).

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, 2018, 2017 and 2016 were $14,632,844.45, $14,968,281.94 and $13,702,798.96, respectively, which equaled the required contributions for each year. There were approximately, 1,055, 1,026 and 994 retired participants eligible at December 31, 2018, 2017 and 2016, respectively.

NOTE G. POST-EMPLOYMENT BENEFITS (continued)

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.

NOTE G. POST-EMPLOYMENT BENEFITS (continued)

Net OPEB Obligation – The components of the net OPEB liability of the County at June 30, 2018 was as follows:

	2018
County's Share of:	
Total OPEB Liability	$ 596,662,028
OPEB Plan fiduciary net position	11,527,157
Net OPEB liability	$ 585,134,871
Plan fiduciary net position as a percentage of total OPEB liability	1.97%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017 which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	2018
Inflation Rate	2.50%
Salary increases:	
Through 2026	1.65% to 8.98%
Thereafter	2.65% to 9.98%

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the June 30, 2017 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan- the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

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

NOTE G. POST-EMPLOYMENT BENEFITS (continued)

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate - The discount rate for June 30, 2018 was 3.87%. 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, 2018, 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:

	2018
At:	
1% Decrease (2.87%)	$ 686,517,904
Current Discount Rate (3.87%)	585,134,871
1% Increase (4.87%)	504,152,772

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, 2018, 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:

	2018
At:	
1% Decrease	$ 488,096,301
Current Healthcare Cost Trend Rate	585,134,871
1% Increase	710,717,200

NOTE G. POST-EMPLOYMENT BENEFITS (continued)

Deferred Outflows and Deferred Inflows of Resources

The OPEB expense and deferred outflows and deferred inflows of resources at June 30, 2018 and 2017 were as follows:

	June 30, 2018		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)
Changes of Assumptions	$ -	$ (148,427,123)	$ (148,427,123)
Difference Between Expected and Actual Experience	-	(118,803,251)	(118,803,251)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	309,223	-	309,223
Changes in Proportion	25,131,857	(53,624,994)	(28,493,137)
	$ 25,441,080	$ (320,855,368)	$ (295,414,288)

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,	
2019	$ (41,340,553)
2020	(41,340,553)
2021	(41,340,553)
2022	(41,340,553)
2023	(41,417,859)
Thereafter	(88,634,218)
	$ (295,414,288)

NOTE G. POST-EMPLOYMENT BENEFITS (continued)

OPEB Expense

The components of allocable OPES expense, which exclude OPEB expense related to specific liabilities of individual employers, for the year ending June 30, 2018 are as follows**:**

	2018
Proportionate Share of Allocable Allocable Plan OPEB Expense	$ 22,773,197
Net Amortizations of Deferred Amounts from Changes in Proportion	(5,358,442)
OPEB expense	$ 17,414,755

NOTE H. 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, 2018 and 2017, the total accumulated absence liability was $27,348,408.53 and $25,749,114.45, 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, 2018 and 2017, the County has reserved $4,423,259.46, each year, for the future payment of compensated absences.

NOTE I. 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.

NOTE I. RISK MANAGEMENT (continued)

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 law suits, civil law suits, civil rights and worker's compensation. The County maintains a self-insurance fund, which at December 31, 2018 and 2017 held $257,716.39 and $188,391.46, respectively. The County contributed $7,943,849.80 and $11,189,521.09, respectively, to the fund during the years ended December 31, 2018 and 2017.

NOTE J. FIXED ASSETS

The County had the following investment balance and activity in general fixed assets for and as of the years ended December 31, 2018 and 2017.

	Balance: Dec. 31, 2017	Additions	Disposals	Balance: Dec. 31, 2018
Land	$ 75,517,141.63	$ -	$ -	$ 75,517,141.63
Buildings	316,426,008.84	3,676,020.52	4,000.00	320,098,029.36
Infrastructure	7,981.50	-	-	7,981.50
Equipment, Vehicles and Furniture	94,903,713.33	7,979,477.85	1,561,426.40	101,321,764.78
Total	$ 486,854,845.30	$ 11,655,498.37	$ 1,565,426.40	$ 496,944,917.27

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

NOTE K. 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, 2018 consisted of the following:

	Transfers In	Transfers Out
General Capital	$ 12,641,704.86	$ 16,351,524.88
Other Trust	4,747,972.03	4,184,109.16
Grants Fund	33,244,766.07	31,892,416.07
Current Fund	53,675,947.00	51,882,339.85
Affordable Housing Utility Operating	-	2,825.07
Affordable Housing Utility Capital	2,825.07	-
	$ 104,313,215.03	$ 104,313,215.03

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, 2018, the following interfund balances remained on the County's records for the reasons as stated.

Amount	Due From	Due To	Purpose
$ 4,156.40	Utility Capital	Utility Operating	Interest on Deposits
9,652,983.44	Current Fund	General Capital	Interfund Advances
3,859,396.59	Current Fund	Trust Fund	Reserve Transfer

NOTE L. COMMITMENTS AND CONTINGENCIES

CAPITAL LEASE PROGRAM OBLIGATIONS

Hudson County Lease-Purchase Agreement (Correctional Facility) - In connection with a New Jersey Superior Court-ordered construction of a correctional facility within the County, the County entered into a lease-purchase agreement with Hudson County Funding Company, Inc. (HCFC) on November 1, 1988 to fund the construction of the facility. The term of the agreement was from November 1, 1988 to December 1, 2021. Concurrent with the signing of the agreement with HCFC, the County arranged for the issuance of $104,500,000 in Certificates of Participation. The Certificates represented proportionate interests in the rental payments to be made by the County to HCFC with principal payments commencing in 1992 and interest payments commencing in 1989.

NOTE L. COMMITMENTS AND CONTINGENCIES (continued)

The lease-purchase agreement was amended on July 1, 1990 with the term of the agreement becoming effective July 1, 1990 to December 1, 2021. Additional Certificates of Participation in the amount of $19,100,000 were concurrently issued with principal payments commencing in 1992 and interest payments commencing in 1990.

On April 1, 1992, the 1988 and 1990 series Certificates of Participation were refunded and replaced with the issuance of $135,635,000 series 1992 Refunding Certificates of Participation, which in turn were replaced on May 15, 2002 via the "Forward Certificate Purchase Contract" with the issuance of $118,915,000 series 2002 Refunding Certificates of Participation. The term of the 2002 series Refunding Certificates of Participation is from May 15, 2002 to December 1, 2021.

In addition to the Lease-Purchase Agreements for the initial project as described above, the County entered into a Lease-Purchase Agreement with AGH Leasing, Inc. on September 1, 1998 to fund the construction of a new dormitory housing facility, kitchen facility and related upgrades for the expansion.

On June 22, 2000, the County authorized $31,000,000 to finance the additional costs of the project. Of the $31,000,000 authorized, the County, on December 15, 2002, issued $25,220,000 in Series 2002A Certificates of Participation relating to this Agreement. The Certificates represent proportionate interests in the rental payments to be made by AGH Leasing, Inc. Principal payments commenced December 1, 2005 and continue annually through 2012 for the serial portion, and will then be applied annually from December 1, 2013 through 2021 for mandatory sinking fund payments. Interest is paid semiannually, and commenced June 1, 2005. Capitalized interest of $2,078,574.33 was paid upon issuance, covering the semiannual dates preceding June 1, 2005.

On April 30, 2004, the County issued $5,780,000 in Series 2004 Certificates of Participation, representing the balance of the $31,000,000 debt authorized to finance the project described in the above paragraph. Principal payments commenced December 1, 2005 and continue annually through 2016 for the Serial portion, and will then be applied annually from December 1, 2017 through 2021 for mandatory sinking fund payments. Interest is paid semiannually, and commenced December 1, 2005. Capitalized interest of $245,014.88 was paid upon issuance, covering the semiannual dates preceding December 1, 2005.

NOTE L. COMMITMENTS AND CONTINGENCIES (continued)

$17,155,000 of refunding Certificates of Participation were issued August 8, 2013. The proceeds of the Series 2013 Certificates will be used to provide funds, together with other available funds held by the County and Manufacturers and Traders Trust Company, New York, New York (the "Trustee"), to advance refund a portion of the originally issued $25,220,000 aggregate principal amount of Certificates of Participation, Series 2002A in the form of term certificates maturing on December 1, 2021 in the aggregate principal amount of $14,060,000 and any redemption premium associated with such refunding; advance refund a portion of the originally issued $5,780,000 aggregate principal amount of Certificates of Participation, Series 2004 maturing December 1, 2014 through and including December 1, 2016 and the term certificates maturing on December 1, 2021 in the aggregate principal amount of $3,180,000; pay the premium for the Debt Service Reserve Credit Facility in order to fund the Debt Service Reserve Fund; and pay the costs and expenses incurred in connection with the issuance of the Series 2013 Certificates.

The following is an analysis of the correctional facility lease payments to be made by the County through maturity for the remaining Certificates of Participation:

Year	Total Lease Payment	Principal	Interest
2019	$ 13,427,625.00	$ 11,270,000.00	$ 2,157,625.00
2020	13,426,100.00	12,000,000.00	1,426,100.00
2021	13,420,550.00	12,800,000.00	620,550.00
	$ 40,274,275.00	$ 36,070,000.00	$ 4,204,275.00

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.

NOTE L. COMMITMENTS AND CONTINGENCIES (continued)

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.

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.

NOTE L. COMMITMENTS AND CONTINGENCIES (continued)

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 combined 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	Principal	Interest
2019	$ 8,961,183	$ 6,020,000	$ 2,941,183
2020	8,959,689	6,345,000	2,614,689
2021	8,960,334	6,720,000	2,240,334
2022	8,958,392	7,115,000	1,843,392
2023	8,952,588	7,530,000	1,422,588
2024-2025	17,915,111	16,435,000	1,480,111
	$ 62,707,297	$ 50,165,000	$ 12,542,297

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).

NOTE L. COMMITMENTS AND CONTINGENCIES (continued)

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.

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	Series 2013 Interest
2019	$ 1,755,137.50	$ 925,000.00	$ 830,137.50
2020	1,752,512.50	965,000.00	787,512.50
2021	1,748,137.50	1,010,000.00	738,137.50
2022	1,746,387.50	1,060,000.00	686,387.50
2023	1,747,012.50	1,115,000.00	632,012.50
2024-2028	8,701,037.50	6,400,000.00	2,301,037.50
2029-2033	8,668,643.75	7,530,000.00	1,138,643.75
2034-2035	3,449,362.50	3,340,000.00	109,362.50
	$ 29,568,231.25	$ 22,345,000.00	$ 7,223,231.25

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.

NOTE L. COMMITMENTS AND CONTINGENCIES (continued)

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.

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 20325 (final maturity) in varying amounts from $1,645,000 to $1,700,000.

The table that followsg is an analysis of the lease payments to be made by the County through maturity.

NOTE L. COMMITMENTS AND CONTINGENCIES (continued)

Year	Total Lease Payment	Series 2007 Principal	Series 2007 Interest	Series 2015 Principal	Series 2015 Interest
2019	$ 1,700,562.50	$ -	$ 179,350.00	$ 855,000.00	$ 666,212.50
2020	1,701,687.50	-	179,350.00	900,000.00	622,337.50
2021	1,695,687.50	-	179,350.00	940,000.00	576,337.50
2022	1,697,437.50	-	179,350.00	990,000.00	528,087.50
2023	1,696,687.50	-	179,350.00	1,040,000.00	477,337.50
2024-2028	8,474,037.50	-	896,750.00	5,955,000.00	1,622,287.50
2029-2033	8,496,281.25	1,580,000.00	857,250.00	5,635,000.00	424,031.25
2034-2035	3,446,175.00	3,345,000.00	101,175.00	-	-
	$ 28,908,556.25	$ 4,925,000.00	$ 2,751,925.00	$ 16,315,000.00	$ 4,916,631.25

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 D "County-Guaranteed Debt" for further description of the matter.

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.

NOTE L. COMMITMENTS AND CONTINGENCIES (continued)

The debt service requirements on these bonds are as follows:

Year	Total Lease Payment	Principal	Interest
2019	$ 9,978,200.00	$ 1,980,000.00	$ 7,998,200.00
2020	9,981,725.00	2,075,000.00	7,906,725.00
2021	9,980,350.00	2,180,000.00	7,800,350.00
2022	9,978,600.00	2,290,000.00	7,688,600.00
2023	9,981,100.00	2,410,000.00	7,571,100.00
2024-2028	49,893,537.50	14,000,000.00	35,893,537.50
2029-2033	49,903,025.00	17,800,000.00	32,103,025.00
2034-2038	49,898,000.00	22,765,000.00	27,133,000.00
2039-2043	49,891,750.00	29,225,000.00	20,666,750.00
2044-2048	49,892,466.75	37,570,000.00	12,322,466.75
2049-2051	29,937,693.75	27,705,000.00	2,232,693.75
	$ 329,316,448.00	$ 160,000,000.00	$ 169,316,448.00

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, 2018 and 2017, the County does not believe that any material liabilities will result from such audits.

NOTE L. COMMITMENTS AND CONTINGENCIES (continued)

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.

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, 2018 and 2017 the County has reserved $2,450,000 to meet potential arbitrage requirements.

LITIGATION

The County is a defendant in various lawsuits, none of which is unusual for a county of its size and should be adequately covered by the County's insurance program, defense program or by the County directly and which may be settled in a manner satisfactory to the financial stability of the County. The County self-insures and also carries excess insurance for all lines of coverage as described in Note I to the financial statements. It is anticipated that any judgments in excess of insured coverage would be paid by the County through future taxation or future debt borrowing. Litigation with potential substantial exposure exceeding $500,000 as noted by County Counsel is highlighted as follows.

- P.A.: This is a lawsuit brought by an outside service entity as well as, three employees of the Correctional Center alleging all kinds of Civil Right violations with respect to their employment and their First Amendment Rights. The allegations are of discrimination and retaliation against the Union, members of the Union, and this Third Party Entity for bringing to the attention of the Jail and authorities problems at the Jail concerning management and abuse of power. Due to the number of Plaintiffs and the fact that the theories are fee shifting, the case has a potential value in excess of $750,000.

NOTE L. COMMITMENTS AND CONTINGENCIES (continued)

- J.A.: This is an inmate lawsuit alleging injury and excessive force against the Correctional Center. This matter was filed in August 2017 so there is very little detail; however, given the fact that it alleges an assault and is brought under fee shifting theories it would have a potential to be valued in excess of $750,000.
- M.A.: This is a claim by a pedestrian of a slip and fall on a sidewalk that resulted in injury; this sidewalk is not Hudson County road. We are seeking a Stipulation of Dismissal from Plaintiff in the matter as this is not County road.
- S.B.: This is an employment dispute wherein he has a claim for unjust enrichment and CEPA claims related to a contract dispute with the County. Due to the nature of the allegations and the fact that they are fee shifting, that matter has the potential to be in excess of $750,000.
- Est. of C.B.: 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 $750,000.
- P.C.: This is a lawsuit alleging retaliation from Mr. Cresci actin 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. Due to the nature of the allegations and the fee shifting theories under which the allegations were brought, the case has a potential value up to $750,000.
- R.C.: This is a lawsuit resulting out of an accident where Plaintiff fell while walking across the Bridge Street Bridge (Harrison/Newark). Since the accident, Plaintiff has undergone four surgeries for serious injuries she sustained to her arm and shoulder. Due to the nature of the allegations, this case has a potential value of up to $750,000.
- J.D.: This is a lawsuit alleging a wrongful death of a former inmate when he was released from the Jail and was struck by a car on a nearby highway. It is alleged that he should not have been released at the time of day he was released. Due to the nature of the allegations and the wrongful death and survivorship avenues of recovery, the matter has a potential value in excess of $750,000.
- M.F.: This is an employment case against Meadowview Hospital for discrimination on the basis or gender and race. Due to the nature of the allegations and the fact that everything is fee shifting, the matter has a potential to be in excess of $750,000.

NOTE L. COMMITMENTS AND CONTINGENCIES (continued)

- Est. of J.F.: This is a wrongful death lawsuit against the Jail under Federal Civil Rights theories. It is alleged that the Plaintiff had preexisting and known medical conditions which precluded his being placed on certain work details, and was placed on an inappropriate work detail nonetheless and as a result suffered a heart attack. These allegations are disputed however, because the matter is brought under the Civil Rights Act which is fee shifting and because of the nature of the allegations, the matter does have the potential to exceed $500,000.
- J.G.: This is a personal injury case where it appears the County of Hudson did not own or maintain the location of the accident. A stipulation of dismissal is expected to be forwarded.
- J.G.: Plaintiff alleges she sustained injuries to her feet while incarcerated at the Hudson County Correctional Center. She has since died and this matter has been dismissed for failure to answer interrogatories. It is unclear whether the plaintiff's family will move to vacate the dismissal and pursue the claim.
- B.H.: This is a claim by a pedestrian of a slip and fall on a sidewalk that resulted in injury; this sidewalk is a Hudson County road.
- K.H.: This is a lawsuit brought against the Hudson County Sheriff's Department for violation of the Conscientious Employee Protection Act and the New Jersey Law Against Discrimination by discriminating against the Plaintiff and creating a hostile work environment because of her gender and sexual orientation. Because it is brought under State Statutes that allow for fee shifting and fee enhancement it has a potential to exceed $750,000 in value.
- Est. of O.K.: This is a case of wrongful death and survivorship arising out of a police chase matter where the persons being chased lost control of their vehicle and struck Plaintiff's decedent killing him. Due to the nature of the allegations and the wrongful death and survivorship causes of action, the case has a potential value in excess of $750,000.
- T.N.C.: 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 $750,000.
- L.O.: This matter is related to No.2 on the list as Mr. Ocasio was a part of the original group of bringing a lawsuit. The parties have since split and he is separately represented by counsel of his own. The allegations and theories are essentially identical and are fee shifting. Therefore, the case does have a potential value in excess of $750,000.
- E.R.: This is an employment case on the basis of gender, handicap and disability and pregnancy. It is brought under fee shifting statutes which gives it the potential for a large liability.
- D.S.: This is an employment case alleging discrimination, hostile work environment, and retaliation. The case was dismissed but is now pending on Appeal. Because it is fee shifting and subject to fee enhancement, it has a potential value in excess of $750,000.

NOTE M. SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 29, 2019, the date which the financial statements were available to be issued.

Issuance of Debt

General Obligation Bonds, Series 2019 – On June 11, 2019 the County issued $14,700,000 of General Obligation Bonds, Series 2019. These bonds mature in annual installments through 2039 at interest rates of 3% to 5% and consist of (a) $8,000,000 County Vocational-Technical Schools Bonds under the New Jersey School Bond Reserve Act issued to finance various improvements of the Hudson County School of Technology as authorized by Ordinance No. 529-9-2018 adopted on September 13, 2018 and (b) $6,700,000 County College Bonds under the County College Bond Act of 1971, c.12, issued to finance various projects at the Hudson County Community College as authorized by Ordinance No. 528-9-2018 adopted on September13, 2018.

County Guaranty

Payment of the following notes issued by the HCIA is guaranteed by the County pursuant to a guaranty ordinance adopted on August 13, 2009. Such Guaranty shall remain in effect until the notes have been paid in full:

Guaranty Ordinance, $77,355,000 – On April 25, 2019, the County adopted an ordinance authorizing the guaranty of the payment of principal and interest on not exceeding $77,355,000 aggregate principal amount of County Guaranteed Solid Waste System Revenue Refunding Bonds issued by the HCIA.

Guaranty Ordinance, $7,500,000 – On June 27, 2019, the County introduced 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.

NOTE M. SUBSEQUENT EVENTS (continued)

Guaranteed Pooled Notes, Series 2019A - On March 7, 2019, the HCIA issued $58,646,000 of County Guaranteed Pool Notes Series 2019A, consisting of: $38,601,000 Tax Exempt County Guaranteed Pool Notes Series 2019A-1A at an interest rate of 3.0% maturing on March 6, 2020; $483,000 Tax Exempt County Guaranteed Pool Notes Series 2019A-1B at an interest rate of 3.0% maturing on October 31, 2019 and $19,562,000 Federally Taxable County Guaranteed Pooled Notes Series 2019A-2 at an interest rate of 3.5% maturing on March 6, 2020.. These notes were issued to provide funds to make loans to the City of Union City, the Township of Weehawken, and the Local Authority on behalf of the Weehawken Special Improvement District (Township of Weehawken Guaranty), and related refinancing costs and costs of issuance.

Guaranteed Pooled Notes, Series 2019B - On May 24, 2019, the HCIA issued $44,440,000 of County Guaranteed Pool Notes Series 2019B, consisting of: $12,989,000 Tax Exempt County Guaranteed Pool Notes Series 2019B-1 maturing May 22, 2020 at an interest rate of 3.0%; $28,451,000 Federally Taxable County Guaranteed Pool Notes Series 2019B-2A maturing May 22, 2020 at an interest rate of 3.5%; and $3,000,000 Federally Taxable County Guaranteed Pool Notes Series 2019B-2B maturing October 31, 2019 at an interest rate of 3.5%. 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 2019C – On August 22, 2019, the HCIA received approval from the Local Finance Board for the issuance of approximately $67,582,000 of County Guaranteed Pooled Notes, Series 2019C. Said notes are expected to close on September 20, 2019. The closing date and note principal are subject to change.

Capital Ordinances

$7,550,000 Park Improvements - On March 28, 2019, the County adopted an ordinance providing for various 2019 park improvements by and in the County, appropriating appropriating $7,550,000 therefor, (including funding expected to be received in the amount of $500,000 from the Open Space Trust Fund), and providing for the issuance of $6,714,285 in bonds or notes to finance part of the costs thereof.

$17,636,179 Road and Bridge Improvements – On March 28, 2019, the County adopted an ordinance providing for 2019 Various Road and Bridge Improvement Projects by and in the County, and appropriating $17,636,179 (including Federal and State grants expected to be received in the aggregate amount of $11,911,179) therefore and authorizing the issuance of $5,452,380 in bonds or notes to finance part of the costs thereof.

NOTE M. SUBSEQUENT EVENTS (continued)

$5,000,000 Hudson County Schools of Technology Acquisitions and Improvements – On June 13, 2019, the County adopted an ordinance appropriating $5,000,000 for various 2019-2020 capital improvements at, and the acquisition and installation of, as applicable, equipment and buses for the Hudson County Schools of Technology. Bonds and notes are authorized in the amount of $5,000,000 to finance said improvements and acquisitions.

$3,500,000 Hudson County Community College Improvements – On August 15, 2019, the County adopted an ordinance appropriating $3,500,000 for the undertaking of various capital projects for Fiscal Year 2020 by and for the Hudson County Community College. Bonds and notes are authorized in the amount of $3,500,000 to finance said improvements. The payment of the principal and interest on the $1,750,000 principal portion amount of said bonds or notes shall be provided for by the State of New Jersey Pursuant to Chapter 12 of the Laws of New Jersey of 1971.

APPENDIX C

FORM OF APPROVING LEGAL OPINION FOR THE NOTES

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

December _, 2019

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

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Board of Chosen Freeholders of the County of Hudson, State of New Jersey (the "County") and other proofs submitted to us relative to the issuance and sale of the

$182,121,155
BOND ANTICIPATION NOTES

COUNTY OF HUDSON
STATE OF NEW JERSEY

Dated: December 9, 2019

The $182,121,155 aggregate principal amount of Bond Anticipation Notes (the "Notes") of the County are dated December 9, 2019, mature on December 8, 2020 and bear interest at the rate of two and zero hundredths percentum (2.00%) per annum. The Notes are issued in fully registered form, without coupons, initially registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. Purchases of the Notes will be made in book-entry only form in principal denominations of $5,000 each or any integral multiple of $1 in excess thereof. 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.

The Notes are not subject to redemption prior to maturity.

The bonds in anticipation of which the Notes are issued have been authorized pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”), and by various bond ordinances duly adopted by the Board of Chosen Freeholders of the County and published as required by law.

The Notes are being issued to provide for the current refunding of a $182,121,155 principal portion of prior Bond Anticipation Notes of the County issued in the aggregate principal amount of $202,121,155 on December 11, 2018 and maturing on December 10, 2019 (the "Prior Notes"), which Prior Notes were originally issued to temporarily finance the cost of various capital improvements, including the acquisition and installation of various capital items and the acquisition of property, in and for the County (the remaining portion of such Prior Notes is being paid by a 2019 budgetary appropriation of the County in the amount of $20,000,000).

We are of the opinion that: (i) such proceedings and proofs show lawful authority for the issuance and sale of the Notes pursuant to the Local Bond Law, (ii) the Notes are valid and legally binding obligations of the County, 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 within the County is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of principal of and interest on the Notes.

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance and delivery of the Notes in order for the interest thereon to be and remain excludable from gross income for Federal income tax purposes. Noncompliance with such requirements could cause 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 will represent in its tax certificate relating to the Notes that it expects and intends to comply, and will comply, to the extent permitted by law, with such requirements.

In our opinion, assuming continuing compliance by the County with the aforementioned covenants in its tax certificate, under existing statutes, regulations, rulings and court decisions, 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.

The Notes are not designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B)(ii) of the Code.

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 is not includable in gross income 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 or local tax consequences of the ownership or disposition of the Notes.

Furthermore, we express no opinion as to any Federal, state or local 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 unexecuted Notes and, in our opinion, the form is regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

APPENDIX D

FORM OF CERTIFICATE OF COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE NOTES

CERTIFICATE OF COMPLIANCE WITH
SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE NOTES

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 organized and existing under the laws of the State of New Jersey, DO HEREBY CERTIFY on behalf of JP Morgan Securities LLC, New York, New York, the purchaser (the "Purchaser") of $182,121,155 aggregate principal amount of Bond Anticipation Notes of the County dated December 9, 2019 and maturing December 8, 2020 (the "Notes"), in connection with the issuance of 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 will provide notice of certain events (the "Notice") to the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access system ("EMMA") as a PDF file to www.emma.msrb.org, of any of the following events with respect to 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 status of the Notes; (7) modifications to rights of Note holders, if material; (8) bond calls, if material, and tender offers; (9) defeasances of the Notes; (10) release, substitution or sale of property securing repayment of the Notes, if material; (11) rating changes relating to the Notes; (12) bankruptcy, insolvency, receivership or similar event of the County; (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee for the Notes or the change of name of a trustee for the Notes, if material; (15) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect 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 of the County, any or which reflect financial difficulties.

"*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.

Whenever the County (i) has or obtains knowledge of the occurrence of any of the aforementioned listed events not requiring a materiality determination, or (ii) determines that the occurrence of an aforementioned listed event requiring a materiality determination would be material to the holders of the Notes, the County shall file a Notice of each such occurrence with the MSRB via EMMA on a timely basis not in excess of ten (10) business days after the occurrence of any of the aforementioned events.

The County's obligations under this Certificate shall terminate upon the defeasance, prior redemption or payment in full of the Notes.

Notwithstanding any other provision of this Disclosure Certificate, the County may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver (supported by an opinion of counsel expert in Federal securities laws acceptable to the County to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof) is (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Notes after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or waiver does not materially impair the interests of holders, as determined either by parties unaffiliated with the County, such determination being supported by an opinion of counsel expert in Federal securities laws, or by the approving vote of a majority of Beneficial Owners of the Notes at the time of the amendment. The County shall give notice of such amendment or waiver to this Disclosure Certificate to the dissemination agent, which notice shall be filed in accordance with the provisions hereof. Notwithstanding the above, the addition of or change in the dissemination agent shall not be construed to be an amendment under the provisions hereof.

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.

IN WITNESS WHEREOF, I have hereunto set my hand on behalf of the County this 9th day of December, 2019.

COUNTY OF HUDSON

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