

**PRELIMINARY OFFICIAL STATEMENT DATED MARCH 10, 2026**

**NEW ISSUE (BOOK-ENTRY)**

**RATING: Moody's: "MIG 1"  
See "RATING" herein**

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

**COUNTY OF MERCER  
STATE OF NEW JERSEY**

**\$135,631,156  
BOND ANTICIPATION NOTES, SERIES 2026A**

**(NON-CALLABLE)**

**Dated: Date of Delivery  
Maturity Date: March 29, 2027  
Coupon: \_\_\_\_%  
Yield: \_\_\_\_%  
CUSIP\*: 587839\_\_**

The \$135,631,156 aggregate principal amount of Bond Anticipation Notes, Series 2026A (the "Notes"), dated March 30, 2026 and maturing on March 29, 2027, are general obligations of the County of Mercer, State of New Jersey (the "County"), payable in the first instance from the proceeds of the sale of bonds or notes issued in anticipation of bonds, but if not so paid or if not paid from other sources, are payable ultimately from *ad valorem* taxes levied upon all the taxable property located within the County for the payment of the principal of the Notes and the interest thereon, without limitation as to rate or amount.

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

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

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

The Notes are authorized by, and are issued pursuant to: (i) the provisions of the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"); (ii) various bond ordinances duly adopted by the Board of County Commissioners of the County on the dates set forth herein, approved by the County Executive, and published as required by law; and (iii) a resolution duly adopted by the Board of County Commissioners of the County on March 12, 2026.

The Notes are being issued to (a) currently refund a \$79,657,120 principal portion of the County's \$139,909,952 Bond Anticipation Notes, Series 2025A, dated April 1, 2025 and maturing March 31, 2026 (the "2025A Notes") (a \$2,169,342 portion of the 2025A Notes will be paid by the County via a 2026 budget appropriation and the balance will be funded via the issuance of a \$58,083,490 Bond Anticipation Note by the County); (b) currently refund a \$12,974,036 principal portion of the County's \$13,423,036 Bond Anticipation Notes, dated April 1, 2025 and maturing March 31, 2026, issued to the County (the "2025 County Notes" and together with the 2025A Notes, the "Prior Notes") (a \$449,000 portion of the 2025 County Notes will be paid by the County via a 2026 budget appropriation), which Prior Notes were originally issued to temporarily finance the cost of various capital improvements and acquisitions in and for the County, including paying the costs associated with the issuance of such notes, and (c) temporarily finance various capital improvements and acquisitions in and for the County in the amount of \$43,000,000, including paying the costs associated with the issuance of the Notes.

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

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

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

**The Notes are offered when, as and if issued and delivered to the Underwriter, subject to the approval of the legality thereof, by Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the County, and certain other conditions. NW Financial Group, LLC, Bloomfield, New Jersey has served as Municipal Advisor to the County in connection with the issuance of the Notes. Certain legal matters will be passed upon for the County by its County Counsel, Paul R. Adezio, Esq., Trenton, New Jersey. It is anticipated that the Notes will be available for delivery through DTC on or about March 30, 2026.**

**ELECTRONIC BIDS FOR THE NOTES, IN ACCORDANCE WITH THE FULL NOTICE OF SALE, WILL BE RECEIVED BY THE MUNICIPAL ADVISOR, ON BEHALF OF THE CHIEF FINANCIAL OFFICER OF THE COUNTY, UNTIL 11:00 A.M., PREVAILING NEW JERSEY TIME, ON MARCH 17, 2026 VIA ELECTRONIC MAIL AT HLITZBAUER@NWFINANCIAL.COM, OR VIA THE PARITY ELECTRONIC BID SYSTEM ("PARITY") AT [HTTPS://NEWISSUE.MUNI.SPGLOBAL.COM](https://newissue.muni.spglobal.com). FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY, VIEW THE FULL NOTICE OF SALE POSTED AT [WWW.MCELWEEQUINN.COM](http://WWW.MCELWEEQUINN.COM).**

\* Registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP number listed above is being provided solely for the convenience of Noteholders only at the time of issuance of the Notes and the County does not make any representation with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number is subject to being changed after the issuance of the Notes as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to the Notes.

This is a Preliminary Official Statement "deemed final" by the County within the meaning of, and with the exception of, certain information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission, and is otherwise subject to change in accordance with applicable law. The County will deliver a final Official Statement in compliance with Rule 15c2-12. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

**COUNTY OF MERCER  
STATE OF NEW JERSEY**

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**COUNTY EXECUTIVE**

Daniel R. Benson

**COUNTY ADMINISTRATOR**

Christopher Marion

**COUNTY COUNSEL**

Paul R. Adezio, Esq.

**CHIEF FINANCIAL OFFICER**

Nicola Trasente

**BOARD OF COUNTY COMMISSIONERS**

Terrance Stokes, Chairperson  
Cathleen M. Lewis, Vice Chairperson  
John A. Cimino  
Samuel T. Frisby  
Kristin L. McLaughlin  
Nina D. Melker  
Lucylle R.S. Walter

**CLERK OF THE BOARD OF COUNTY COMMISSIONERS**

Gillian Bianchi-Ortiz

**COUNSEL TO THE BOARD OF COUNTY COMMISSIONERS**

Michael W. Herbert, Esq.

**COUNTY CLERK**

Paula Sollami Covello

**BOND COUNSEL**

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

**INDEPENDENT AUDITOR**

PKF O'Connor Davies, LLP  
Cranford, New Jersey

**MUNICIPAL ADVISOR**

NW Financial Group, LLC  
Bloomfield, New Jersey

No dealer, broker, salesperson or other person has been authorized by the County of Mercer, State of New Jersey (the "County"), to give any information or to make any representations with respect to the Notes other than those contained in this Official Statement and, if given or made, such information or representation must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

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

This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or owners of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier. The County has not confirmed the accuracy or completeness of information relating to DTC, which information has been provided by DTC.

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

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

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

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

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

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

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**OFFICIAL STATEMENT**  
**OF THE**  
**COUNTY OF MERCER, STATE OF NEW JERSEY**  
**RELATING TO**  
**\$135,631,156**  
**BOND ANTICIPATION NOTES, SERIES 2026A**

**INTRODUCTION**

The purpose of this Official Statement is to provide certain information regarding the financial and economic condition of the County of Mercer (the "County"), State of New Jersey (the "State"), in connection with the offering, sale and issuance of the County's \$135,631,156 aggregate principal amount of Bond Anticipation Notes, Series 2026A, dated March 30, 2026 and maturing on March 29, 2027 (the "Notes"). This Official Statement, which includes the cover page and appendices attached hereto, has been prepared on behalf of the County by Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the County ("Bond Counsel"), and the Chief Financial Officer (the "Chief Financial Officer") of the County, and has been authorized by the County to be distributed in connection with the offering, sale and issuance of the Notes.

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

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

**DESCRIPTION OF THE NOTES**

**General Description**

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

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

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

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

### **Optional Redemption**

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

### **Authorization for the Issuance of the Notes**

The Notes are authorized by, and are issued pursuant to: (i) the provisions of the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”); (ii) various bond ordinances duly adopted by the Board of County Commissioners of the County on the dates set forth in the chart below under the subheading “Purpose of the Notes”, approved by the County Executive, and published as required by law; and (iii) a resolution duly adopted by the Board of County Commissioners of the County on March 12, 2026.

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

### **Purpose of the Notes**

The Notes are being issued to (a) currently refund a \$79,657,120 principal portion of the County’s \$139,909,952 Bond Anticipation Notes, Series 2025A, dated April 1, 2025 and maturing March 31, 2026 (the “2025A Notes”) (a \$2,169,342 portion of the 2025A Notes will be paid by the County via a 2026 budget appropriation and the balance will be funded via the issuance of a \$58,083,490 Bond Anticipation Note by the County), (b) currently refund a \$12,974,036 principal portion of the County’s \$13,423,036 Bond Anticipation Notes, dated April 1, 2025 and maturing March 31, 2026, issued to the County (the “2025 County Notes” and together with the 2025A Notes, the “Prior Notes”) (a \$449,000 portion of the 2025 County Notes will be paid by the County via a 2026 budget appropriation), which Prior Notes were originally issued to temporarily finance the cost of various capital improvements and acquisitions in and for the County, including paying the costs associated with the issuance of such notes, and (c) temporarily finance various capital improvements and acquisitions in and for the County in the amount of \$43,000,000, including paying the costs associated with the issuance of the Notes.

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

**\$135,631,156**  
**Bond Anticipation Notes, Series 2026A**

<b>Ordinance Number</b>	<b>Description and Date of Final Adoption</b>	<b>Amount to be Issued</b>
2007-5, as amended	Construction of Various Capital Improvements and the Acquisition of Various Pieces of Equipment, finally adopted 10/25/2007	\$ 9,664,036.00
2010-11	Construction of Various Capital Improvements, the Acquisition and Installation of Various Pieces of Equipment and the Acquisition of Real Property for Open Space and Farmland Preservation, finally adopted 11/23/2010	3,310,000.00
2019-8	Various Capital Improvements and the Acquisition and Installation of Various Equipment, finally adopted 12/19/2019	50,353,650.00
2020-2	Various Capital Improvements and the Acquisition and Installation of Various Equipment, finally adopted 12/17/2020	26,157,987.00
2022-2	Various Capital Improvements and the Acquisition and Installation of Various Equipment, finally adopted 3/10/2022	39,320,771.00
2022-3	Various Capital Improvements and the Acquisition and Installation of Various Equipment for Mercer County Community College, finally adopted 4/7/2022	6,824,712.00
	TOTAL:	<b><u>\$135,631,156.00</u></b>

**Payment of Notes**

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

**SECURITY AND PAYMENT FOR THE NOTES**

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

The County is required by law to include the total amount of principal of and interest on all of its general obligation indebtedness, such as the Notes, for the current year in each annual budget unless

provision has been made for payment of such general obligation indebtedness from other sources. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted. See "RISK TO HOLDERS OF NOTES" herein.

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

### **NO DEFAULT**

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

### **MARKET PROTECTION**

The County has in the past guaranteed the payment of principal of and interest on certain debt issued by various municipalities and entities within the County. A County guaranty is a valid and legally binding general obligation of the County and, unless the principal of and interest on such debt is paid from other sources, the County is obligated to make payment from *ad valorem* taxes levied upon all the taxable property within the jurisdiction of the County, without limitation as to rate or amount, for the payment of such debt. It is anticipated that within the next ninety (90) days, the County will issue approximately \$58,083,490 General Obligation Bonds, Series 2026 and approximately \$6,000,000 County College Bonds, Series 2026 (County College Bond Act, P.L. 1971, c. 12) (Chapter 12). Other than the above, the County does not anticipate issuing any additional debt within the next ninety (90) days.

### **BOOK-ENTRY SYSTEM\***

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

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Note certificate will be issued for the Notes in the principal amount of the Notes, as set forth on the cover page hereof, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing

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\* Source: The Depository Trust Company.

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](http://www.dtcc.com).

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of the actual purchaser of the Notes (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of the Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes, unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the County or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name”, and will be the responsibility of such Participant and not of DTC, nor its nominee, Paying Agent or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

### **Discontinuance of Book-Entry System**

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

## **PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT**

### **Procedure for Authorization**

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

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

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

The Notes are being issued pursuant to the provisions of the Local Bond Law. The Local Bond Law governs the issuance of bonds and notes to finance certain municipal capital expenditures. Among its provisions are requirements that bonds or notes must mature within the statutory period of usefulness of the projects being financed, that bonds be retired in either serial or sinking fund installments, and that, unlike school debt, and with some exceptions, including self-liquidating obligations and those improvements involving certain State grants, a five percent (5%) cash down payment of the amount of bonds and notes authorized must be generally provided. Such down payment must have been raised by budgetary appropriations, from cash on hand previously contributed for the purpose or by emergency resolution adopted pursuant to the Local Budget Law, N.J.S.A. 40A:4-1 et seq., as amended and supplemented (the "Local Budget Law"). All bonds and notes issued by the County are general "full faith and credit" obligations.

## **Short Term Financing**

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

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

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

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

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

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

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

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

The debt limit of the County may be exceeded with the approval of the Local Finance Board. If all or any part of a proposed debt authorization is to exceed its debt limit, the County must apply to the Local Finance Board for an extension of credit. The Local Finance Board considers the request, concentrating its review on the effect of the proposed authorization on outstanding obligations and operating expenses and the anticipated ability to meet the proposed obligations. If the Local Finance Board determines that a proposed debt authorization is not unreasonable or exorbitant, that the purposes or improvements for which the

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

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

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

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

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

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

### **Investment of Municipal Funds**

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

## **DEBT INFORMATION OF THE COUNTY**

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

## **FINANCIAL MANAGEMENT**

### **Accounting and Reporting Practices**

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

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

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

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

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

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

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

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

N.J.S.A. 40A:4-45.4 places limits on county tax levies and expenditures. This law is commonly known as the “Cap Law” (the “Cap Law”). The Cap Law provides that the County shall limit any increase in its budget to 2.5% or the Cost-Of-Living Adjustment, whichever is less, of the previous year’s final appropriations, subject to certain exceptions. The Cost-Of-Living Adjustment is defined as the rate of annual percentage increase, rounded to the nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services produced by the United States Department of Commerce for the year preceding the current year as announced by the Director. However, in each year in which the Cost-Of-Living Adjustment is equal to or less than 2.5%, the County may, by ordinance, approved by a majority vote of the full membership of the governing body, provide that the final appropriations of the County for such year be increased by a percentage rate that is greater than the Cost-Of-Living Adjustment, but not more than 3.5% over the previous year’s final appropriations. See N.J.S.A. 40A:4-45.14. In addition, N.J.S.A. 40A:4-45.15a restored “Cap” banking to the Local Budget Law. A county is permitted to appropriate available “Cap Bank” in either of the next two (2) succeeding years’ final appropriations. The County utilized fifty-two percent (52%) of its “Cap Bank” in its 2025 Budget. Along with the permitted increases for total general appropriations, there are certain items that are allowed to increase outside the “Cap”.

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

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

### **Deferral of Current Expenses**

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

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

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

### **Budget Transfers**

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

### **Anticipation of Real Estate Taxes**

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

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

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

### **Collection of County Taxes**

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

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

### **Anticipation of Miscellaneous Revenues**

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

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years of such grants rarely coincide with a municipality's calendar fiscal year. Grant revenues are fully realized in the year in which they are budgeted by the establishment of accounts receivable and offsetting reserves.

### **CAPITAL IMPROVEMENT PROGRAM**

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

### **RECENT HEALTHCARE DEVELOPMENTS**

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State (the "Governor") declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to, among other things, provide relief to State and local governments, including the American Rescue Plan Act of 2021 (the "Plan"). The County received \$71,368,970.00 in Federal Aid under the Plan, \$35,684,485.00 of which amount was received by the County on August 5, 2021 and \$35,684,485.00 of which amount was received on September 6, 2022. The deadline to obligate the funds was December 31, 2024 and the deadline to spend the funds is December 31, 2026.

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

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

### **CLIMATE**

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

## **CYBERSECURITY**

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

## **TAX MATTERS**

### **Federal Income Tax Treatment**

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

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

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

### **Additional Federal Income Tax Consequences Relating to the Notes**

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

### **State Taxation**

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

## **Prospective Tax Law Changes**

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

## **Other Tax Consequences**

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

See APPENDIX 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.

## **RISK TO HOLDERS OF NOTES**

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

## **Municipal Bankruptcy**

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

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

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

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

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

### **CERTIFICATES OF THE COUNTY**

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

### **APPROVAL OF LEGAL PROCEEDINGS**

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

### **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to: the County, Attention: Nicola Trasente, Chief Financial Officer, County of Mercer, Mercer County Administration Building, 640 South Broad Street, Trenton, New Jersey 08650, (609) 989-6694, or e-mail: ntrasente@mercercounty.org; the County's Bond Counsel, Attention: Everett M. Johnson, Esq., Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, (732) 855-6149, or e-mail: ejohnson@wilentz.com; or the County's Municipal Advisor, Attention: Heather Litzebauer, NW Financial Group, LLC, Bloomfield, New Jersey, (201) 937-7224, or e-mail: hlitzebauer@nwfinancial.com.

## **MUNICIPAL ADVISOR**

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

## **LITIGATION**

To the knowledge of County Counsel, after due inquiry, there is no litigation of any nature now pending or threatening, restraining or enjoining the issuance, execution or delivery of the Notes offered for sale or the levy and collection of any taxes to pay the principal of or the interest on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes, or for the levy or collection of taxes to pay the principal of and interest on the Notes, or any action contesting the corporate existence or the boundaries of the County or the title of any of the present officers of the County. Further, to the knowledge of the County Counsel, no litigation is presently pending or threatened against the County that, in the opinion of the County Counsel, would have a material adverse impact on the financial condition of the County if adversely decided, no authority or proceedings for the issuance of the Notes has or have been repealed, revoked or rescinded, and all actions or proceedings in regard to the issuance of the Notes taken by the governing body of the County have been in compliance with the Open Public Meetings Act of New Jersey, N.J.S.A. 10:4-6 et seq. Upon the delivery of the Notes, the County shall furnish an opinion or a certificate of its County Counsel, dated the date of delivery of the Notes, attesting to the status of litigation in the County.

## **COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS**

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

Pursuant to certain previous continuing disclosure undertakings, in the previous five (5) years, the County failed to properly file certain annual financial information and operating data for the years ended December 31, 2020 through 2022. Specifically, although certain of the required financial information was timely filed, such financial information was not, in certain instances, appropriately linked to all CUSIPs of the County and/or linked to CUSIPs for which the County was an obligor. In addition, certain of the financial information was not timely posted as relevant data and reports had not been available to the County when such financial information was required to have been filed. Further, the County failed to timely file notices with respect to such late filings. The County also failed to timely file a notice of financial obligation for its \$151,230,000 Bond Anticipation Notes, Series 2024A, dated April 3, 2024. All required financial information and notices have since been posted by the County.

In addition to the above, the County provided notice of the failure to timely pay the principal of and interest due on February 1, 2023 in connection with the County’s outstanding General Obligation Bonds, Series 2022 (the “2022 Bonds”). Timely payment of the 2022 Bonds was not made due to an administrative communication error between the County and DTC, as registered owner of the 2022 Bonds. Upon resolution of the error (on February 8, 2023), the County paid all amounts due and owing on the 2022 Bonds.

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 NW Financial Group, LLC, to act as dissemination agent to the County with respect to all of the County’s outstanding continuing disclosure undertakings. This covenant is being made by the County to assist the purchasers of the Notes in complying with the Rule.

### **PREPARATION OF OFFICIAL STATEMENT**

The County hereby states that it has prepared and reviewed this Official Statement and that the descriptions, statements and financial and statistical information contained herein, including that set forth in APPENDIX A and APPENDIX B, are true and correct in all material respects and it will confirm same to the purchaser of the Notes, by certificates signed by certain County officials and officers. See "CERTIFICATES OF THE COUNTY" herein.

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

The Municipal Advisor has participated in the review of this Official Statement but has not participated in the preparation of this Official Statement, except as herein noted, nor verified the accuracy, completeness or fairness thereof, and, accordingly, takes no responsibility and expresses no opinion with respect thereto, but has reviewed the section under the caption entitled “MUNICIPAL ADVISOR” herein and prepared APPENDIX A to this Official Statement and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

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

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

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

### **RATING**

Moody’s Ratings (“Moody’s” or the “Rating Agency”) has assigned a rating of “MIG 1” to the Notes.

An explanation of the significance of the rating on the Notes may be obtained from the Rating Agency at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, (212) 553-0300. Such rating reflects only the view of the Rating Agency, and an explanation of the significance of the rating may be obtained from such Rating Agency. There is no assurance that the rating will continue for any period of time or that it will not be revised or withdrawn entirely by such Rating Agency, if, in the judgment of such Rating Agency, circumstances so warrant. Any revision or withdrawal of the rating may have an adverse effect on

the market price of the Notes. Except as set forth in the Disclosure Certificate, the County has not agreed to take any action with respect to any proposed rating change or to bring such rating change, if any, to the attention of the owners of the Notes.

### UNDERWRITING

The Notes have been purchased from the County at a public sale by \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (the "Underwriter") at a price of \$\_\_\_\_\_ (the "Purchase Price") in accordance with the terms of the Notice of Sale for the Notes dated March 10, 2026 (the "Notice of Sale"). The Purchase Price of the Notes reflects the par amount of the Notes equal to \$\_\_\_\_\_, plus a bid premium in the amount of \$\_\_\_\_\_.

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

### FINANCIAL STATEMENTS

The balance sheets of the various funds of the County as of December 31, 2024 and 2023 and the statement of operations, together with the notes to the Financial Statements for the years then ended, are presented in APPENDIX B to the Official Statement. The financial statements referred to above have been audited by PKF O'Connor Davies, LLP, an independent auditor, as stated in its report appearing in APPENDIX B.

### MISCELLANEOUS

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

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

This Official Statement has been duly executed and delivered on behalf of the County by the Chief Financial Officer.

**COUNTY OF MERCER,  
STATE OF NEW JERSEY**

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**NICOLA TRASENTE,  
Chief Financial Officer**

DATED: March \_\_\_, 2026

**APPENDIX A**

**CERTAIN FINANCIAL AND DEMOGRAPHIC INFORMATION  
CONCERNING THE COUNTY OF MERCER**

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**COUNTY OF MERCER, NEW JERSEY  
GENERAL INFORMATION**

**Introduction**

The County of Mercer, New Jersey (“Mercer County” or the “County”) is located in the center of the State of New Jersey (the “State”). It is bordered clockwise from North to South by the Counties of Hunterdon, Somerset, Middlesex, Monmouth and Burlington with the Delaware River on the West. Located midway between New York City and Philadelphia, Mercer County’s twelve municipalities span 226 square miles, encompassing the City of Trenton (the Capital City and County Seat), the Townships of East Windsor, Ewing, Hamilton, Hopewell, Lawrence, Washington and West Windsor, and the Boroughs of Hightstown, Hopewell, Pennington and Princeton.

**Governmental Structure**

The County is managed under the County Executive Plan form of government authorized pursuant to the Optional County Charter Law of 1972. This form of government, adopted in 1974 by voters of the County, provides for, among other things, the direct election of the County Executive and the Mercer County Board of County Commissioners (the “County Commissioners”), the separation of legislative power from administrative functions, and the employment of full-time professional personnel in the Departments of Administration, Public Care & Safety, Human Services and Public Works.

The County Executive is elected at-large for a four-year term. The County Executive directs the day-to-day operations of the County and is instrumental in proposing policies to the County Commissioners. The County Executive appoints the County Administrator, the Chief of Staff and, with the advice and consent of the County Commissioners, also appoints heads of departments, divisions and bureaus, and members of county boards, commissions and authorities.

**Population**

Mercer County’s population growth has been on par with that of the State. The pattern of growth has changed during the last five decades reflecting the shift to the suburbs assimilating the trend both nationwide and statewide. The following table shows the U.S. Census Bureau figures concerning the municipalities in Mercer County:

<b><u>Municipality</u></b>	<b><u>1980</u></b>	<b><u>1990</u></b>	<b><u>2000</u></b>	<b><u>2010</u></b>	<b><u>2020</u></b>
East Windsor Township	21,041	22,353	24,919	27,190	30,045
Ewing Township	34,842	34,185	35,707	35,790	37,264
Hamilton Township	82,801	86,553	87,109	88,464	92,297
Hightstown Borough	4,581	5,126	5,216	5,494	5,900
Hopewell Borough	2,001	1,968	2,035	1,922	1,918
Hopewell Township	10,893	11,590	16,105	17,304	17,491
Lawrence Township	19,724	25,787	29,159	33,472	33,077
Pennington Borough	2,109	2,537	2,696	2,585	2,802
Princeton Borough <sup>1</sup>	12,035	12,016	14,203	12,307	30,681
Princeton Township <sup>1</sup>	13,683	13,198	16,027	16,265	
Robbinsville Township	3,487	5,815	10,275	13,642	15,476
Trenton City	92,124	88,675	85,403	84,913	90,871
West Windsor Township	8,542	16,021	21,907	27,165	29,518
<b>TOTAL</b>	<b>307,863</b>	<b>325,824</b>	<b>350,761</b>	<b>366,513</b>	<b>387,340</b>

Source: U.S. Census

<sup>1</sup>Princeton Township and Princeton Borough consolidated into Princeton Borough on January 1, 2013

## **Transportation**

Excellent transportation facilities provide ready access from Mercer County to all parts of the metropolitan region. The network of interstate highways provides convenient vehicular access to New York, Boston, Philadelphia, Washington D.C. and other major cities. There are two interchanges to the New Jersey Turnpike (Interchanges 7A & 8) as well as Interstates 95, 195, and 295; Routes 206, 130 and 1; and New Jersey Routes 33, 31 and 29.

Other forms of transportation facilities include three air facilities, two bus systems, and multiple railroad connections. Mercer County is on the main line of Conrail and is the hub of the Conrail System. Amtrak and Reading Railroads service the area. There are passenger train stations in Trenton, Hamilton, Princeton Junction and Princeton for New Jersey Transit, in Trenton and Princeton Junction for Amtrak all with direct service to NYC and in Trenton and West Trenton for SEPTA. The Reading Railroad Line serves as a main freight corridor through the State. Southern New Jersey Light Rail River LINE is a 34-mile passenger light rail line, which links Trenton with Camden. With 20 station stops serving communities along the Delaware River's Route 130 corridor, the light rail system connects riders to the larger transportation networks of NJ TRANSIT, Amtrak, PATCO and SEPTA.

Trenton-Mercer County Airport, purchased by the County in 1952, is a valuable terminal for passengers and freight air traffic. The airport is located in Ewing Township on 1,000 acres of County-owned land. The airport's facilities include a FAA operated control tower, three runways, six hangers and a passenger terminal operated by Frontier serving the following cities: Atlanta, Charlotte, Charleston, Chicago, Detroit, Fort Myers, Jacksonville, Miami, Minneapolis, Myrtle Beach, Nashville, Orlando, Raleigh Durham, Tampa and West Palm Beach.

## **Utilities Services**

Electric power service in Mercer County is supplied by Public Service Electric and Gas Company (PSE&G) and Jersey Central Power and Light. PSE&G provides service to most of the County, including all of the City of Trenton, Ewing, Hamilton, and Lawrence Townships, and Princeton, Hopewell and Pennington Boroughs. PSE&G also serves most of Hopewell, Washington and West Windsor Townships. Jersey Central Power and Light provides electric power to all of East Windsor Township, Hightstown Borough and sections of Hopewell, Washington and West Windsor Townships.

PSE&G provides the majority of natural gas service in Mercer County. Its service area includes East Windsor, Ewing, Hamilton and Washington Townships, Trenton, Princeton and Hightstown Boroughs, and major sections of Lawrence and West Windsor Townships. The Elizabethtown Gas Company provides natural gas service to Hopewell and Pennington Boroughs and portions of Lawrence and Hopewell Townships.

Water service in Mercer County is provided by nine different water companies, municipal departments and utility authorities. Sewerage service is provided according to municipal boundaries as well as on a regional approach with boundaries reflecting watershed lines. Sewerage systems in Mercer County and their service territories are outlined as follows:

## Sewerage Service in Mercer County

<u>Utility</u>	<u>Service Area</u>
Trenton Sewer Division	City of Trenton and parts of Hamilton, Ewing and Lawrence Townships.
Hamilton Township Sanitary Sewer Department	Hamilton Township
Hopewell Township Municipal Utilities Authority	Hopewell Township
Ewing-Lawrence Sewerage Authority	Ewing and Lawrence Townships
Hightstown Borough Department of Public Works	Borough of Hightstown
Stony Brook Regional Sewerage Authority	Pennington and Hopewell Boroughs, and parts of Hopewell Township, Princeton Borough, Princeton Township and West Windsor Township.
East Windsor Municipal Utilities Authority	East Windsor Township
Robbinsville Township Municipal Utilities Authority	Robbinsville Township

## Business Services

Seventeen commercial banking organizations serve Mercer County and offer the full range of services required by business clients, including corporate trust services, payroll and accounting plans, lock box collections, commercial and custodial accounts, commercial loans, certificates of deposit, pension and profit sharing plans, and other full service aids to business.

All leading Mercer County banks maintain correspondent relationships with other major banks throughout the U.S. and overseas. Sixteen savings and loan institutions maintain offices in Mercer County providing additional business and consumer financial services to the community.

Mercer County businesses provide most of the supply and support facilities required by new industry. Computer sales, leasing, software and maintenance services are available from the nation's leading computer manufacturers. IBM, Unisys and Digital Equipment maintain offices in Mercer County. All of the major manufacturers of copy equipment, calculators and other office machines have local sales and service facilities in or near Mercer County. The Princeton area houses one of the nation's greatest concentrations of data processing, market and opinion research, management consulting, engineering and architectural services to business.

## Educational Environment

Mercer County enjoys the distinction of being one of the nation's leading educational centers. Its public school system includes ninety primary and secondary schools, the two-year Mercer County Community College, four vocational-technical schools, three adult education schools and five special education schools. Institutions of higher learning located in Mercer County include Princeton University, the Institute for Advanced Study, Rider University, The College of New Jersey and Thomas A. Edison College.

Rutgers University and Douglas College are located in neighboring New Brunswick. Nearby Philadelphia-based colleges include the University of Pennsylvania, Temple, Drexel, St. Joseph's, LaSalle and Villanova Universities. Some of the oldest and most distinguished private preparatory schools in the country are located in Mercer County such as the Lawrenceville School, Peddie School, Princeton Day School, Hun School, Stuart Country Day School and the Boy Choir School of Princeton.

The Mercer County Area Vocational-Technical Schools provide occupational training to high school students in the County as well as post-secondary training to upgrade skills in a worker's present occupation or to train for a new job. Courses are offered in a variety of fields, including advanced business machines, design drafting, welding, electronics, graphic arts, health occupations, and secretarial office procedures. Programs can be tailored to meet the specific skill requirements of new and existing industry. A Cooperative Industrial Education (CIE) program provides Mercer County area firms with qualified trainees having a head start in job development through vocational classroom instruction.

### **Health Care Services**

Five licensed general hospitals provide medical services in Mercer County. All are fully accredited by the Joint Committee on Accreditation and offer a complete range of diagnostic and therapeutic health care services. Private hospitals are: Robert Wood Johnson University Hospital at Hamilton (287 beds); Capital Health System at Fuld (271 beds); Capital Health System at Mercer (223 beds and 30 bassinets); and St. Francis Medical Center (238 beds).

### **Recreation and Cultural Amenities**

The recreation and cultural attractions in Mercer County make its quality-of-life highly attractive. Countering steady urbanization trends, preservation of open space has assumed a high priority in Mercer County. Approximately 11,000 acres have been set aside in permanent open space and agricultural development master plan. Recreational facilities operated by the Mercer County Park Commission include four 18-hole championship golf courses, indoor tennis facilities, an equestrian center, a wildlife center and the Howell Living History Farm. In addition, the Commission operates four parks including the Mercer County Park, a 2,500-acre park featuring a modern sports complex for team sports, tennis, an ice skating center, and a 300-acre recreational lake. State parks in Mercer County include Washington Crossing State Park, Princeton Battlefields State Park and the Delaware and Raritan Canal State Park.

Minor league baseball came to Mercer County in 1994, with the opening of Mercer County Waterfront Park along the historic Delaware River in Trenton. The 6,600 seat stadium is home to the Trenton Thunder, an AA affiliate of the New York Yankees. The park not only adds to the recreational diversity of the area, but also the economy received an approximate \$9 million boost according to a study conducted by the New Jersey Economic Development Authority (the "NJEDA").

The CURE Insurance Arena at Mercer County (the "Arena"), which opened to the public in October of 1999, accommodates various sporting events, musical concerts, exhibitions, trade shows and conventions. The Arena contains seating of 8,100 for hockey, 8,600 for basketball and up to 10,500 for concerts and special events, including 34 luxury suites and 1,150 club seats. The Arena is managed by Global Spectrum Limited Partnership.

Major metropolitan area attractions in New York and Philadelphia, including a variety of major league sports, are readily accessible to Mercer County residents. The coastal beaches are within an hour's drive of Mercer County. Atlantic City is within a two-hour drive. Popular skiing resorts in the Pocono Mountains area of Pennsylvania and in northwestern New Jersey are within a two-hour drive of Mercer County.

Cultural activities are extensive in Mercer County. The County is one of the nation's most richly endowed historic areas. It abounds in historic landmarks. In addition to the County's historical significance, its colleges, galleries, theaters and proximity to activities in New York and Philadelphia contribute to the many cultural pursuits available to interested residents. Trenton houses the Trenton Symphony and the State Cultural complex, which includes the New Jersey State Museum with galleries, a planetarium, an auditorium, foreign films and lectures, and the New Jersey State Library. The Princeton University area provides a wealth of cultural activities, including the nationally known McCarter Theatre and a number of prominent art associations and historical societies.

### **Economic Development Highlights**

There are five colleges within the county, which produce a large, well-educated work force, and provide research facilities and expertise for area business. The most attractive is Princeton University, which serves unmatched as a focus of technological endeavor in the New York-Philadelphia area. The infusion of corporate hotels and conference centers, such as the Princeton Hyatt Regency, National Conference Center, Henry Chauncey Conference Center at ETS and AT&T complexes, has further supported vital business activity in the County. As a consequence of these offerings, Mercer County now has more than 125 businesses classified as "high-tech" in fields such as telecommunications, electronics manufacturing, pharmaceutical, biogenetics, robotics, aerospace and energy. Supporting these industries are over 3,000 hotel, motel and resort rooms in 72 hotel facilities.

Other factors that induce development within Mercer County include the interstate highways traveling both north-south and east-west that intersect in Mercer County and the availability of commuter service from Mercer County Airport to major regional centers.

The County has a comprehensive Land Development Strategy that further expands the revenue to the County from land leases and site improvements. That strategy includes the recent expansion of the Foreign Trade Zone program from 71 acres to more than 1,600 acres in the County of Mercer. The Foreign Trade Zone, approved as of March 1993, is intended to stimulate trade activities while deferring custom duties. In 2004, the Foreign Trade Zone was expanded to include the business communities of East Windsor, Ewing, Hamilton, Washington Township, and the City of Trenton. The designation of Mercer County Airport as a General Purpose Foreign Trade Zone allows Mercer County to join approximately 185 other U.S. communities in meeting the opportunities that a new Global World offers. The zone offers Mercer County businesses the opportunity to enhance their global competitiveness by providing financial advantages to companies who operate under Foreign Trade Zone procedures. The County government, through the Office of Economic Development and Sustainability, actively encourages balanced growth. Since 1980, when the office was reorganized, economic development has focused in the area of business retention, business attraction, job retention and creation.

Another measure of the area's vitality is reflected in the work of the NJEDA, which provides financing assistance in the form of tax-exempt and taxable bonds, guarantees, and loans to new and expanding businesses. In the last ten years, the NJEDA has provided over \$2.46 billion in assistance to 108 projects in Mercer County. This assistance has leveraged more than \$3.4 billion in total public/private investment and has led to the creation of an estimated 4,853 new jobs, 4,905 construction jobs and the retention of 3,204 jobs.

While several industrial and technological firms reside in the County, the foundation of Mercer County business is its smaller companies. The Office of Economic Development and Sustainability in cooperation with the County Community College has educated small business personnel through conferences, mailings, and forums in the myriad of economic incentives available to them. These incentives include not only traditional economic development aids such as low-interest loans and employee training programs but also the means to increase sales opportunities and productivity.

## Median Family Income

The median household income in the County was \$22,972 in 1980, \$48,490 in 1990, \$68,494 in 2000, \$89,887 in 2010 and \$83,306 in 2020.

Source: United States Bureau of the Census

## Per Capita Personal Income

<u>Year</u>	<u>Mercer County</u>	<u>New Jersey</u>	<u>United States</u>
2024	\$87,068	\$84,071	\$73,207
2023	84,392	82,103	69,415
2022	80,101	77,744	66,061
2021	77,551	76,052	64,419
2020	71,623	70,433	59,125
2019	69,560	67,522	55,560
2018	65,643	64,206	53,310
2017	62,938	61,716	50,978
2016	61,418	59,793	48,944
2015	60,323	58,425	48,038

Source: Bureau of Economic Analysis and New Jersey Department of Labor and Workforce Development, February 2026. 2025 Data is not yet available.

## Employment

### 2025 Largest Private Employers Mercer County

<u>Employer</u>	<u>Municipality</u>	<u>Number of Employees</u>
1. Princeton University	Princeton	7,300
2. Bristol-Myers Squibb Co	Princeton	6,000
3. Bank of America	Hopewell*	4,000
4. Amazon	Robbinsville	4,000
5. The College of New Jersey	Ewing	3,150
6. Capital Health Systems Inc.	Hopewell/Trenton	2,651
7. New Jersey Manufacturers Insurance Company	Ewing	2,500
8. Educational Testing Services	Lawrence	2,277
9. Mathematica Policy Research	Princeton	2,000
10. RWJ Univ Hospital	Hamilton	1,960
11. Janssen Pharmaceutical Inc.	Titusville	1,600
12. Presbyterian Homes & Services	Hightstown	1,343
13. Mercer County Community College	West Windsor/Trenton	1,000

Source: County of Mercer

\*Main Campus is in Hopewell and all other Mercer County locations are included

## Unemployment

Listed below is a compilation of average annual unemployment figures for Mercer County, the State of New Jersey and the United States of America for the years 2016 through 2025.

<u>Year</u>	<u>Mercer County</u>	<u>New Jersey</u>	<u>United States</u>
2025	5.0%	5.1%	4.3%
2024	4.1	4.7	4.0
2023	3.9	4.4	3.6
2022	3.3	3.9	3.6
2021	5.2	6.3	5.3
2020	7.4	9.8	8.1
2019	3.2	3.6	3.7
2018	3.7	4.1	3.9
2017	4.1	4.6	4.4
2016	4.4	5	4.9

Source: New Jersey Department of Labor and Workforce Development, Bureau of Labor Statistics

## Housing and Construction Values

The United States Census Bureau lists 2020 Census housing units in the County at 145,125, compared to the 2010 census housing units of 143,169, an increase of 1.37 percent. The following tables compare the County with the State relative to building permits and residential construction values.

### Residential Building Permits

<u>Year</u>	<u>Mercer County</u>	<u>New Jersey</u>	<u>Mercer County % of State Permits</u>
2025*	1,484	\$26,444	5.61%
2024	2,026	34,932	5.80
2023	969	32,840	2.95
2022	643	36,974	1.74
2021	544	37,094	1.47
2020	832	36,146	2.30
2019	538	36,505	1.47
2018	501	27,942	1.79
2017	605	28,501	2.12
2016	711	26,793	2.65

Source: U.S. Census Bureau; New Jersey Department of Labor and Workforce Development

\* As of October 2025.

### Residential Construction Values (Thousands)

<u>Year</u>	<u>Mercer County</u>	<u>New Jersey</u>	<u>Mercer County % of State Construction Value</u>
2025*	\$214,664	\$4,535,850	4.73%
2024	347,205	5,941,453	5.84
2023	127,034	5,160,514	2.46
2022	49,739	6,139,820	0.81
2021	53,328	5,234,056	1.02
2020	115,256	4,796,438	2.40
2019	52,640	4,453,654	1.18
2018	54,987	4,220,431	1.30
2017	84,977	4,141,681	2.05
2016	81,894	4,028,689	2.03

Source: U.S. Census Bureau; New Jersey Department of Labor and Workforce Development

\* As of October 2025.

### COUNTY TAX RATES

County taxes on real property are not levied by the County directly; but the amounts required to be raised are apportioned to the municipalities by Boards of Taxation located in each county. These County Boards of Taxation fix and determine the tax rate, which includes the amount required for county, local school districts and local municipal requirements.

Current property taxes are collected by the tax collectors of the municipalities within the County. Property taxes are due in four installments, which become delinquent on February 1, May 1, August 1 and November 1. Each municipality is required to pay to the County Treasurer its share of the county purpose tax on the fifteenth day of February, May, August and November of each year, and if need be, to borrow money to make such payments as provided by New Jersey Statutes. Consequently, counties in the State of New Jersey experience 100% tax collection. The following schedule shows the County's property tax rate and the net valuation on which such county taxes were apportioned.

<u>Year</u>	<u>County Tax Rate Per \$1,000</u>	<u>Net Valuation on which Apportioned</u>
2025	\$5.163	\$64,716,282,802
2024	5.463	58,842,027,246
2023	5.344	53,112,919,365
2022	5.482	48,944,366,684
2021	5.739	46,936,086,309
2020	5.775	46,689,673,854
2019	5.879	45,867,977,111
2018	5.927	45,027,446,078
2017	5.901	44,481,750,219
2016	5.896	43,530,574,277

Source: County of Mercer

## 2025 TEN LARGEST TAXPAYERS

BRISTOL-MYERS SQUIBB CO	469,829,000
TRUSTEES OF PRINCETON UNIVERSITY	310,340,600
TOWN CT OWNER TIC/CO AFTON HOLDINGS	111,202,600
AMERICAN BLVD SPV3 C/O NORTHRIDGE	108,762,500
COLE HOPEWELL TWP C/O RYAN LLC	92,400,000
J & J/JHA NEIGHBORHOOD A	91,230,100
FR MERCER MALL FEE OWNER, LLC	86,448,100
SCC NASSAU PARK PAVILION NJ LLC	85,968,300
EDUCATIONAL TESTING SERVICE	85,500,000
EXTRA LIVING PRINCETON, LLC	85,000,000
<b>TOTAL</b>	<b>1,526,681,200</b>

Source: County of Mercer

## NET VALUATION TAXABLE

The previously mentioned valuations on which the county taxes are based are comprised of the aggregate of similar net valuations as determined by each of the twelve municipalities located within the County as follows:

<u>Municipality</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
East Windsor Township	\$4,523,837,112	\$4,165,420,141	\$3,591,794,531	\$3,200,361,000	\$2,986,376,712
Ewing Township	5,032,934,281	4,743,448,559	3,918,836,832	3,474,797,318	3,312,126,262
Hamilton Township	13,679,001,456	11,896,456,264	10,744,564,634	9,649,373,161	9,297,753,993
Hightstown Borough	666,892,993	580,393,008	539,620,935	500,442,806	460,059,096
Hopewell Borough	436,948,920	397,266,179	373,336,976	360,725,595	344,714,367
Hopewell Township	5,326,965,827	4,864,346,624	4,716,126,208	4,304,996,070	4,061,465,387
Lawrence Township	6,332,079,238	5,746,777,435	5,529,123,056	5,305,130,874	5,098,442,388
Pennington Borough	722,334,081	675,023,527	615,345,499	566,764,145	524,584,340
Princeton	3,807,713,877	3,453,500,692	3,038,075,527	2,626,616,487	2,414,378,601
Trenton City	4,000,255,342	3,653,722,014	3,272,199,762	3,012,970,159	2,833,191,067
Robbinsville	9,367,887,632	8,523,129,452	7,560,236,072	6,979,819,512	6,830,510,523
West Windsor Township	10,819,432,043	10,142,543,351	9,213,659,333	8,962,369,557	8,772,483,573
<b>Total County</b>	<b>\$64,716,282,802</b>	<b>\$58,842,027,246</b>	<b>\$53,112,919,365</b>	<b>\$48,944,366,684</b>	<b>\$46,936,086,309</b>

Source: New Jersey Department of the Treasury, Abstract of Ratables

## REAL PROPERTY ASSESSMENTS

The County Board of Taxation annually ascertains and determines the general ratio or percentage of true value at which the real property of each taxing district is assessed. It prepares an equalization table showing the assessed valuation of the real property in each district, the ratio or percentage, if any, by which the assessed valuation should be increased or decreased in order to correspond to true value. For the 2025 tax year, the County Board of Taxation filed with the State on behalf of the twelve municipalities the following aggregate assessed values and true values:

<u>Municipality</u>	<u>Aggregate Assessed Value</u>	<u>Real Property Ratio Of Aggregate Assessed And Aggregate True Value</u>	<u>Aggregate True Value</u>
East Windsor Township	\$2,916,945,700	64.69%	\$4,509,113,773
Ewing Township	3,332,184,100	66.95%	4,977,123,376
Hamilton Township	8,960,826,550	65.78%	13,622,417,984
Hightstown Borough	392,496,100	59.33%	661,547,446
Hopewell Borough	317,910,000	72.96%	435,731,908
Hopewell Township	3,984,480,300	75.02%	5,311,224,074
Lawrence Township	4,748,572,100	75.34%	6,302,856,517
Pennington Borough	527,018,800	73.20%	719,971,038
Trenton City	2,230,715,400	60.13%	3,709,821,054
Robbinsville	2,687,241,262	67.26%	3,995,303,690
West Windsor Township	6,153,352,100	65.83%	9,347,337,232
Princeton	7,178,373,300	66.50%	10,794,546,316
<b>Total County</b>	<b>\$43,430,115,712</b>		<b>\$64,386,994,408</b>

Source: New Jersey Department of the Treasury, County Equalization Tables, 2025

## SUMMARY OF COUNTY BUDGET

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>
<b>Appropriations</b>				
Administrative	\$47,191,688	\$31,210,235	\$34,436,427	\$34,720,342
Law & Justice	51,896,570	45,193,777	43,997,980	43,441,085
Infrastructure & Transportation	19,091,248	14,189,504	14,158,359	11,905,481
Public Safety	44,056,453	34,778,119	39,647,615	31,168,234
Human Services	12,712,538	8,012,197	7,433,666	7,478,026
Unclassified	146,863,410	138,155,115	130,762,762	110,957,569
State and Federal Programs				
Offset with Revenues	16,872,244	54,564,409	60,914,286	73,514,474
Capital Improvements	-	2,000,000	83,875	3,000,000
Debt Service	47,976,825	47,457,557	32,768,193	31,380,140
Deferred Charges and				
Statutory Expenses	<u>33,456,018</u>	<u>40,356,901</u>	<u>34,372,878</u>	<u>28,859,089</u>
<b>Total General Appropriations:</b>	<b>\$420,116,995</b>	<b>\$415,917,813</b>	<b>\$398,576,041</b>	<b>\$376,424,440</b>
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>
<b>Revenues</b>				
Miscellaneous Revenues:				
Local Revenue	\$30,607,538	\$36,464,847	\$28,596,650	\$31,486,244
State Aid	428,000	324,183	1,448,438	1,731,019
Social, Welfare &				
Psychiatric	1,397,109	1,046,771	1,553,707	23,460,265
Revenue Offset with				
Appropriations	16,572,244	54,439,409	60,914,286	73,514,474
Other Special Items	<u>5,963,044</u>	<u>10,182,054</u>	<u>24,368,254</u>	<u>14,994,778</u>
Total Miscellaneous Revenues:	54,967,935	102,457,264	116,881,335	145,186,779
Surplus Anticipated	30,320,123	30,320,122	19,726,196	6,535,080
Miscellaneous Revenue Not Anticipated	-	9,933,939	14,234,912	6,208,507
Amount to be Raised by Taxation	<u>334,828,937</u>	<u>322,504,614</u>	<u>283,922,221</u>	<u>268,037,645</u>
<b>Total General Revenues</b>	<b>\$420,116,995</b>	<b>\$465,218,034</b>	<b>\$434,764,665</b>	<b>\$425,968,012</b>

Source: County of Mercer, 2025 Adopted Budget, 2022 - 2024 Audited Financial Statements

## DISCUSSION OF FINANCIAL OPERATIONS

### **Basis of Accounting**

The accounting policies of the County conform to the accounting principles applicable to counties which have been prescribed by the Division, but which differ in certain respects from generally accepted accounting principles applicable to local government units. The following is a summary of the significant policies:

*Basis of Accounting* – 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 the State of New Jersey. Expenditures are recorded on the accrual basis. Appropriation reserves covering unexpended appropriation balances are automatically created on December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments incurred or entered into during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

*Interfunds* – Interfund receivables in the Current Fund are recorded with offsetting reserves. Income is recognized in the year the receivables are liquidated. Interfund receivables in other funds are not offset by reserves.

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

### **The Current Fund**

The County finances its operations primarily through the Current Fund. All tax receipts and most revenues are paid into the Current Fund and substantially all expenditures made by appropriations are paid from the Current Fund. The County operates on a January 1 to December 31 calendar year.

The Audited financial statements of the County for the year ended December 31, 2024, are included in Appendix B of the Official Statement.

### **General Expenditures**

Expenditures are comprised of those made for general County purposes, certain expenditures made from restricted Federal, State and private grants, certain Federal or State mandated expenditures, deferred charges, debt service and capital improvements. Budgeted expenditures for general County purposes include payments made primarily in support of the County's various departments.

## COUNTY REVENUES AND TAX RECEIPTS

<b>Year</b>	<b>Total Revenues</b>	<b>County Purpose Tax Revenues</b>	<b>Taxes as a % of Revenues</b>	<b>Other Revenues</b>
2024	503,499,131	322,506,708	64.05	180,992,423
2023	456,921,803	283,922,221	62.14	172,999,581
2022	463,072,447	268,037,645	57.88	195,034,802
2021	433,889,779	269,105,136	62.03	164,784,643
2020	365,347,328	269,313,952	73.71	81,808,350
2019	353,192,574	270,444,302	76.57	82,748,272
2018	339,168,858	266,728,736	78.64	72,440,122
2017	352,552,547	261,494,546	74.17	91,058,001
2016	331,112,912	255,982,160	77.31	75,130,752
2015	323,281,418	249,921,779	77.31	73,359,639
2014	322,109,729	250,890,815	77.89	71,218,914
2013	312,677,299	243,809,898	77.97	68,867,401

Source: County of Mercer

**COUNTY STATUTORY NET DEBT  
as of December 31, 2025**

Gross Debt: Issued and Outstanding:		
Bonds		\$245,290,000
Notes		161,432,988
Installment Purchase Agreements		-
EDA & NJEIT Loans Payable		-
Total Issued and Outstanding		438,603,988
Authorized but not Issued		210,817,127
Gross Debt		617,540,115
Statutory Deductions		9,137,534
<b>Net Debt</b>		<b>\$608,402,581</b>
Equalized Valuation of Real Property		
	Year 2023	58,197,916,266
	Year 2024	64,157,777,240
	Year 2025	68,621,050,126
Average Equalized Valuation		\$63,658,914,544
Percentage of Gross Debt to Average Equalized Valuation		<b>0.970%</b>
Percentage of Net Debt to Average Equalized Valuation		<b>0.956%</b>
Gross Debt Per Capita (2020 Population)		<b>\$1,594.31</b>
Net Debt Per Capita (2020 Population)		<b>\$1,570.72</b>
Gross Debt as Percentage of 2024 Equalized Valuation		<b>0.900%</b>
Net Debt as Percentage of 2024 Equalized Valuation		<b>0.887%</b>
Total Borrowing Power as of December 31, 2025		<b>\$1,273,178,291</b>
Less Net Debt		<b><u>608,402,581</u></b>
Remaining Borrowing Power		<b>\$664,775,710</b>

Source: County of Mercer Finance Office, 2025 Annual Debt Statement

**COUNTY OF MERCER  
ANNUAL DEBT STATEMENTS**

	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Gross Debt:					
Issued and Outstanding					
General	\$266,510,000	\$299,027,000	\$330,507,000	\$293,930,000	\$254,346,000
County College	10,661,000	7,751,000	6,440,000	9,080,000	11,655,000
Vocational School					
Sub-Total	277,171,000	306,778,000	336,947,000	303,010,000	266,001,000
Authorized But Not Issued					
General	175,276,718	151,776,918	232,968,257	223,113,881	219,118,804
County College	19,938,457	19,937,500	19,937,500	16,037,500	20,997,500
Vocational School					
Sub-Total	195,215,175	171,714,418	252,905,757	239,151,381	240,116,304
Bond Anticipation Notes					
General	177,189,998	181,291,392	102,799,238	99,026,777	163,830,061
Sub-Total	177,189,998	181,291,392	102,799,238	99,026,777	163,830,061
Miscellaneous Loans Payable					
IPAs	9,883,000	9,883,000	9,883,000	9,883,000	9,883,000
Green Trust Program	-	-	-	-	-
EDA	-	-	-	-	-
NJEIT	-	-	-	33,235	95,278
Lease/Rental Obligations	87,420,031	96,185,000	103,915,000	111,280,000	157,814,052
Sub-Total	97,303,031	106,068,000	113,798,000	121,196,235	167,792,330
Gross Debt:	\$746,879,204	\$765,851,810	\$806,449,995	\$762,384,393	\$837,739,695
Statutory Deductions					
Reserves to Pay					
County Bonds	16,735,194	5,784,417	7,053,467	11,553,467	10,901,821
Bonds Issued by Another Public Body Guaranteed by the County	87,420,031	96,185,000	103,915,000	111,280,000	157,814,052
Sub-Total	104,155,225	101,969,417	110,968,467	122,833,467	168,715,873
Net Debt	\$642,723,979	\$663,882,393	\$695,481,528	\$639,550,926	\$669,023,822

Source: County of Mercer, Annual Debt Statements and Audits

**SUMMARY OF OUTSTANDING INDEBTEDNESS**  
**As of December 31, 2025**

The outstanding general obligation indebtedness (bonded debt only) of the County as of December 31, 2025 (unaudited) is shown on the following table.

<b>Issue</b>	<b>Maximum Interest Rate</b>	<b>Amount Outstanding</b>
Open Space Bonds, Series 2011	3	12,540,000
County College Bonds, Series 2013	3	690,000
County College Bonds, Series 2014	3.13	1,340,000
General Obligation Bonds, Series 2015	3	15,005,000
General Obligation Bonds, Series 2016	2	14,590,000
Open Space of 2016	2	400,000
General Obligation Refunding Bonds, Series 2019	2.536	14,285,000
General Improvement Bonds, Series 2019	2	36,000,000
Open Space Bonds, Series 2019	2	9,289,000
General Improvement Bonds, Series 2020	3	33,750,000
General Improvement Bonds of 2021	3	41,766,000
Open Space of 2021	3	4,575,000
General Improvement Bonds of 2022	4	50,900,000
County College Bonds of 2023	4	3,345,000
County College Bonds of 2024	5	3,890,000
County College Bonds of 2025	5	2,925,000
		<b>\$245,290,000</b>

Source: County of Mercer Finance Office, 2025 Annual Debt Statement

**SCHEDULE OF GENERAL OBLIGATION DEBT SERVICE**  
**As of December 31, 2025**

Year	OUTSTANDING BONDS			BONDS ENTITLED TO STATE AID			Aggregate Debt Service
	Principal	Interest	Debt Service	Principal	Interest	Debt Service	
2026	\$ 34,095,000	\$ 6,046,226	\$ 40,141,226	\$ 840,000	\$ 232,131	\$ 1,072,131	\$ 41,213,358
2027	35,714,000	5,103,324	40,817,324	512,500	207,706	720,206	41,537,531
2028	35,706,000	4,093,628	39,799,628	532,500	187,744	720,244	40,519,872
2029	28,535,000	3,063,354	31,598,354	552,500	166,959	719,459	32,317,813
2030	28,715,000	2,188,588	30,903,588	392,500	147,350	539,850	31,443,438
2031	25,810,000	1,517,349	27,327,349	405,000	129,075	534,075	27,861,424
2032	20,195,000	1,032,225	21,227,225	422,500	111,250	533,750	21,760,975
2033	7,730,000	6,101,800	13,831,800	440,000	94,250	534,250	14,366,050
2034	7,100,000	263,500	7,363,500	460,000	76,500	536,500	7,900,000
2035	800,000	113,000	913,000	477,500	57,950	535,450	1,448,450
2036	800,000	89,000	889,000	317,500	38,700	356,200	1,245,200
2037	800,000	64,500	864,500	137,500	29,700	167,200	1,031,700
2038	800,000	39,000	839,000	142,500	24,200	166,700	1,005,700
2039	800,000	13,000	813,000	147,500	18,500	166,000	979,000
2040				155,000	12,600	167,600	167,600
2041				160,000	6,400	166,400	166,400
<b>Total</b>	<b>\$ 227,600,000</b>	<b>\$ 29,728,495</b>	<b>\$ 257,328,495</b>	<b>\$ 6,095,000</b>	<b>\$ 1,541,016</b>	<b>\$ 7,636,016</b>	<b>\$ 264,964,510</b>

## Bonds Authorized But Not Issued

As of December 31, 2025, the County of Mercer, New Jersey had the following Bonds authorized but not issued:

2014-7 COUNTY COLLEGE	\$250,000
2015-08 LEASE REVENUE BOND Annex	5,280,000
2016-6 2016 Capital PROGRAM	64,295
2016-10 COUNTY COLLEGE	4,150,000
2016-9 COUNTY COLLEGE	1,837,500
2016-11 COUNTY COLLEGE	3,200,000
2016-13 CAPITAL OF 2017	4,150,000
2018-01 CAPITAL OF 2018	12,312,903
2018-13 COUNTY COLLEGE	6,600,000
2019-8 CAPITAL	50,917,146
2020-2 2020 Capital Program	38,828,302
2022-03	15,563,500
2022-2 CAPITAL OF 2020	25,014,867
2023-9 Voting Machines	3,610,000
2024-5 County College	957
2024-10 Phase 2 Trenton Thunder Park	23,750,000
2015-13	4,370,000
2015-14	10,917,657

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Total Bonds Authorized but not Issued:	<b>\$210,817,127</b>
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Source: County of Mercer Finance Office, 2025 Annual Debt Statement

## Bond Anticipation Notes Outstanding

On April 1, 2025, the County of Mercer issued \$139,909,952 in Bond Anticipation Notes, Series 2025A, which mature on Mar 31, 2026.

## OTHER COUNTY OBLIGATIONS

Outstanding as of December 31, 2025

	<b>Par Amount Outstanding:</b>
<b>Outstanding Notes:</b>	
Bond Anticipation Notes	\$161,432,988
<b>Installment Purchase Agreements:</b>	-
<b>Other Obligations:</b>	
EDA Loans Payable	-
NJEIT Loans Payable	-
<b>Subtotal:</b>	<u>\$161,432,988</u>
<b>Loan Obligations:</b>	
County of Mercer Guaranteed Revenue Refunding Bonds (County Courthouse Project), Series 2019	<u>41,975,000</u>
<b>Subtotal:</b>	<b>41,975,000</b>
<b>Lease Rental Obligations:</b>	
Equipment Lease/ Open Space Refunding Series 2019	17,665,000
Mercer County Special Services School District Refunding	-
County Guaranteed Revenue Refunding Bonds, Series 2012A	-
Lease Revenue Refunding Bonds (County of Mercer Courthouse Annex Project), Series 2025	<u>20,325,000</u>
<b>Subtotal:</b>	<b>37,990,000</b>
<b>Bonds for which the Full Faith and Credit of the County Guaranteed:</b>	
Taxable Revenue Bonds (Arena Project), Series 1999 <sup>1</sup>	17,720,000
Renewable Energy Program Lease Revenue Refunding Bonds, Series 2021A (Federally Taxable)	<u>3,475,000</u>
<b>Subtotal:</b>	<b>21,195,000</b>
<b>Total Other County Obligations:</b>	<b>\$262,592,988</b>

Source: County of Mercer, Finance Office

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<sup>1</sup>The County is currently providing and anticipates continuing to provide net unreimbursed subsidy payments to equal the full amount of the debt service on such bonds. The County annually budgets for such payments.

## CAPITAL IMPROVEMENT PROGRAM

The Capital Budget and Capital Improvement Program is part of the 2025 Annual Budget pursuant to N.J.A.C. 5:30-4. It does not in itself confer any authorization to raise or expend funds. It is a document used as part of the county planning and management program. Specific authorization to expend funds for purposes in the Capital Budget must be granted elsewhere by a separate bond ordinance, by inclusion of line item in the Capital Improvement section of the County Annual Budget, by resolution taking money from the Capital Improvement Fund, or other lawful means.

Mercer County's six-year (2025-2030) Capital Improvement Program provides for a wide range of community services, improvements to the County's road network, bridge system, airport and park facilities. The estimated total cost of this six-year program as proposed is consistent with the Administration's approach to the County Capital Program; this program balances much needed infrastructure repairs and improvements with the need to maintain fiscal stability.

### COUNTY OF MERCER 6 YEAR CAPITAL PROGRAM 2025-2030

	<b>Estimated Total Cost</b>
Airport Improvements	\$10,000,000
Road Improvements	4,000,000
Various Improvements	10,000,000
Park Improvements	5,000,000
College Ch 12 Bonds	2,925,533
So Broad St Improvements	5,000,000
	<hr/>
	\$36,925,533

Source: County of Mercer, Finance Office 2025 Adopted Budget

**COUNTY OF MERCER, NEW JERSEY  
CURRENT FUND  
COMPARATIVE BALANCE SHEETS**

	Audited Dec. 31 2024	Audited Dec. 31 2023	Audited Dec. 31 2022	Audited Dec. 31, 2021	Audited Dec. 31, 2020
<b>ASSETS</b>					
Cash in Banks, Regular	\$80,639,124	\$128,727,499	\$153,390,359	\$51,605,493	\$32,008,846
Investments	23,997,036	27,456,392	30,007,809	32,794,015	35,730,463
Total Cash and Investments	104,636,160	156,183,892	183,398,168	84,399,508	67,739,309
Due from State of NJ – Special Election	392,644	392,644	392,644	392,644	220,567
Federal and State Grant Receivable	157,436,828	155,473,872	138,962,833	115,954,559	53,908,912
Added and Omitted Taxes	3,764,349	1,266,974	3,340,766	1,636,433	996,447
Due from Library	-	-	804,113	-	-
Due from Park Commission Trust	-	-	46,689	10,976	-
Taxes Receivable	-	-	-	(4,838)	(4,838)
Revenue Accounts Receivable	612,150.38	-	1,789,484	2,761,296	2,023,386
Deferred Charges	371,258.46	8,302,231	5,289,538	541,898	10,396
Interfunds	9,346,723	2,929,175	3,905,136	27,261,986	2,167,839
Prepaid School Tax	-	5,057,846	5,057,846	5,057,846	3,621,045
Due from Open Space	-	-	-	-	920,331
Other	-	-	-	-	225,539
Security Deposit	5,000	5,000	5,000	5,000	-
Due from MCIA	-	-	-	765,005	765,005
	171,928,952	173,427,741	159,594,049	154,382,805	64,854,629
<b>Total Assets</b>	<b>\$276,565,112</b>	<b>\$329,611,632</b>	<b>\$342,992,217</b>	<b>\$238,782,313</b>	<b>\$132,593,938</b>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>					
Encumbrances Payable	15,921,146	12,809,548	9,398,379	8,755,890	10,319,145
Appropriation Reserves	17,505,442	9,454,915	31,474,280	10,769,386	11,144,986
Accounts Payable	1,840,161	3,137,263	2,079,832	3,410,754	2,534,097
Reserve for Interest on Health Grants	1,681	-	-	-	-
Interfunds Payable	5,750,957	68,823,346	96,305,040	50,719,548	-
Due to Seized Trust/Prosecutor's Forfeiture Trus	-	-	-	-	575,989
Other	-	-	-	-	60,499
Reserves for Grant Interest	415,455	355,124	355,123	355,124	355,124
Due to Grant Fund	-	-	-	-	2,167,840
Other/Deferred Revenue	-	-	60,580	60,580	8,497
Due to Library	949,326	828,038	-	3,837	-
Due to Parks Commission	761,369	761,610	-	-	-
Reserve for Hurricane Sandy	-	-	-	375,465	375,465
Reserve for Retro Payroll	2,800,000	2,800,000	1,600,000	2,447,641	-
Reserve for Opioid Funds	166,887	166,887	139,321	-	-
Due to Trust- Insurance	-	-	-	-	1,528,467
Due to Capital Fund	-	-	-	-	1,912,864
Reserve for Receivables	13,728,222	9,258,994	14,949,035	37,493,705	8,546,914
Fund Balance	59,287,638	65,742,035	47,667,794	8,435,825	36,987,299
Reserve for Federal and State Grants	157,436,828	155,473,872	138,962,833	115,954,559	56,076,751
<b>Total Liabilities, Reserves and Fund Balance</b>	<b>\$276,565,112</b>	<b>\$329,611,632</b>	<b>\$342,992,217</b>	<b>\$238,782,313</b>	<b>\$132,593,936</b>

Source: County of Mercer, 2020-2024 Audited Financial Statements

**COUNTY OF MERCER, NEW JERSEY**  
**Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual – Current Fund**  
**December 31, 2024**

	<b>Budget as Modified</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>			
Fund Balance Utilized	\$30,320,122	\$30,320,122	\$ -
Miscellaneous Revenues Anticipated	98,340,293	102,457,264	4,116,971
Receipts from Current Taxes	322,506,708	322,506,708	-
Miscellaneous Revenues Not Anticipated		9,933,939	9,933,939
Other Credits to Income			
Unexpended Balance of Appropriation Reserves		9,873,368	9,873,368
Accounts Payable Canceled		2,942,523	2,942,523
Appropriated Grant Reserves Canceled		22,536,031	22,536,031
Prior Year Interfunds Returned		2,929,175	2,929,175
		<hr/>	
<b>Total Revenues</b>	<b>\$ 451,167,124</b>	<b>\$ 503,499,131</b>	<b>\$ 52,332,007</b>
<b>Expenditures</b>			
Budget Appropriation			
Salaries and Wages	114,064,793	113,984,793	(80,000)
Other Expenses	244,944,401	245,072,685	128,284
Debt Service	48,029,749	47,457,557	(572,192)
Capital Improvements	2,000,000	2,000,000	-
Deferred Charges and Statutory Expenditures	42,079,936	40,829,366	(1,250,570)
Other Debits to Income			-
Reserve for Receivables & Interfunds Advanced		9,346,723	9,346,723
Other Disbursements		1,212,931	1,212,931
Grant Receivables Canceled		19,745,426	19,745,426
Overexpenditure of Appropriation Reserves		355,184	355,184
		<hr/>	
<b>Total Expenditures</b>	<b>\$451,118,880</b>	<b>\$480,004,664</b>	<b>\$28,885,784</b>
Excess in Revenue Over Expenditures		23,494,467	
Adjustment to Income before Fund Balance		371,258	
<b>Fund Balance - January 1</b>		<b>\$ 65,742,035</b>	
Excess Resulting from FY2024 Operations		<hr/> 23,865,725	
Subtotal		\$ 89,607,760	
Less: Amount Utilized as Anticipated Revenue		<hr/> (30,320,122)	
<b>Fund Balance – December 31</b>		<b>\$ 59,287,638</b>	

Source: County of Mercer, 2024 Audited Financial Statements and 2025 Adopted Budget

## **FUTURE FINANCINGS**

MCIA Refinancings - The Mercer County Improvement Authority (the “MCIA” or “Authority”) may undertake one or more refundings of existing bonds, either through the County or directly, for the purpose of achieving debt service savings for which the County is currently obligated or has provided or will provide its guarantee for the payment thereof. Such refundings, if undertaken by the MCIA, may occur from time to time.

County Bonds –The County expects to periodically issue notes or bonds from time to time to finance various capital improvements and may from time to time issue refunding bonds for the purpose of achieving debt service savings related to certain outstanding County bonds.

## **THE COUNTY SOLID WASTE SYSTEM**

The Authority has established regulatory flow control over certain solid waste generated within the geographic boundaries of the County. Such regulatory flow control provides for the direct delivery of such solid waste to the Authority’s Transfer Station and, after processing, for transportation and disposal to landfills.

The Authority enforces the regulatory wasteflow provisions of the Solid Waste Management Plan and charges and collects solid waste service charges that are sufficient to provide for payment of the Authority’s operating and debt service costs. Notwithstanding the County’s programs enforcing the flow of solid waste generated within the County, if the County is unable to enforce the wasteflow provisions of the Solid Waste Management Plan, revenues of the Authority may be reduced. The Authority’s solid waste debt was paid in full on December 1, 2022.

The amount of revenues that the Authority can generate through the provision of disposal services by the solid waste system is largely dependent upon the tonnage of solid waste that is serviced by the solid waste system and the per ton charge imposed upon each ton of solid waste which is managed by the solid waste system. The Authority is authorized to charge and collect certain charges, commonly referred to as “tipping fees,” from any governmental unit or person that uses the solid waste system. Those fees are the Authority’s primary source of revenue.

### **Transfer Station and Landfill**

Waste disposal collections from the County are tipped and weighed at the Authority's Transfer Station and transported to the G.R.O.W.S. landfill site. The Authority charges waste haulers on a per ton basis for waste tipped. Rates charged by the Authority are approved by the New Jersey Department of Environmental Protection. Disposal revenues for waste tipped at the Transfer Station during the years ended December 31, 2024 and 2023, amounted to \$32,104,979 and \$26,372,548, respectively. The Authority is billed by G.R.O.W.S. for waste disposal costs on a per ton basis. Charges by G.R.O.W.S. for the years ended December 31, 2024 and 2023, amounted to \$31,618,839 and \$22,058,749 respectively. Recycling costs for the years ended December 31, 2024 and 2023, amounting to \$8,331,589 and \$4,317,912, respectively, are included in waste disposal costs in the statements of revenues, expenses and changes in net position.

Effective January 1, 2018, an operating lease agreement between the Authority and Ewing Realty Trust for the rent of Transfer Station has commenced. The term of the lease is ten years with seven consecutive five-year option periods. The rent is \$190,000 per year from January 1, 2018 until December 1, 2023, adjusted based on the Consumer Price Index annually thereafter.

Historical data reflecting certain financial information relating to the Solid Waste System is set forth in the table below:

	<b>Year Ended December 31, 2024</b>	<b>Year Ended December 31, 2023</b>	<b>Year Ended December 31, 2022</b>	<b>Year Ended December 31, 2021</b>	<b>Year Ended December 31, 2020</b>
Waste Disposal Revenues	\$32,104,979	\$26,372,548	\$27,746,044	\$27,357,671	\$27,023,364
Recycling Revenues	8,312,644	4,734,537	4,314,750	4,194,691	4,093,018
<b>Operating Revenues</b>	<b>40,417,623</b>	<b>31,107,085</b>	<b>32,060,794</b>	<b>31,552,362</b>	<b>31,116,383</b>
Waste Disposal Costs	(31,618,839)	(22,058,479)	(20,440,351)	(19,802,563)	(19,349,104)
<b>Gross Operating Profit</b>	<b>8,798,784</b>	<b>9,048,606</b>	<b>11,620,443</b>	<b>11,749,799</b>	<b>11,767,279</b>
Project Costs Reimbursement	651,349	645,251	570,807	436,726	395,868
Interest on Investments	2,898,042	2,020,459	630,479	48,510	432,668
Operating Expenses	(7,071,257)	(6,184,009)	(5,560,997)	(5,039,777)	(5,237,727)
Lessee Lease Interest Expense	(155,525)	(157,040)	(158,487)	(159,871)	-
Depreciation & Amortization	(800,498)	(763,506)	(606,546)	(503,170)	(399,749)
<b>NET OPERATING INCOME</b>	<b>4,320,895</b>	<b>4,609,761</b>	<b>6,495,699</b>	<b>6,532,217</b>	<b>6,958,339</b>
<b>REVENUES AVAILABLE FOR DEBT SERVICE</b>	<b>4,320,895</b>	<b>4,609,761</b>	<b>6,495,699</b>	<b>6,532,217</b>	<b>6,958,339</b>
Total Non-Operating Expenses	(401,932)	(994,924)	(1,418,098)	(2,875,312)	(1,085,101)
Change in Net Position – Sports Arena	960,288	2,445,585	11,764,806	7,266,046	251,566
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>61,294,172</b>	<b>55,233,750</b>	<b>38,391,343</b>	<b>27,468,392</b>	<b>22,260,738</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$66,173,423</b>	<b>\$61,294,172</b>	<b>\$55,233,750</b>	<b>\$38,391,343</b>	<b>\$28,385,543</b>

Source: Mercer County Improvement Authority 2020-2024 Audited Financial Statements

### Resource Recovery

The Mercer County Board of County Commissioners has designated the Authority as its agent in connection with the development and implementation of a Solid Waste Management Plan. In this capacity, the Authority is to provide for (1) improvement to the existing Ewing-Trenton Transfer Station and related start-up costs; (2) the acquisition of landfill disposal rights; (3) the construction of a countywide recycling facility; and (4) the construction of a resource recovery facility. At December 31, 2021 and 2020, the net amounts of \$0 and \$0, respectively, constitute the carrying value of the project. Resource recovery costs were depreciated over the term of the bonds issued to finance these costs. The resource recovery facility project was terminated in November 1996 as a result of the occurrence of significant changes in the legal powers of the Authority to control the flow of waste and additional environmental regulatory requirements. By December 31, 2017, resource recovery costs were fully amortized.

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**APPENDIX B**

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

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# COUNTY OF MERCER

*New Jersey*

## Report of Audit

*Years Ended December 31, 2024 And 2023*



**COUNTY OF MERCER, NEW JERSEY  
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## INDEPENDENT AUDITORS' REPORT

**The Honorable County Executive and Members  
of the Board of County Commissioners  
County of Mercer  
Trenton, New Jersey**

### **Report on the Audit of the Regulatory Basis Financial Statements**

#### ***Opinions on Regulatory Basis Financial Statements***

We have audited the regulatory basis financial statements of the various funds and governmental fixed assets of the County of Mercer, New Jersey ("County"), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and changes in fund balance for the years then ended, the statement of changes in fund balance, the statement of revenues and statement of expenditures for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying regulatory basis financial statements present fairly, in all material respects, the regulatory basis balance sheets of the County as of December 31, 2024 and 2023, and the regulatory basis statement of operations and changes in fund balances for the years then ended, the regulatory basis statement of changes in fund balance, the regulatory basis statement of revenues and the regulatory basis statement of expenditures for the year ended December 31, 2024 and the related notes to the financial statements, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division") described in Note 2.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of this report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the County as of December 31, 2024 and 2023, or its revenues, expenditures and changes in fund balance thereof for the years then ended.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the requirements prescribed by the Division. Our responsibilities under those standards and requirements are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

PKF O'CONNOR DAVIES, LLP  
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**The Honorable County Executive and Members  
of the Board of County Commissioners  
County of Mercer  
Trenton, New Jersey**

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

As described in Note 2 of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions of the Division (“regulatory basis”), 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 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the County’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors’ Responsibility for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and the requirements prescribed by the Division, we:

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

**The Honorable County Executive and Members  
of the Board of County Commissioners  
County of Mercer  
Trenton, New Jersey**

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- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
October 15, 2025

*Robert E. Provost*

Robert E. Provost, CPA  
Registered Municipal Accountant, No. 582

COUNTY OF MERCER, NEW JERSEY  
CURRENT AND GRANT FUNDS  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Current Fund:		
Cash and Cash Equivalents	\$ 80,634,109.92	\$ 128,722,485.35
Petty Cash	5,013.94	5,013.94
Investments in Bond Anticipation Notes	23,997,036.00	27,456,392.21
Due from State - Special Election	<u>392,643.71</u>	<u>392,643.71</u>
Total Current Fund Assets	<u>105,028,803.57</u>	<u>156,576,535.21</u>
Receivables and Other Assets with Full Reserves:		
Added and Omitted Taxes Receivable	3,764,349.16	1,266,973.50
Interfunds Receivable	9,346,722.50	2,929,174.78
Accounts Receivable - School Payments		5,057,846.20
Security Deposit	5,000.00	5,000.00
Revenue Accounts Receivable	<u>612,150.38</u>	
Total Receivables and Other Assets with Full Reserves	<u>13,728,222.04</u>	<u>9,258,994.48</u>
Deferred Charges:		
Overexpenditure of Appropriation Reserves	355,183.54	1,835,451.40
Overexpenditure of Budget Appropriations	<u>16,074.92</u>	<u>6,466,779.28</u>
Total Deferred Charges	<u>371,258.46</u>	<u>8,302,230.68</u>
Total Current Fund	<u>119,128,284.07</u>	<u>174,137,760.37</u>
Grants Fund:		
Cash and Cash Equivalents	34,821,055.81	
State and Federal Grants Receivable	120,880,926.85	114,145,721.56
Deferred Charge - Overexpenditure of Grants Appropriations	975,984.97	1,870,978.22
Interfunds Receivable	<u>758,860.43</u>	<u>39,457,172.32</u>
Total Grants Fund	<u>157,436,828.06</u>	<u>155,473,872.10</u>
Total Assets	<u>\$ 276,565,112.13</u>	<u>\$ 329,611,632.47</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 17,505,442.46	\$ 9,454,914.97
Reserve for Encumbrances	15,921,145.64	12,809,548.08
Accounts Payable	1,840,161.43	3,137,263.38
Reserve for Interest on Health Grants	1,680.79	
Interfunds Payable	5,750,956.72	68,823,345.78
Due to Library	949,326.28	828,038.08
Due to Parks Commission	761,369.16	761,609.76
Reserve for Retro Payroll	2,800,000.00	2,800,000.00
Reserve for Opioid Funds	166,886.97	166,886.97
Reserve for Grant Interest	<u>415,454.60</u>	<u>355,123.63</u>
Total Liabilities and Reserves	<u>46,112,424.05</u>	<u>99,136,730.65</u>
Reserve for Receivables	13,728,222.04	9,258,994.48
Fund Balance	<u>59,287,637.98</u>	<u>65,742,035.24</u>
Total Liabilities, Reserves and Fund Balance - Current Fund	<u>119,128,284.07</u>	<u>174,137,760.37</u>
Reserve for Federal and State Grants:		
Appropriated	101,896,798.27	132,200,105.37
Unappropriated	8,103,898.46	5,447,352.13
Interfunds Payable	6,737,328.61	42,307.47
Due to Grantor	90,733.00	
Reserve for Encumbrances	<u>40,608,069.72</u>	<u>17,784,107.13</u>
Total Liabilities, Reserves and Fund Balance - Grants Fund	<u>157,436,828.06</u>	<u>155,473,872.10</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 276,565,112.13</u>	<u>\$ 329,611,632.47</u>

See accompanying notes to the financial statements

COUNTY OF MERCER, NEW JERSEY  
CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 30,320,122.45	\$ 19,726,196.13
Miscellaneous Revenue Anticipated	102,457,264.16	116,881,334.96
Receipts from Current Taxes	322,506,708.37	283,922,221.37
Miscellaneous Revenues Not Anticipated	9,933,938.57	14,234,912.18
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	9,873,368.46	19,880,700.18
Accounts Payable Cancelled	2,942,523.27	449,673.97
Appropriated Grant Reserves Cancelled	22,536,030.97	
Prior Year Receivables and Interfunds Returned	2,929,174.78	1,826,763.84
	<u>503,499,131.03</u>	<u>456,921,802.63</u>
Total Revenue and Other Income		
Expenditures and Other Charges:		
Budget Appropriations:		
Salaries and Wages	113,984,793.44	101,673,550.06
Other Expenses	245,072,685.19	250,289,481.71
Debt Service	47,457,557.26	32,768,192.78
Capital Improvements	2,000,000.00	1,697,000.00
Deferred Charges and Statutory Expenditures	40,829,366.04	34,412,279.58
Other Debits to Income:		
Reserve for Receivables and Interfunds Advanced	9,346,722.50	
Other Disbursements	1,212,930.56	
Grants Receivable Cancelled	19,745,425.77	
Overexpenditure of Appropriation Reserves	355,183.54	1,835,451.82
	<u>480,004,664.30</u>	<u>422,675,955.95</u>
Total Expenditures and Other Charges		
Excess in Revenue over Expenditures	23,494,466.73	34,245,846.68
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Succeeding Year	371,258.46	3,554,590.93
	<u>23,865,725.19</u>	<u>37,800,437.61</u>
Statutory Excess to Fund Balance		
Fund Balance, January 1	65,742,035.24	47,667,793.76
	<u>89,607,760.43</u>	<u>85,468,231.37</u>
Decreased By:		
Utilization as Anticipated Revenue	30,320,122.45	19,726,196.13
	<u>\$ 59,287,637.98</u>	<u>\$ 65,742,035.24</u>
Fund Balance, December 31		

See accompanying notes to the financial statements

COUNTY OF MERCER, NEW JERSEY  
CURRENT FUND  
STATEMENT OF REVENUES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

	<u>ADOPTED BUDGET</u>	<u>ADDED BY NEW JERSEY STATUTE 40A:4-87</u>	<u>REALIZED</u>		<u>EXCESS/ (DEFICIT)</u>
Fund Balance Anticipated	\$ 30,320,122.45		\$ 30,320,122.45		
Local Revenues:					
County Clerk	4,588,000.00		5,761,702.13	\$	1,173,702.13
Surrogate	568,000.00		476,851.61		(91,148.39)
Sheriff	1,061,000.00		1,308,266.22		247,266.22
Mercer Oaks Golf Course	3,850,000.00		3,963,395.55		113,395.55
Interest on Invests. and Deposits	5,472,000.00		8,027,073.91		2,555,073.91
Princeton Country Club	1,080,000.00		1,280,991.10		200,991.10
Indoor Tennis Center	693,000.00		779,852.75		86,852.75
Skating Rink	308,000.00		480,021.02		172,021.02
Mountainview Golf Course	1,648,000.00		1,817,680.90		169,680.90
Airport Income	6,822,000.00		7,215,223.83		393,223.83
EMS Dispatch	283,000.00		207,296.82		(75,703.18)
Hopewel Valley Golf Course	1,200,000.00		1,377,841.11		177,841.11
Rental of Property	318,000.00		295,312.42		(22,687.58)
Motor Vehicle Fines	1,148,000.00		1,341,940.30		193,940.30
Park Commission Recreation League	1,255,000.00		919,583.19		(335,416.81)
Board of State Prisoners	1,490,000.00		1,211,814.03		(278,185.97)
State Aid:					
County College Bonds (N.J.S.A. 18:64A-22.6)	700,365.00		172,751.33		(527,613.67)
Franchise Tax on Stock Insurance Companies	130,000.00		151,431.34		21,431.34
State Assumption of Costs:					
Social and Welfare Services (C. 66, P.L. 1990):					
Supplemental Social Security Income	1,407,496.00		1,046,771.00		(360,725.00)
Federal and State Revenues Offset with Appropriations:					
Body Armor - Corrections	15,857.15		15,857.15		
NJ Council on the Arts	288,900.00		288,900.00		
Body Armor Sheriff	9,778.28		9,778.28		
Body Armor Pros	4,595.24		4,595.24		
NJ Historical Comm Co. History Partn Prg (CHPP)	75,000.00		75,000.00		
Local Bridge Fund Program (Annual Transportation Program)	5,461,038.00		5,461,038.00		
FAA Construct Air Traffic Control	400,000.00		400,000.00		
Victim of Crime	526,979.00		526,979.00		
Trade Bus Ads	515.62		515.62		
SSBG - Trade	573,727.00		573,727.00		
HSAC Human Services	68,801.00		68,801.00		
State Community Partnership	586,668.00		586,668.00		
Family Courts	203,434.00		203,434.00		
Comprehensive Alcohol	804,871.00		804,871.00		
Data Driven Decision Making 3DM	167,500.00		167,500.00		
Park Ave, & Scotch Road (CR 634 & CR 611)	41,389.57		41,389.57		
CSBG	107,686.00		107,686.00		
Bipartisan Safer Communities Act - Disaster and Terrorism Branch	30,000.00		30,000.00		
State Senior Art Show	30,000.00		30,000.00		
LIHEAP	423,695.00		423,695.00		
Healthy Adolescents	40,000.00		40,000.00		
Local Bridge Future Needs - Bridge #863.4 Ward Street/Peddie Lake	3,059,251.00		3,059,251.00		
Child Advocacy	349,051.00		349,051.00		
Area Plan - Nutrition Svs Incentive Program Fund - Initial	37,072.00		37,072.00		
Area Plan - State Match - Title III B-D - Initial	31,992.00		31,992.00		
Area Plan Title III - C1 (Initial)	249,352.00		249,352.00		
Area Plan Title III - C2 (Initial)	198,267.00		198,267.00		

COUNTY OF MERCER, NEW JERSEY  
CURRENT FUND  
STATEMENT OF REVENUES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

	ADOPTED BUDGET	ADDED BY NEW JERSEY STATUTE 40A:4-87	REALIZED	EXCESS/ (DEFICIT)
USF	306,280.00		306,280.00	
Area Plan SSAS (State Cola) Initial	\$ 207,533.00		\$ 207,533.00	
Area Plan Title IIIB Initial	214,212.00		214,212.00	
Children Interagency Coordination Council	13,906.00		13,906.00	
County Innovation Medical Assistance Project	28,098.00		28,098.00	
Area Plan Title IIIE Initial	101,177.00		101,177.00	
ARP IIIE	397,291.00		397,291.00	
Children Interagency Coordination Council	2,607.00		2,607.00	
System Monitor for Homeless Services	1,261,160.00		1,261,160.00	
NJDOT Bridge 140.2	3,364,763.25		3,364,763.25	
FAA-RPZ Obstruction Removal (On Airport) Grant	179,315.33		179,315.33	
County Environmental Health Act	184,405.00		184,405.00	
Emergency Management Agency Assistance	55,000.00		55,000.00	
NJDOT Safe Streets FY24	212,000.00		212,000.00	
National Opioid Settlement Litigation	27,566.46		27,566.46	
National Opioid Settlement Litigation	23,431.50		23,431.50	
Gunshot Detection Technology	567,400.00		567,400.00	
CR 620 Arena Dr. & CR 524 S. Broad Street	750,900.00		750,900.00	
CR 653 Calhoun Street Extension	623,930.31		623,930.31	
Intersection Studies A & B	693,788.43		693,788.43	
Systemic Congestion Management Trenton	1,637,077.59		1,637,077.59	
ALPR Automated License Plate Reader Initiative	396,000.00		396,000.00	
Lincoln Ave./Chambers St. (CR626) Bridge - Mod #3	3,488,715.98		3,488,715.98	
NJ Department of Transportation - Install Proven Safety Countermeasures		\$ 500,000.00	500,000.00	
Children Interagency Coordination Council (CIACC)		39,850.00	39,850.00	
Municipal Alliance Against Alcoholism and Drug Abuse		206,361.00	206,361.00	
NJ Department of Health - Right to Know Grant		13,247.00	13,247.00	
New Jersey Transit - SCDRTAP		1,273,367.00	1,273,367.00	
New Jersey Transit - FTA Section 5311 Funds		66,292.00	66,292.00	
New Jersey Transit - Enhanced Mobility Section 5310 Funds		80,000.00	80,000.00	
Delaware Valley Regional Planning Commission - Planning Activities		34,130.00	34,130.00	
Delaware Valley Regional Planning Commission - DCRPC Regional GIS		48,000.00	48,000.00	
Delaware Valley Regional Planning Commission - Planning and Programming		33,284.00	33,284.00	
New Jersey Transit - Job Access and Reverse Commute Program		240,000.00	240,000.00	
NJ Office of Homeland Security & Preparedness - State Homeland Grant		239,684.02	239,684.02	
National Opioid Settlement Funds		48,243.71	48,243.71	
Sexual Assault Nurse Examiner/Response Team (SANE) (SART)		176,452.00	176,452.00	
NJ Department of Human Services -County Innovation Grant		168,588.00	168,588.00	
Operation Helping Hands Grant Program		100,000.00	100,000.00	
Historical Preservation Grant - Grant #2023.0077 NJ Historic Trust		35,250.00	35,250.00	
NJ Department of Human Services - Division of Deaf and Hard of Hearing		70,000.00	70,000.00	
New Jersey Transit - Section 5310		75,000.00	75,000.00	
NJDOT - Mobility and Transportation Innovation Pilot Program		1,895,000.00	1,895,000.00	
Area Plan Grant - Mid-year		1,291,025.00	1,291,025.00	
New Jersey Department of Community Affairs - Re-Entry Program		786,353.00	786,353.00	
NJ Department of Health Community Partnership for Healthy Adolescents		40,000.00	40,000.00	
NJ Department of State - County History Partnership Prigram (CHPP)		75,000.00	75,000.00	
NJ Department of Labor and Workforce Development - Various Programs		3,946,155.00	3,946,155.00	
Edward Byrne Memorial Justice Assistance Grant (JAG)		174,092.00	174,092.00	
NJ Department of Children & Families - Child Advocacy Center Development		160,336.00	160,336.00	
Edward Byrne Memorial Justice Assistance Grant (JAG) (1-11TF-20)		107,642.00	107,642.00	
NJ Department of State - Council on the Arts		288,900.00	288,900.00	
NJ Department of State - Senior Art Show		30,000.00	30,000.00	
NJACCHO - Medical Reserve Corps Operational Readiness Award		10,000.00	10,000.00	
Sustaining Local Health Infrastructure Grant		168,049.00	168,049.00	

COUNTY OF MERCER, NEW JERSEY  
CURRENT FUND  
STATEMENT OF REVENUES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

	ADOPTED <u>BUDGET</u>	ADDED BY NEW JERSEY STATUTE 40A:4-87	REALIZED	EXCESS/ (DEFICIT)
State Territory and Tribal Nations Representative Org.for Next Generation		31,230.00	31,230.00	
NJ Department of Health - LINC'S		\$ 293,062.00	\$ 293,062.00	
NJ Department of Health - Strengthening Pathway Grant		45,202.00	45,202.00	
NJ Department of Health - Overdose Fatality Review team (OFRT)		75,000.00	75,000.00	
NJ DCA - Community Service Block Grant Program		89,296.00	89,296.00	
Enhanced Local Public Infrastructure Grant		853,652.00	853,652.00	
Personal Assistance Service Program		72,522.00	72,522.00	
NJ Department of Health - Tuberculosis Control Program		111,662.00	111,662.00	
NJ DOT - Local Bridge 2021 - 670.4, 760.4, 441.2		3,211,105.00	3,211,105.00	
NJ DOT - Road Improvement (CR 606 & 619)		19,661.60	19,661.60	
NJ DOT - Roundabout (US 206) and (CR 645)		156,031.83	156,031.83	
NJ DOT - Landing and Calhoun Street (CR 653)		1,333,001.53	1,333,001.53	
Legislative Grant - Design and Construction of Phase I Clubhouse Facility		5,000,000.00	5,000,000.00	
Sexual Assault Nurse Examiner/Response Team (SANE) (SART)		173,862.00	173,862.00	
Human Services Advisory Council (HSAC)		68,801.00	68,801.00	
Edward Byrne Memorial Justice Assistance Grant (JAG)		112,791.00	112,791.00	
NJ Office of Homeland Security & Preparedness - State Homeland Grant		261,556.37	261,556.37	
Workforce Innovation & Opportunity Act Set-Aside & WFNJ Summer		475,200.00	475,200.00	
NJ DCA - Community Service Block Grant Program		215,559.00	215,559.00	
Area Plan Grant - Initial Contract Grant Award		755,071.00	755,071.00	
Alternative Responses to Reduce Instances of Violence & Escalation (ARRIVE)		142,864.43	142,864.43	
Other Special Items:				
Insurance Claim	\$ 1,797,063.00		1,797,063.00	
Weights and Measures Fines	41,000.00		39,990.00	\$ (1,010.00)
Library Indirect Cost Study	905,000.00		905,000.00	
Court Reimbursement	47,000.00		28,144.78	(18,855.22)
Added and Omitted Taxes	2,109,000.00		2,241,027.12	132,027.12
Equestrian Center	186,000.00		211,362.00	25,362.00
County Clerk - Special Legislation	969,000.00		1,081,067.50	112,067.50
PILOT Payments	1,335,000.00		1,388,400.00	53,400.00
COVID-19 Replacement Revenue	2,490,000.00		2,490,000.00	
Total Miscellaneous Revenues	72,422,901.71	\$ 25,917,431.49	102,457,264.16	4,116,930.96
Amount to be Raised by Taxation:				
County Purpose Tax	322,506,708.34		322,506,708.37	0.03
Budget Totals	425,249,732.50	25,917,431.49	455,284,094.98	4,116,930.99
Non-Budget Revenue:				
Miscellaneous Revenue Not Anticipated			9,933,938.57	9,933,938.57
Total Revenue	\$ 425,249,732.50	\$ 25,917,431.49	\$ 465,218,033.55	\$ 14,050,869.56

COUNTY OF MERCER, NEW JERSEY  
 CURRENT FUND  
 STATEMENT OF REVENUES-REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

	<u>ADOPTED BUDGET</u>	<u>ADDED BY NEW JERSEY STATUTE 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS/ (DEFICIT)</u>
Non-Budget Revenue:				
Miscellaneous Revenue Not Anticipated:				
Elections			\$ 337,131.99	
Salary and Benefit Reimbursements			126,863.46	
HV Pool			113,049.00	
Baldpate Mountain			45,652.00	
Wildlife Center			6,999.00	
Rental Income - Veterans Group Home			4,187.00	
Trade Bus Ads			2,310.00	
Sale of Assets			277,152.75	
Copier			35.50	
Probation Fines/Restitution			5,587.80	
Vending Machines			21,740.62	
Inmate Social Security			21,600.00	
Road Openings			39,519.00	
Planning			103,590.00	
Police Academy			35,800.00	
Hospital Tax			2,644,740.44	
Corrections Late Fees			24,203.93	
Various Income			162,653.26	
Other Governmental Revenues			5,000,000.00	
State of New Jersey - Unclaimed Property			109,458.00	
State Reimbursements			442,197.58	
Reimbursement - Borough of Pennington - Highway			61,322.24	
State of New Jersey			<u>348,145.00</u>	
 Total Miscellaneous Revenues Not Anticipated			 <u>\$ 9,933,938.57</u>	

See accompanying notes to the financial statements

COUNTY OF MERCER, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

	ADOPTED BUDGET	ADDED BY NEW JERSEY STATUTE 40A:4-87	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED	CANCELED	OVEREXPENDED
<b>GENERAL GOVERNMENT</b>								
<b>ADMINISTRATION AND EXECUTIVE:</b>								
County Executive:								
Salaries and Wages	\$ 351,401.00		\$ 351,401.00	\$ 319,877.28		\$ 31,523.72		
Other Expenses	22,000.00		22,000.00	13,351.17	\$ 455.18	8,193.65		
Audit Services:	480,000.00		480,000.00	449,043.75		30,956.25		
Board of County Commissioners:								
Salaries and Wages	1,063,420.00		768,420.00	745,176.46		23,243.54		
Other Expenses	79,300.00		79,300.00	21,625.11	37,707.38	19,967.51		
Chief of Staff:								
Salaries and Wages	457,554.00		457,554.00	446,106.37		11,447.63		
Other Expenses	10,900.00		10,900.00	2,135.19	260.78	8,504.03		
Public Information Office:								
Salaries and Wages	464,124.00		364,124.00	333,993.09		30,130.91		
Other Expenses	2,500.00		2,500.00	1,005.38	1,261.93	232.69		
Veterans Administration:								
Salaries and Wages	320,704.00		320,704.00	269,221.12		51,482.88		
Other Expenses	93,710.00		93,710.00	64,011.26	15,006.36	14,692.38		
Consumer Affairs:								
Salaries and Wages	430,900.00		465,900.00	461,572.08		4,327.92		
Other Expenses	19,850.00		19,850.00	8,225.21	2,799.30	8,825.49		
Clerk of the Board:								
Salaries and Wages	549,700.00		667,700.00	662,300.43		5,399.57		
Other Expenses	51,100.00		51,100.00	20,089.48	7,509.12	23,501.40		
County Adjuster's Office:								
Salaries and Wages	213,568.00		213,568.00	172,601.62		40,966.38		
Other Expenses	5,813,050.00		5,813,050.00	4,080.02	5,777,050.00	31,919.98		
County Administrator:								
Salaries and Wages	402,539.00		402,539.00	339,625.78		62,913.22		
Other Expenses	34,500.00		34,500.00	2,634.04	4,111.25	27,754.71		
County Counsel:								
Salaries and Wages	757,899.00		757,899.00	693,442.04		64,456.96		
Other Expenses	739,395.00		739,395.00	285,444.88	262,586.72	191,363.40		
Treasury:								
Salaries and Wages	1,315,551.00		1,265,551.00	1,171,011.11		94,539.89		
Other Expenses	1,225,187.00		1,225,187.00	1,138,859.21	68,278.12	18,049.67		
Employee Relations:								
Salaries and Wages	1,119,282.00		1,019,282.00	957,362.68		61,919.32		
Other Expenses	575,500.00		575,500.00	440,013.75	35,308.67	100,177.58		
Medical Examiner:								
COVID-19 Replacement Revenue - Other Expenses	1,625,000.00		1,625,000.00	1,600,000.00		25,000.00		
Insurance and Property:								
Salaries and Wages	341,161.00		341,161.00	263,379.07		77,781.93		
Other Expenses	464,500.00		464,500.00	192,073.25	73,767.25	198,659.50		
Records Management:								
Salaries and Wages	248,579.00		248,579.00	219,322.62		29,256.38		
Other Expenses	240,000.00		240,000.00	57,576.94	51,062.50	131,360.56		
Emergency Management:								
Salaries and Wages	361,472.00		361,472.00	315,254.29		46,217.71		
Other Expenses	124,000.00		124,000.00	24,468.25	28,788.90	70,742.85		

COUNTY OF MERCER, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

	ADOPTED BUDGET	ADDED BY NEW JERSEY STATUTE 40A:4-87	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED	CANCELED	OVEREXPENDED
<b>GENERAL GOVERNMENT</b>								
<b>ADMINISTRATION AND EXECUTIVE (continued):</b>								
OIT:								
Salaries and Wages	\$ 659,360.00		\$ 649,360.00	\$ 554,749.01		\$ 94,610.99		
Other Expenses	2,187,513.00		2,187,513.00	1,710,862.03	\$ 421,223.78	55,427.19		
General Consulting Services:								
Other Expenses	800,000.00		800,000.00	402,318.72	44,067.50	353,613.78		
Utility Expenses:								
Electric	2,200,000.00		2,200,000.00	1,870,258.21		329,741.79		
Gas (Natural)	145,000.00		145,000.00	131,116.28		13,883.72		
Water/Sewer	150,000.00		200,000.00	109,910.83	39,591.84	50,497.33		
Sewerage Processing/Disposal	25,000.00		25,000.00	12,293.20		12,706.80		
Gasoline	1,500,000.00		1,500,000.00	1,067,226.47	312,390.39	120,383.14		
Telephone	2,700,000.00		2,700,000.00	1,687,244.39	145,894.95	866,860.66		
County Connections:								
Salaries and Wages	354,844.00		354,844.00	320,095.16		34,748.84		
Other Expenses	195,454.00		195,454.00	191,670.90		3,783.10		
Economic Opportunity:								
Salaries and Wages	659,132.00		659,132.00	611,806.96		47,325.04		
Other Expenses	478,683.00		478,683.00	370,063.82	44,015.19	64,603.99		
Extension Services:								
Salaries and Wages	104,373.00		104,373.00	100,891.20		3,481.80		
Other Expenses	379,247.00		379,247.00	286,786.19	611.70	91,849.11		
Housing Office:								
Salaries and Wages	166,196.00		166,196.00	87,711.16		78,484.84		
Other Expenses	40,000.00		40,000.00	36,503.88	2,871.79	624.33		
Cultural and Heritage:								
Salaries and Wages	316,951.00		316,951.00	249,958.12		66,992.88		
Other Expenses	120,840.00		120,840.00	95,188.44	3,356.43	22,295.13		
Planning:								
Salaries and Wages	691,708.00		731,708.00	697,959.85		33,748.15		
Other Expenses	264,921.00		264,921.00	188,926.93	4,441.69	71,552.38		
Communications Center:								
Salaries and Wages	2,105,330.50		1,705,330.50	1,552,340.45		152,990.05		
Other Expenses	959,950.00		959,950.00	736,652.01	20,594.83	202,703.16		
Buildings and Grounds:								
Salaries and Wages	2,218,737.94		2,218,737.94	2,083,396.47		135,341.47		
Other Expenses	4,429,117.00		4,429,117.00	3,784,877.33	613,156.67	31,083.00		
COVID-19 Replacement Revenue - Other Expenses	320,810.00		320,810.00	320,810.00				
Purchasing:								
Salaries and Wages	289,377.00		289,377.00	250,442.86		38,934.14		
Other Expenses	24,500.00		24,500.00	3,291.22	784.43	20,424.35		
Emergency and Rescue Squad:								
Other Expenses	21,000.00		21,000.00			21,000.00		
<b>TOTAL GENERAL GOVERNMENT - ADMINISTRATIVE AND EXECUTIVE</b>	<b>44,506,390.44</b>	<b>-</b>	<b>43,794,390.44</b>	<b>31,210,235.02</b>	<b>8,018,954.65</b>	<b>4,565,200.77</b>	<b>-</b>	<b>-</b>

COUNTY OF MERCER, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

	ADOPTED BUDGET	ADDED BY NEW JERSEY STATUTE 40A:4-87	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED	CANCELED	OVEREXPENDED
<b><u>DEPARTMENT OF LAW AND JUSTICE</u></b>								
Prosecutor:								
Salaries and Wages	\$ 17,709,082.00		\$ 17,709,082.00	\$ 17,679,909.85		\$ 29,172.15		
Other Expenses	1,986,613.00		1,986,613.00	1,674,162.55	\$ 192,271.59	120,178.86		
County Clerk - Recording:								
Salaries and Wages	2,266,134.00		1,966,134.00	1,862,166.06		103,967.94		
Other Expenses	430,414.00		430,414.00	169,926.87	24,746.58	235,740.55		
County Clerk - Elections:								
Salaries and Wages	219,231.00		239,231.00	235,886.76		3,344.24		
Other Expenses	2,430,424.00		2,430,424.00	1,513,169.90	362,908.55	554,345.55		
County Surrogate:								
Salaries and Wages	988,277.00		988,277.00	899,598.59		88,678.41		
Other Expenses	245,709.00		245,709.00	179,941.98	22,409.92	43,357.10		
Sheriff's Office:								
Salaries and Wages	20,088,214.00		20,488,214.00	20,187,826.15		300,387.85		
Other Expenses	969,850.00		969,850.00	791,188.06	178,508.87	153.07		
TOTAL DEPARTMENT OF LAW AND JUSTICE	<u>47,333,948.00</u>	<u>-</u>	<u>47,453,948.00</u>	<u>45,193,776.77</u>	<u>780,845.51</u>	<u>1,479,325.72</u>	<u>-</u>	<u>-</u>
<b><u>TRANSPORTATION/INFRASTRUCTURE</u></b>								
Department Director:								
Salaries and Wages	288,427.00		288,427.00	261,312.75		27,114.25		
Other Expenses	10,000.00		10,000.00	2,300.15	648.68	7,051.17		
Highways:								
Salaries and Wages	6,508,630.00		6,633,630.00	6,604,305.90		29,324.10		
Other Expenses	1,690,320.00		1,690,320.00	1,206,758.88	363,474.10	120,087.02		
Engineering:								
Salaries and Wages	872,580.00		672,580.00	660,592.10		11,987.90		
Other Expenses	16,808.00		16,808.00	15,109.17	246.17	1,452.66		
Airport:								
Salaries and Wages	2,122,211.00		2,122,211.00	2,065,782.77		56,428.23		
Other Expenses	4,493,631.00		4,493,631.00	3,480,766.18	815,918.32	196,946.50		
Trade:								
Salaries and Wages			-	(152,717.69)		152,717.69		
Other Expenses	131,850.00		131,850.00	45,293.53	31,757.72	54,798.75		
TOTAL TRANSPORTATION/INFRASTRUCTURE	<u>16,134,457.00</u>	<u>-</u>	<u>16,059,457.00</u>	<u>14,189,503.74</u>	<u>1,212,044.99</u>	<u>657,908.27</u>	<u>-</u>	<u>-</u>
<b><u>DEPARTMENT OF PUBLIC SAFETY</u></b>								
Correction Center:								
Salaries and Wages	28,017,835.00		27,917,835.00	26,193,709.47		1,724,125.53		
Other Expenses	6,750,440.00		6,750,440.00	4,652,703.53	1,648,140.13	449,596.34		
Medical Services:								
Other Expenses	6,365,646.00		6,365,646.00	3,931,705.83	409,602.12	2,024,338.05		
TOTAL DEPARTMENT OF PUBLIC SAFETY	<u>41,133,921.00</u>	<u>-</u>	<u>41,033,921.00</u>	<u>34,778,118.83</u>	<u>2,057,742.25</u>	<u>4,198,059.92</u>	<u>-</u>	<u>-</u>

COUNTY OF MERCER, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

	ADOPTED BUDGET	ADDED BY NEW JERSEY STATUTE 40A:4-87	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED	CANCELED	OVEREXPENDED
<b><u>DEPARTMENT OF HUMAN SERVICES:</u></b>								
Department Director:								
Salaries and Wages	\$ 679,331.00		\$ 849,331.00	\$ 846,513.31		\$ 2,817.69		
Other Expenses	86,600.00		86,600.00	61,120.64	\$ 3,292.49	22,186.87		
Peer Grouping:								
COVID-19 Replacement Revenue - Other Expenses	544,190.00		544,190.00	393,283.92	64,580.37	86,325.71		
Mental Health Administration:								
Salaries and Wages	74,285.00		74,285.00	57,436.81		16,848.19		
Other Expenses	16,500.00		16,500.00	9,500.00		7,000.00		
Mental Health Programs:								
Other Expenses	950,801.00		950,801.00	573,939.35	195,586.08	181,275.57		
Developmentally Disabled:								
Other Expenses	231,833.00		231,833.00	134,434.03	61,837.00	35,561.97		
Youth Services Programs:								
Other Expenses	1,429,794.00		1,429,794.00	984,354.38	78,878.12	366,561.50		
Health Services:								
Other Expenses	189,488.00		189,488.00	101,954.02	87,533.98			
Youth Services Administration:								
Salaries and Wages	194,134.00		199,134.00	197,269.92		1,864.08		
Child Care and Neighborhood Centers:								
Other Expenses	520,197.00		520,197.00	341,978.47	169,424.53	8,794.00		
Office for the Disabled:								
Salaries and Wages	176,142.00		176,142.00	116,576.19		59,565.81		
Other Expenses	10,000.00		10,000.00			10,000.00		
Physically Disabled:								
Other Expenses	93,510.00		93,510.00	61,530.01	7,031.00	24,948.99		
Drug and Alcohol Administration:								
Salaries and Wages	130,969.00		150,969.00	149,490.41		1,478.59		
Other Expenses	500.00		500.00			500.00		
Addiction Services:								
Other Expenses	761,236.00		761,236.00	395,654.01	272,275.02	93,306.97		
Office of Aging Administration:								
Salaries and Wages	236,985.00		486,985.00	479,871.58		7,113.42		
Other Expenses	773,872.00		773,872.00	483,777.53	16,291.71	273,802.76		
Community Services - Administration:								
Salaries and Wages	58,470.00		58,470.00	23,058.46		35,411.54		
Homeless Services:								
Other Expenses	684,000.00		684,000.00	495,279.02	143,720.98	45,000.00		
Environmental Health:								
Salaries and Wages	132,200.00		137,200.00	(28,344.95)		165,544.95		
Other Expenses	3,500.00		3,500.00	3,343.27	154.66	2.07		
Youth Detention Center:								
Other Expenses	4,190,497.00		4,190,497.00	2,130,176.26	463,776.02	1,596,544.72		
<b>TOTAL DEPARTMENT OF HUMAN SERVICES</b>	<u>12,169,034.00</u>	<u>-</u>	<u>12,619,034.00</u>	<u>8,012,196.64</u>	<u>1,564,381.96</u>	<u>3,042,455.40</u>	<u>-</u>	<u>-</u>

COUNTY OF MERCER, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

	ADOPTED BUDGET	ADDED BY NEW JERSEY STATUTE 40A:4-87	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED	CANCELED	OVEREXPENDED
<b>UNCLASSIFIED</b>								
Board of Taxation:								
Salaries and Wages	\$ 324,122.00		\$ 324,122.00	\$ 317,665.76		\$ 6,456.24		
Other Expenses	97,000.00		97,000.00	72,409.13		24,590.87		
Election Board:								
Salaries and Wages	823,231.00		1,023,231.00	1,007,196.51		16,034.49		
Other Expenses	2,157,986.00		2,157,986.00	1,320,532.70	\$ 68,789.77	768,663.53		
Superintendent of Elections:								
Salaries and Wages	1,665,163.00		1,752,163.00	1,750,519.33		1,643.67		
Other Expenses	902,500.00		902,500.00	740,228.57	161,912.52	358.91		
Park Commission:								
Salaries and Wages	13,368,091.00		13,368,091.00	13,302,391.92		65,699.08		
Other Expenses	5,097,455.00		5,097,455.00	4,558,947.32	414,235.11	124,272.57		
Board of Social Services:								
Administration	18,583,541.00		18,613,541.00	18,612,914.37		626.63		
TANF	316,480.00		316,480.00	316,479.01		0.99		
Supplemental Security Income	1,407,496.00		1,407,496.00	1,407,495.98		0.02		
Welfare Services	1,582,567.00		1,582,567.00	1,582,567.02		(0.02)		
Vocational School:								
Other Expenses	7,176,157.00		7,176,157.00	7,176,157.00				
Community College:								
Other Expenses	19,729,980.00		19,729,980.00	19,536,503.92		193,476.08		
Special Services School District:								
Other Expenses	5,000,000.00		5,000,000.00	4,150,965.01		849,034.99		
Office of County Superintendent of Schools:								
Salaries and Wages	357,186.00		357,186.00	271,500.81		85,685.19		
Other Expenses	16,665.00		16,665.00	1,160.61	4,618.38	10,886.01		
Lease Rental Payments:								
Other Expenses	15,788,700.00		15,788,700.00	15,469,645.12	172,000.62	147,054.26		
Compensated Absences Liability:								
Salaries and Wages	800,000.00		800,000.00	545,289.09		254,710.91		
Group Health Insurance:								
Other Expenses	40,500,000.00		40,500,000.00	38,578,946.86	1,465,407.48	455,645.66		
Insurance Premiums:								
Other Expenses	7,435,598.99		7,435,598.99	7,435,598.99				
East Windsor Bus Transportation:								
Other Expenses	10,400.00		10,400.00			10,400.00		
<b>TOTAL UNCLASSIFIED</b>	<u>143,140,318.99</u>	<u>-</u>	<u>143,457,318.99</u>	<u>138,155,115.03</u>	<u>2,286,963.88</u>	<u>3,015,240.08</u>	<u>-</u>	<u>-</u>

COUNTY OF MERCER, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

	ADOPTED BUDGET	ADDED BY NEW JERSEY STATUTE 40A:4-87	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED	CANCELED	OVEREXPENDED
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>								
Matching Funds for Grants	\$ 200,000.00		\$ 200,000.00	\$ 125,000.00		\$ 75,000.00		
Body Armor - Corrections	15,857.15		15,857.15	15,857.15				
NJ Council on the Arts	288,900.00		288,900.00	288,900.00				
Body Armor Sheriff	9,778.28		9,778.28	9,778.28				
Body Armor Pros	4,595.24		4,595.24	4,595.24				
NJ Historical Comm Co. History Partn Prg (CHPP)	75,000.00		75,000.00	75,000.00				
Local Bridge Fund Program (Annual Transportation Program)	5,461,038.00		5,461,038.00	5,461,038.00				
FAA Construct Air Traffic Control	400,000.00		400,000.00	400,000.00				
Victim of Crime	526,979.00		526,979.00	526,979.00				
Trade Bus Ads	515.62		515.62	515.62				
SSBG - Trade	573,727.00		573,727.00	573,727.00				
HSAC Human Services	68,801.00		68,801.00	68,801.00				
State Community Partnership	586,668.00		586,668.00	586,668.00				
Family Courts	203,434.00		203,434.00	203,434.00				
Comprehensive Alcohol	804,871.00		804,871.00	804,871.00				
Data Driven Decision Making 3DM	167,500.00		167,500.00	167,500.00				
Park Ave. & Scotch Road (CR 634 & CR 611)	41,389.57		41,389.57	41,389.57				
CSBG	107,686.00		107,686.00	107,686.00				
Bipartisan Safer Communities Act - Disaster and Terrorism Branch	30,000.00		30,000.00	30,000.00				
State Senior Art Show	30,000.00		30,000.00	30,000.00				
LIHEAP	423,695.00		423,695.00	423,695.00				
Healthy Adolescents	40,000.00		40,000.00	40,000.00				
Local Bridge Future Needs - Bridge #863.4 Ward Street/Peddie Lake	3,059,251.00		3,059,251.00	3,059,251.00				
Child Advocacy	349,051.00		349,051.00	349,051.00				
Area Plan - Nutrition Svs Incentive Program Fund - Initial	37,072.00		37,072.00	37,072.00				
Area Plan - State Match - Title III B-D - Initial	31,992.00		31,992.00	31,992.00				
Area Plan Title III - C1 (Initial)	249,352.00		249,352.00	249,352.00				
Area Plan Title III - C2 (Initial)	198,267.00		198,267.00	198,267.00				
USF	306,280.00		306,280.00	306,280.00				
Area Plan SSAS (State Cola) Initial	207,533.00		207,533.00	207,533.00				
Area Plan Title IIIB Initial	214,212.00		214,212.00	214,212.00				
Children Interagency Coordination Council	13,906.00		13,906.00	13,906.00				
County Innovation Medical Assistance Project	28,098.00		28,098.00	28,098.00				
Area Plan Title IIIE Initial	101,177.00		101,177.00	101,177.00				
ARP IIIE	397,291.00		397,291.00	397,291.00				
Children Interagency Coordination Council	2,607.00		2,607.00	2,607.00				
System Monitor for Homeless Services	1,261,160.00		1,261,160.00	1,261,160.00				
NJDOT Bridge 140.2	3,364,763.25		3,364,763.25	3,364,763.25				
FAA-RPZ Obstruction Removal (On Airport) Grant	179,315.33		179,315.33	179,315.33				
County Environmental Health Act	184,405.00		184,405.00	184,405.00				
Emergency Management Agency Assistance	55,000.00		55,000.00	55,000.00				
NJDOT Safe Streets FY24	212,000.00		212,000.00	212,000.00				
National Opioid Settlement Litigation	27,566.46		27,566.46	27,566.46				
National Opioid Settlement Litigation	23,431.50		23,431.50	23,431.50				
Gunshot Detection Technology	567,400.00		567,400.00	567,400.00				
CR 620 Arena Dr. & CR 524 S. Broad Street	750,900.00		750,900.00	750,900.00				
CR 653 Calhoun Street Extension	623,930.31		623,930.31	623,930.31				
Intersection Studies A & B	693,788.43		693,788.43	693,788.43				
Systemic Congestion Management Trenton	1,637,077.59		1,637,077.59	1,637,077.59				
ALPR Automated License Plate Reader Initiative	396,000.00		396,000.00	396,000.00				
Lincoln Ave./Chambers St. (CR626) Bridge - Mod #3	3,488,715.98		3,488,715.98	3,488,715.98				
NJ Department of Transportation - Install Proven Safety Countermeasures		\$ 500,000.00	500,000.00	500,000.00				
Children Interagency Coordination Council (CIACC)		39,850.00	39,850.00	39,850.00				
Municipal Alliance Against Alcoholism and Drug Abuse		206,361.00	206,361.00	206,361.00				
NJ Department of Health - Right to Know Grant		13,247.00	13,247.00	13,247.00				

COUNTY OF MERCER, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

	ADOPTED BUDGET	ADDED BY NEW JERSEY STATUTE 40A:4-87	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED	CANCELED	OVEREXPENDED
<b><u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (CONTINUED)</u></b>								
New Jersey Transit - SCDRTAP		\$ 1,273,367.00	\$ 1,273,367.00	\$ 1,273,367.00				
New Jersey Transit - FTA Section 5311 Funds		66,292.00	66,292.00	66,292.00				
New Jersey Transit - Enhanced Mobility Section 5310 Funds		80,000.00	80,000.00	80,000.00				
Delaware Valley Regional Planning Commission - Planning Activities		34,130.00	34,130.00	34,130.00				
Delaware Valley Regional Planning Commission - DCRPC Regional GIS		48,000.00	48,000.00	48,000.00				
Delaware Valley Regional Planning Commission - Planning and Programming		33,284.00	33,284.00	33,284.00				
New Jersey Transit - Job Access and Reverse Commute Program		240,000.00	240,000.00	240,000.00				
NJ Office of Homeland Security & Preparedness - State Homeland Grant		239,684.02	239,684.02	239,684.02				
National Opioid Settlement Funds		48,243.71	48,243.71	48,243.71				
Sexual Assault Nurse Examiner/Response Team (SANE) (SART)		176,452.00	176,452.00	176,452.00				
NJ Department of Human Services - County Innovation Grant		168,588.00	168,588.00	168,588.00				
Operation Helping Hands Grant Program		100,000.00	100,000.00	100,000.00				
Historical Preservation Grant - Grant #2023.0077 NJ Historic Trust		35,250.00	35,250.00	35,250.00				
NJ Department of Human Services - Division of Deaf and Hard of Hearing		70,000.00	70,000.00	70,000.00				
New Jersey Transit - Section 5310		75,000.00	75,000.00	75,000.00				
NJDOT - Mobility and Transportation Innovation Pilot Program		1,895,000.00	1,895,000.00	1,895,000.00				
Area Plan Grant - Mid-year		1,291,025.00	1,291,025.00	1,291,025.00				
New Jersey Department of Community Affairs - Re-Entry Program		786,353.00	786,353.00	786,353.00				
NJ Department of Health Community Partnership for Healthy Adolescents		40,000.00	40,000.00	40,000.00				
NJ Department of State - County History Partnership Program (CHPP)		75,000.00	75,000.00	75,000.00				
NJ Department of Labor and Workforce Development - Various Programs		3,946,155.00	3,946,155.00	3,946,155.00				
Edward Byrne Memorial Justice Assistance Grant (JAG)		174,092.00	174,092.00	174,092.00				
NJ Department of Children & Families - Child Advocacy Center Development		160,336.00	160,336.00	160,336.00				
Edward Byrne Memorial Justice Assistance Grant (JAG) (1-11TF-20)		107,642.00	107,642.00	107,642.00				
NJ Department of State - Council on the Arts		288,900.00	288,900.00	288,900.00				
NJ Department of State - Senior Art Show		30,000.00	30,000.00	30,000.00				
NJACCHO - Medical Reserve Corps Operational Readiness Award		10,000.00	10,000.00	10,000.00				
Sustaining Local Health Infrastructure Grant		168,049.00	168,049.00	168,049.00				
State Territory and Tribal Nations Representative Org.for Next Generation		31,230.00	31,230.00	31,230.00				
NJ Department of Health - LINCS		293,062.00	293,062.00	293,062.00				
NJ Department of Health - Strengthening Pathway Grant		45,202.00	45,202.00	45,202.00				
NJ Department of Health - Overdose Fatality Review team (OFRT)		75,000.00	75,000.00	75,000.00				
NJ DCA - Community Service Block Grant Program		89,296.00	89,296.00	89,296.00				
Enhanced Local Public Infrastructure Grant		853,652.00	853,652.00	853,652.00				
Personal Assistance Service Program		72,522.00	72,522.00	72,522.00				
NJ Department of Health - Tuberculosis Control Program		111,662.00	111,662.00	111,662.00				
NJ DOT - Local Bridge 2021 - 670.4, 760.4, 441.2		3,211,105.00	3,211,105.00	3,211,105.00				
NJ DOT - Road Improvement (CR 606 & 619)		19,661.60	19,661.60	19,661.60				
NJ DOT - Roundabout (US 206) and (CR 645)		156,031.83	156,031.83	156,031.83				
NJ DOT - Landing and Calhoun Street (CR 653)		1,333,001.53	1,333,001.53	1,333,001.53				
Legislative Grant - Design and Construction of Phase I Clubhouse Facility		5,000,000.00	5,000,000.00	5,000,000.00				
Sexual Assault Nurse Examiner/Response Team (SANE) (SART)		173,862.00	173,862.00	173,862.00				
Human Services Advisory Council (HSAC)		68,801.00	68,801.00	68,801.00				
Edward Byrne Memorial Justice Assistance Grant (JAG)		112,791.00	112,791.00	112,791.00				
NJ Office of Homeland Security & Preparedness - State Homeland Grant		261,556.37	261,556.37	261,556.37				
Workforce Innovation & Opportunity Act Set-Aside & WFNJ Summer		475,200.00	475,200.00	475,200.00				
NJ DCA - Community Service Block Grant Program		215,559.00	215,559.00	215,559.00				
Area Plan Grant - Initial Contract Grant Award		755,071.00	755,071.00	755,071.00				
Alternative Responses to Reduce Instances of Violence & Escalation (ARRIVE)		142,864.43	142,864.43	142,864.43				
<b>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>	<b>\$ 28,721,977.71</b>	<b>25,917,431.49</b>	<b>54,639,409.20</b>	<b>54,564,409.20</b>	<b>-</b>	<b>\$ 75,000.00</b>	<b>-</b>	<b>-</b>
<b>Total Operations</b>	<b>333,140,047.14</b>	<b>25,917,431.49</b>	<b>359,057,478.63</b>	<b>326,103,355.23</b>	<b>\$ 15,920,933.24</b>	<b>17,033,190.16</b>	<b>-</b>	<b>-</b>
Detail:								
Salaries & Wages	114,064,793.44	-	113,984,793.44	109,414,405.14	-	4,570,388.30	-	-
Other Expenses	219,075,253.70	25,917,431.49	245,072,685.19	216,688,950.09	15,920,933.24	12,462,801.86	-	-
<b><u>CAPITAL IMPROVEMENTS</u></b>								
Capital Improvement Fund	2,000,000.00	-	2,000,000.00	2,000,000.00	-	-	-	-
<b>TOTAL CAPITAL IMPROVEMENTS</b>	<b>2,000,000.00</b>	<b>-</b>	<b>2,000,000.00</b>	<b>2,000,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

COUNTY OF MERCER, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

	ADOPTED BUDGET	ADDED BY NEW JERSEY STATUTE 40A:4-87	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED	CANCELED	OVEREXPENDED
<b>COUNTY DEBT SERVICE</b>								
Payment of Bond Anticipation Notes	\$ 1,839,541.50		\$ 1,839,541.50	\$ 1,434,356.21			\$ 405,185.29	
Payment of Bond Principal:								
County College Bonds	575,000.00		575,000.00	575,000.00				
State Aid-County College Bonds (N.J.S. 18A:64A-22.6)	575,000.00		575,000.00	575,000.00				
Other Bonds	30,017,000.00		30,017,000.00	30,017,000.00				
Interest on Bonds:								
County College Bonds	125,395.08		125,395.08	125,395.08				
State Aid - County College Bonds	125,395.08		125,395.08	72,751.34			52,643.74	
Other Bonds	6,858,278.00		6,858,278.00	6,831,131.00			27,147.00	
Interest on Notes	7,914,139.50		7,914,139.50	7,826,923.63			87,215.87	
<b>TOTAL COUNTY DEBT SERVICE</b>	<b>48,029,749.16</b>	<b>-</b>	<b>48,029,749.16</b>	<b>47,457,557.26</b>	<b>-</b>	<b>-</b>	<b>572,191.90</b>	<b>-</b>
<b>DEFERRED CHARGES</b>								
Deferred Charges to Future Taxation - Unfunded	3,951,120.16		3,951,120.16	2,684,475.08			1,266,645.08	
Overexpenditure of Appropriation (2022)	4,747,640.17		4,747,640.17	4,747,640.17				
Overexpenditure of Appropriation (2023)	870,115.43		870,115.43	870,115.43				
Overexpenditure of Grant Appropriations (2022)	1,640,152.76		1,640,152.76	1,640,152.76				
Overexpenditure of Grant Appropriations (2023)	87,988.41		87,988.41	87,988.41				
Overexpenditure of Ordinance	209,260.27		209,260.27	209,260.27				
<b>STATUTORY EXPENDITURES</b>								
Contributions To:								
Defined Contribution Retirement Plan	91,000.00		91,000.00	107,074.92				\$ 16,074.92
Police and Firemen's Retirement System	10,673,891.00		10,673,891.00	10,673,831.00		\$ 60.00		
Public Employees' Retirement System	10,744,388.00		10,744,388.00	10,744,388.00				
County Pension and Retirement Fund	64,380.00		64,380.00			64,380.00		
Social Security System (O.A.S.I.)	9,000,000.00		9,000,000.00	8,591,975.30	\$ 212.40	407,812.30		
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>	<b>42,079,936.20</b>	<b>-</b>	<b>42,079,936.20</b>	<b>40,356,901.34</b>	<b>212.40</b>	<b>472,252.30</b>	<b>1,266,645.08</b>	<b>16,074.92</b>
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 425,249,732.50</b>	<b>\$ 25,917,431.49</b>	<b>\$ 451,167,163.99</b>	<b>\$ 415,917,813.83</b>	<b>\$ 15,921,145.64</b>	<b>\$ 17,505,442.46</b>	<b>\$ 1,838,836.98</b>	<b>\$ 16,074.92</b>
Budget as Adopted								
			\$ 425,249,732.50					
Added By 40A:4-87			25,917,431.49					
			451,167,163.99					
Overexpenditures			16,074.92					
Canceled			(1,838,836.98)					
			<b>\$ 449,344,401.93</b>					
Cash Disbursed				\$ 349,888,676.57				
Transferred to:								
Reserve for Federal and State Grants Appropriated				54,564,409.20				
Deferred Charges				1,835,451.40				
Deferred Charges				6,466,779.28				
Deferred Charges				1,728,141.17				
Reduction in Investment in Notes				1,434,356.21				
				<b>\$ 415,917,813.83</b>				
See accompanying notes to the financial statements								

COUNTY OF MERCER, NEW JERSEY  
TRUST FUND  
COMPARATIVE BALANCE SHEET-REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 66,320,666.35	\$ 35,563,190.43
Investments in Bonds	590,000.00	2,380,000.00
1837 Surplus Fund Receivable	8,720.30	8,720.30
Open Space Taxes Receivable		25,736.33
Due from Library	3,302,706.55	3,302,706.55
Due from HUD - Home Consortium	216,909.36	216,909.36
Interfunds/Intrafunds Receivable	8,473,956.00	47,579,967.35
Total Assets	<u>\$ 78,912,958.56</u>	<u>\$ 89,077,230.32</u>
<u>LIABILITIES AND RESERVES</u>		
Interfunds/Intrafunds Payable	\$ 1,024,112.97	\$ 29,845,288.47
Reserve for Encumbrances		1,643,901.52
Vouchers Payable - Open Space	1,500.00	1,500.00
Vouchers Payable - Prosecutor's Seized	589.00	589.00
Vouchers Payable- Trust Insurance	92,449.56	92,449.56
Accounts Payable	1,597,360.07	1,597,360.07
Reserve for Interest	1,010,702.43	425,005.04
Reserve for Payroll Deductions Payable	116,433.65	116,433.65
Reserve for Audio-Visual Aid Commission	50,270.73	50,270.73
Reserve for Home Consortium Fund	498,242.62	461,588.22
Reserve for General Insurance Fund	6,066,056.34	3,280,939.45
Reserve for Soil Conservation	1,177,882.70	1,177,882.70
Reserve for NJ Unemployment Tax	2,369,881.64	2,922,344.83
Specific Reserves	8,273,956.03	9,682,303.84
Reserve for Airport - PFC	5,909,984.81	5,945,638.08
Reserve for Prosecutor's Seized Fund	2,266,053.90	2,346,637.83
Reserve for Housing Revolving Loan Fund	430,550.95	430,550.95
Reserve for Open Space Trust Fund	27,487,142.27	17,241,229.72
Reserve for Green Trust Fund	3,314,429.40	3,314,429.40
Reserve for Federal Treasury	55,392.20	53,417.20
Reserve for Asset Maintenance Account	23,060.61	14,569.99
Reserve (Deficit in Reserve) for Forfeiture Federal Justice	(84,842.14)	76,444.89
Reserve for LEOTEF Police Academy	29,613.72	35,215.79
Reserve for Sheriff Forfeiture	17,053.24	17,053.24
Reserve for Prosecutor's Forfeiture Fund Balance	723,222.42	649,703.93
Reserve for Receipts for Outside Departments	9,021,569.09	7,654,482.22
Reserve for Payroll Pension	1,894,884.60	
Reserve for Payroll Agency	2,736,706.47	
Reserve for Payroll Disbursements	2,808,699.28	
Total Liabilities and Reserves	<u>\$ 78,912,958.56</u>	<u>\$ 89,077,230.32</u>

See accompanying notes to the financial statements.

COUNTY OF MERCER, NEW JERSEY  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET- REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 76,276,519.89	\$ 87,339,248.99
Grants and Other Various Receivables	8,434,991.00	8,434,991.00
Due from NJEIT	140,552.00	140,552.00
Interfunds Receivable	14,947.76	10,174,127.27
Overexpenditure of Ordinance Appropriations		209,260.27
Deferred Charges to Future Taxation:		
Funded	364,591,030.78	402,963,000.00
Unfunded	369,299,616.50	361,679,653.90
Total Assets	<u>\$ 818,757,657.93</u>	<u>\$ 870,940,833.43</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
General Serial Bonds	\$ 277,171,000.00	\$ 306,778,000.00
Bond Anticipation Notes	175,227,036.00	181,291,392.21
Capital Lease Obligations	87,420,030.78	96,185,000.00
Open Space Preservation Finance Purchase		
Agreements Payable	9,883,000.00	9,883,000.00
Interfunds Payable	5,082,088.39	1,429,500.00
Due to Library	876,086.00	876,086.00
Vouchers Payable	470,085.07	470,085.07
Improvement Authorizations:		
Funded	28,474,693.78	78,850,511.55
Unfunded	156,793,380.05	183,418,429.61
Reserve For:		
Capital Improvement Fund	4,064,894.00	3,314,894.00
Encumbrances	46,346,090.01	
Debt Service	2,707,260.85	2,464,960.00
Installment Purchase Agreement	3,319,457.00	3,319,457.00
Fund Balance	<u>20,922,556.00</u>	<u>2,659,517.99</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 818,757,657.93</u>	<u>\$ 870,940,833.43</u>
 Bonds and Notes Authorized But Not Issued	 <u>\$ 195,529,470.00</u>	 <u>\$ 171,714,418.00</u>

See accompanying notes to the financial statements.

COUNTY OF MERCER, NEW JERSEY  
 GENERAL CAPITAL FUND  
 STATEMENT OF FUND BALANCE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024

Balance - December 31, 2023	\$ 2,659,517.99
Increased by:	
Improvement Authorizations Canceled	<u>18,265,797.41</u>
	20,925,315.40
Decreased by:	
Miscellaneous	<u>2,759.40</u>
Balance - December 31, 2024	<u><u>\$ 20,922,556.00</u></u>

See accompanying notes to the financial statements

COUNTY OF MERCER, NEW JERSEY  
 GOVERNMENTAL FIXED ASSETS  
 STATEMENT OF GOVERNMENTAL FIXED ASSETS  
DECEMBER 31, 2024 AND 2023

	2024	2023
<u>GOVERNMENTAL FIXED ASSETS:</u>		
Governmental Fixed Assets	\$ 263,514,186.88	\$ 237,473,028.00
Investments in Governmental Fixed Assets	\$ 263,514,186.88	\$ 237,473,028.00

See accompanying notes to the financial statements.

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

1) FORM OF GOVERNMENT

In 1976, the voters of the County of Mercer (the “County”) adopted the County Executive Plan of the Optional County Charter Law as the form of government in the County. As required by the Optional County Charter Law, an administrative code ordinance was developed which set forth the form, powers and duties of all agencies of County government. The accompanying financial statements reflect the operations of the County government. Insofar as the Constitutional Offices and Institutions of the County operate independently of the County Treasurer, these financial statements do not reflect such operations.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

GASB Statement No. 14, as amended by GASB Statement No. 61, established the criteria to be used to determine which component units should be included in the financial statements of the oversight entity. As set forth by the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (“Division”), as noted below, the financial statements of the County are reported separately. 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 the provisions of N.J.S.A. 40A: 5-5.

**Description of Funds**

The accounting policies of the County conform to the accounting principles and practices applicable to municipalities and counties which have been prescribed by the Division. Such principles and practices 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. These principles and practices demonstrate compliance with the modified accrual basis of accounting, with certain exceptions, and the budget laws of New Jersey and are not in accordance with generally accepted accounting principles (“GAAP”). Under this method of accounting, the County accounts for its financial transactions through the following separate funds:

Current Fund

Represents resources and expenditures for governmental operations of a general nature, including Federal, State and Local grant funds, except as otherwise noted.

Trust Fund

Represents receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created, pursuant to the provisions of N.J.S.A. 40A: 4-39.

General Capital Fund

Represents resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds or notes authorized for said purposes.

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Description of Funds (Cont'd)**

Governmental Fixed Assets

Accounts for fixed assets that are used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available or any other reasonable basis, provided such basis is adequately disclosed in the financial statements. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on governmental fixed assets.

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards and subsequent GASB pronouncements are recognized as U.S. generally accepted accounting principles (GAAP) for state and local governments. GAAP provides for the issuance of entity-wide financial statements along with the presentation of separate fund financial statements that differ from the organization of funds prescribed under the regulatory basis of accounting utilized by the County. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the basic financial statement presentation required by GAAP.

**Basis of Accounting**

Basis of Accounting and Measurement Focus - The basis of accounting as prescribed by the Division of Local Government Services for its operating funds is generally a modified cash basis for revenue recognition and a regulatory basis for expenditures. The operating funds utilize a "current financial resources" measurement focus. The accounting principles and practices prescribed for municipalities and counties by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The most significant is the reporting of entity-wide financial statements, which are not presented in the accounting principles prescribed by the Division. The other more significant differences are as follows:

Revenues

Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. Federal and State grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the County budget. Receivables for property taxes are recorded with offsetting reserves within the Current Fund. Other amounts that are due to the County which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable.

Expenditures

For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to the County "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services in conjunction with the encumbrance accounting system. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Basis of Accounting (Cont'd)**

Expenditures

Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP. For the purpose of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the County requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories of over expenditures and emergency appropriations. Over expenditures occur when expenditures recorded as “paid or charged” exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute.

Compensated Absences

The County records expenditures for earned, but unused vacation and sick leave in the accounting period that the payments are made to the employee pursuant to established personnel policy procedures. GAAP requires that expenditures be recorded in the governmental (Current) fund in the amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise fund on a full accrual basis.

Lease Purchase Agreements

The County’s participation in lease purchase agreements are reflected by the annual appropriation of minimum lease payments within the County’s operating budgets. The terms of the lease, including total future minimum lease payments are disclosed in the Notes to Financial Statements. Capital lease amounts payable are recorded within the General Capital Fund. GAAP requires the value of the lease purchase agreement to be recorded in the Capital Projects Fund and the recording of the non-current lease payments in the Debt Service Fund.

Self-Insurance Reserves

Charges to self-insurance reserves are recorded when payments of claims and related expenses are made. Increases to self-insurance reserves are recorded from budgetary appropriations in the accounting period in which budgetary expenditures are recorded. Earnings on investments and miscellaneous reimbursements are credited to reserves when received in cash. GAAP requires that liabilities for incurred claims are recorded as determined actuarially, and that operating transfers to self-insurance funds not exceed the amount determined.

Interfunds

Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year receivables are liquidated. GAAP does not require the establishment of an offsetting reserve. Interfund receivables in the other funds are not offset by reserves.

Reserve for Retro Payroll

A liability for retro payroll has been established for the amount estimated to be paid to employees for certain labor contracts that have not yet been settled.

Fixed Assets

Property and equipment acquired by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized in their own respective funds. Such assets are recorded at cost in the Governmental Fixed Assets. The values of County owned assets acquired prior to the implementation of the fixed asset accounting system were recorded at cost, estimated cost, estimated replacement value and assessed valuation for real property. Depreciation is not recorded as an operating expense of the general government (Current Fund).

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Basis of Accounting (Cont'd)**

Disclosures About Pension Liabilities

The County has included information relating to its allocated shares of the net pension liabilities of the state sponsored, cost-sharing, multiple employer defined benefit pension plans in which it participates in Note 9 and the accompanying required supplementary information. As the County does not present entity-wide financial statements, it does not present on the face of its financial statements its proportionate share of the net pension liability of the defined benefit plans in which its employees are enrolled. GAAP requires the recognition of the net pension liability and associated deferred inflows and deferred outflows of financial resources in the entity-wide financial statements. The audited financial information related to pensions is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. To ensure the timely filing of county and municipal audits, Local Finance Board regulations allow the DLGS discretion to permit the most recent available audited GASB Statement No. 68 financial information to be incorporated into the audited financial statements. As of the date of the audit, the 2024 Public Employees' Retirement System Report and the 2024 Police and Firemen's Retirement System Report were the most recent reports available and therefore the information for that year was disclosed accordingly. As a result, the latest available audited information is presented. Refer to Note 8 for further information.

Disclosures About OPEB Liabilities

The County has included information for OPEB (Postemployment Benefits Other Than Pensions) liabilities relating to healthcare benefits provided to its retirees within the Notes to the Financial Statements and the accompanying required supplementary information, if applicable. As the County does not present entity-wide financial statements, it does not present on the face of its financial statements its proportionate share of the OPEB liability of the defined benefit healthcare plans in which its retirees are enrolled. GAAP requires the recognition of the OPEB liability and associated deferred inflows and deferred outflows of financial resources in the entity-wide financial statements. The audited financial information related to OPEB liabilities is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. To ensure the timely filing of county and municipal audits, Local Finance Board regulations allow the DLGS discretion to permit the most recent available audited GASB Statement No. 75 financial information to be incorporated into the audited financial statements. As a result, the latest available audited information is presented. As of the date of the audit, the 2023 Report was the most recent report available and therefore information for that year was disclosed accordingly. Refer to Note 12 for further information.

Disclosures about Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents and short-term investments: The carrying amount approximates fair value because of the short maturity of those instruments and include interest bearing accounts and short-term investments with a maturity of three months or less.

Long-term investments: The fair value of long-term investments are estimated based on quoted market prices for those or similar investments. Additional information pertinent to the value of these investments is provided in Note 6.

Long-term debt: The County's long-term debt is stated at face value. The debt is not traded, and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the County's long-term debt is provided in Notes 4 and 13.

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Basis of Accounting (Cont'd)**

Leases

*County as a Lessee*

The County is a lessee for a lease of space for the Mercer County Police Academy on the campus of Mercer County Community College. The County acknowledges all known lease obligations. At commencement of a lease, the County initially measures the lease obligation at the present value of payments expected to be made during the lease term. Subsequently, the lease obligation is reduced by the principal portion of lease payments made. Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease obligation are composed of fixed payments and any purchase option price that the County is reasonably certain to exercise. The County monitors changes in circumstances that would require a remeasurement of its lease obligation and will remeasure if certain changes occur that are expected to significantly affect the amount of the lease obligation.

*County as a Lessor*

The County is a lessor for leases of Mercer County owned property with lease terms ranging from two to fifty years. The County acknowledges all known lease obligations. The County initially measures the lease at the present value of payments expected to be received during the lease term. Key estimates and judgments to the lessor include (1) the discount rate using the lessee's estimated borrowing rate expected less receipts to present value, (2) the lease term including any non-cancellable period of the lease, and (3) the lease payments determined by the lease receipts included in the measurement of the lease that are composed of fixed payments from the lessee and any payment renewal option that the lessee is reasonably certain to exercise. The County monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease if certain changes occur that are expected to significantly affect the amount of the lease.

Recent Accounting Standards

The County does not prepare its financial statements in accordance with accounting principles generally accepted in the United States. The adoption of these new standards will not adversely affect the reporting on the County's financial condition.

The GASB Statement No. 101, "*Compensated Absences*", provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information need of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning recognition and measurement under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2024. The requirements of this Statement have been evaluated by the County and have been determined not to be applicable for the year ended December 31, 2024. The County will continue to follow policies and procedures promulgated by New Jersey Administrative Code 5:30-15.

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Basis of Accounting (Cont'd)**

The GASB Statement No. 102, "*Certain Risk Disclosures*", provides guidance on disclosures within government financial statements on risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. Under this statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024.

The GASB Statement No. 103, "*Financial Reporting Model Improvements*", has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing the government's accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

The GASB issued Statement No. 104, "*Disclosure of Certain Capital Assets*" in September 2024. The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets, other intangible assets and assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the County believes will most impact its financial statements. The County will evaluate the impact these and other pronouncements may have on its financial statements and will implement them as applicable and when material.

Comparative Data

Comparative total data for the prior year has been presented in order to provide an understanding of changes in the County's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statement unduly complex and difficult to read.

Estimates

The preparation of financial statements requires management of the County to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

COUNTY OF MERCER, NEW JERSEY  
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3) DEFERRED COMPENSATION TRUST FUND

The County of Mercer has established a deferred compensation plan pursuant to Section 457 of the Internal Revenue Code and under the provisions of N.J.S.A. 43:15B-1. The plan is an arrangement whereby a public employer may establish a plan to permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

Contributions are recognized when received by the administrators, withdrawals and administrative fees when paid by the administrators and earnings when the company with which the funds are invested notifies the administrators.

Statutory and regulatory requirements governing the establishment and operation of deferred compensation plans have been codified in the New Jersey Administrative Code as N.J.A.C. 5:37. The more significant of these provisions include no personal liability to the employer for negative return on investments, retention of assets by the employer, eligible investment types, and the requirement for an independent review of all program funds by a private contractor retained to administer the program.

Pursuant to revisions to the Federal Internal Revenue Code, the State has amended the deferred compensation plan enabling statute. During 1998, the County implemented the required amendments to the Deferred Compensation Plan for compliance with federal and state regulations.

4) DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITIONS

<b>Summary of Net County Debt</b>	<u>Year 2024</u>	<u>Year 2023</u>
Issued:		
General Bonds and Notes	\$ 452,398,036.00	\$ 488,069,392.21
Financed Purchase Agreements Payables	<u>9,883,000.00</u>	<u>9,883,000.00</u>
Net Debt Issued	462,281,036.00	497,952,392.21
Authorized But Not Issued:		
General Bonds and Notes	<u>195,529,470.00</u>	<u>171,714,418.00</u>
Bonds and Notes Issued and Authorized But Not Issued	657,810,506.00	669,666,810.21
Less:		
Amounts Held for the Sole Purpose of Paying General Bonds and Notes Included	<u>6,026,717.85</u>	<u>5,784,417.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 651,783,788.15</u>	<u>\$ 663,882,393.21</u>

COUNTY OF MERCER, NEW JERSEY  
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**Summary of Statutory Debt Condition - Annual Debt Statement - Current Year 2024**

The summarized statement of debt condition which follows is prepared in accordance with the required method of reporting for the Annual Debt Statement and indicated a statutory net debt of 1.119%.

	Gross Debt	Deductions	Net Debt
General Debt	\$ 657,810,506.00	\$ 6,026,717.85	\$ 651,783,788.15

Net Debt of \$651,783,788.15 divided by the Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended of \$58,248,781,222.67 equals 1.119%.

A revised annual debt statement should be filed by the chief financial officer.

Equalized Valuation Basis

2022 Equalized Valuation Basis of Real Property	\$ 52,390,650,162.00
2023 Equalized Valuation Basis of Real Property	58,197,916,266.00
2024 Equalized Valuation Basis of Real Property	64,157,777,240.00
Average Equalized Valuation Basis	\$ 58,248,781,222.67

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

2% of Average Equalized Valuation Basis	\$ 1,164,975,624.45
Net Debt	651,783,788.15
Remaining Borrowing Power	\$ 513,191,836.30

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
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4) DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITIONS (CONT'D)

**Summary of Statutory Debt Condition - Annual Debt Statement - Current Year 2024**  
**Schedule of Annual Net Debt Service Principal and Interest on Bonded Debt Issued and Outstanding**

Schedule of Debt Service as of December 31, 2024

<u>Year</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
2025	\$ 33,410,000.00	\$ 6,899,916.80	\$ 40,309,916.80
2026	34,095,000.00	5,938,226.50	40,033,226.50
2027	35,714,000.00	4,995,324.39	40,709,324.39
2028	35,706,000.00	3,733,628.40	39,439,628.40
2029	28,535,000.00	3,063,353.76	31,598,353.76
2030-2034	95,050,000.00	5,340,661.88	100,390,661.88
2035-2039	4,000,000.00	318,500.00	4,318,500.00
	<u>\$ 266,510,000.00</u>	<u>\$ 30,289,611.73</u>	<u>\$ 296,799,611.73</u>

County College Bonds

<u>Year</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
2025	\$ 1,396,000.00	\$ 379,190.69	\$ 1,775,190.69
2026	1,435,000.00	331,062.50	1,766,062.50
2027	770,000.00	294,462.50	1,064,462.50
2028	800,000.00	267,287.50	1,067,287.50
2029	830,000.00	238,968.75	1,068,968.75
2030-2034	2,700,000.00	849,300.00	3,549,300.00
2035-2039	2,100,000.00	324,300.00	2,424,300.00
2040-2041	630,000	95,600	725,600
	<u>\$ 10,661,000.00</u>	<u>\$ 2,780,171.94</u>	<u>\$ 13,441,171.94</u>

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
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4) DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITIONS (CONT'D)

**Summary of County Debt for Capital Projects**

Summarized below are the County's individual bond issues which were outstanding at December 31, 2024.

Bonds Issued	Amount Issued	Amount Outstanding	Interest Rates	Final Maturity
<u>General Improvement Debt</u>				
General Obligation Bonds of 2010	\$ 8,559,087.00	\$ 590,000.00	0.00%	2035
General Obligation Bonds of 2011	65,790,000.00	14,105,000.00	2.50-3.00%	2032
General Obligation Bonds of 2015	39,000,000.00	17,745,000.00	2.00-3.00%	2030
General Obligation Bonds of 2016	45,800,000.00	19,570,000.00	2.00%	2028
General Obligation Bonds of 2019	68,699,000.00	50,689,000.00	2.00-3.25%	2039
General Obligation Refunding Bonds of 2019	32,490,000.00	18,810,000.00	2.317-2.536%	2028
General Obligation Bonds of 2020	49,057,000.00	37,750,000.00	0.05-3.00%	2032
General Obligation Bonds of 2021	61,794,000.00	51,851,000.00	0.05-3.00%	2033
General Obligation Bonds of 2022	62,800,000.00	<u>55,400,000.00</u>	4.00%	2034
Total General Improvement Debt		<u>266,510,000.00</u>		
<u>County College Bonds</u>				
County College Bonds of 2013	7,690,000.00	1,370,000.00	3.00%	2026
County College Bonds of 2014	4,250,000.00	1,650,000.00	3.00-3.125%	2029
County College Bonds of 2023	3,781,000.00	3,581,000.00	3.00-4.00%	2036
County College Bonds of 2024	4,060,000.00	<u>4,060,000.00</u>	4.00-5.00%	2041
Total County College Bonds		<u>10,661,000.00</u>		
<u>Bond Anticipation Notes Issued</u>				
Bond Anticipation Notes		<u>175,227,036.00</u>		
Total Bond Anticipation Notes		<u>175,227,036.00</u>		
<u>Finance Purchase Agreements</u>				
Open Space Preservation		<u>9,883,000.00</u>		
Total Finance Purchase Agreements		<u>9,883,000.00</u>		
Total Debt Issued and Outstanding		<u>\$ 462,281,036.00</u>		

For the year ended December 31, 2024, the County has lease obligations for County office space and an airport hangar with a value of \$891,621.21. Lease payments included in the measurement of the lease obligations are composed of fixed payments. The County's outstanding leases have interest rates ranging from 0.00% to 5.00%. During the year ended December 31, 2024, the County paid principal and interest payments of \$196,700.00.

The following is a summary of lease obligation principal and interest payments to maturity as of December 31, 2024:

Calendar Year	Total	Office Space	Airport Hangar
2025	\$ 173,900.00	\$ 129,500.00	\$ 44,400.00
2026	132,188.00	132,188.00	
2027	51,996.00	51,996.00	
2028	103,754.17	103,754.17	
2029	105,058.22	105,058.22	
2030-2033	324,724.82	324,724.82	
	<u>\$ 891,621.21</u>	<u>\$ 847,221.21</u>	<u>\$ 44,400.00</u>

COUNTY OF MERCER, NEW JERSEY  
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5) FUND BALANCE APPROPRIATED

Fund balance for the Current Fund at December 31, 2024 was reported in the amount of \$59,287,637.98, of which \$30,320,122.51 was appropriated and included as anticipated revenue for the year ending December 31, 2025.

Fund balance for the Current Fund at December 31, 2023 was reported in the amount of \$65,742,035.24, of which \$30,320,122.45 was appropriated and included as anticipated revenue for the year ending December 31, 2024.

6) CASH, CASH EQUIVALENTS AND INVESTMENTS

**Deposits**

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC), or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5 percent of the average daily balance of public funds; or if the public funds deposited exceed 75 percent of the capital funds of the depositor, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00. The State of New Jersey Cash Management Fund is authorized by statute and regulation of the State Investment Council to invest in fixed income and debt securities, which mature within one year.

Collateralization of Fund investments is generally not required. "Other Than State" participants contribute one tenth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transaction realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities.

The cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

At December 31, 2024, the County's recorded cash, cash equivalents and investments amounted to \$282,644,401.91 and an amount of \$256,696,341.82 was on deposit with the respective institutions, excluding Deferred Compensation Fund, of which cash, cash equivalent and investments are held by the respective Trustees. Of the bank balance, \$1,669,714.62 was FDIC insured and \$247,816,371.34 was GUDPA insured and \$7,210,255.86 was not insured.

At December 31, 2023, the County's recorded cash, cash equivalents and investments amounted to \$281,466,330.92 and an amount of \$255,158,493.15 was on deposit with the respective institutions, excluding Deferred Compensation Fund, of which cash, cash equivalent and investments are held by the respective Trustees. Of the bank balance, \$2,481,168.15 was FDIC insured and \$251,759,722.44 was GUDPA insured and \$41,218.32 was not insured.

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

6) CASH, CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

**Deposits (cont'd)**

Custodial Credit Risk – Deposits - Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2024 and 2023, based upon the insured balances as provided by FDIC and NJGUDPA coverage, the amounts of the County’s bank balances of \$0.00 and \$876,383.74, respectively were considered exposed to custodial risk.

An Analysis of the County’s cash and cash equivalents and investments at December 31, 2024 and 2023, by Fund/Category (Type) is as follows:

By Fund:	Fund	2024 Amount	2023 Amount
	Current	\$ 104,636,159.86	\$ 156,183,891.50
	Grant	34,821,055.81	
	Trust	66,910,666.35	37,943,190.43
	General Capital	76,276,519.89	87,339,248.99
	<b>Total Cash, Cash Equivalents and Investments</b>	<b>\$ 282,644,401.91</b>	<b>\$ 281,466,330.92</b>

By Category (Type):	Fund	2024 Amount	2023 Amount
	Cash and Cash Equivalents	\$ 260,011,340.89	\$ 251,629,938.71
	Investments	24,587,036.00	29,836,392.21
	<b>Total Cash, Cash Equivalents and Investments</b>	<b>\$ 284,598,376.89</b>	<b>\$ 281,466,330.92</b>

**New Jersey Cash Management Fund**

In order to maximize liquidity, the County utilizes the New Jersey Cash Management Fund (“NJCMF”). The NJCMF is considered a cash equivalent and is administered by the State of New Jersey, Department of the Treasury and issues a separate report that can be obtained directly from the Department of the Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. The pooled shares are equal to the value of the County’s shares. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. As of December 31, 2024 and 2023, the County’s balances were \$0.00 and \$876,383.74, respectively. All investments in the NJCMF are governed by the regulations of the Investment Council, which prescribes specific standards designed to ensure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment’s existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the “Other-than-State” participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

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6) CASH, CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

**Deposits (cont'd)**

*Custodial Credit Risk:* Pursuant to GASB Statement No. 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk exposure. The County does not have a policy for custodial credit risk.

*Credit Risk:* The County does not have an investment policy regarding the management of credit risk. GASB Statement No. 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

*Concentration of Credit Risk:* The County places no limit on the amount the County may invest in any one issuer.

*Interest Rate Risk:* The County does not have a policy to limit interest rate risk. The average maturity of the County's investments in the NJCMF are less than one year and therefore are considered cash equivalents.

INVESTMENTS:

New Jersey statutes permit the County to purchase the following types of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. 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 such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Library or bonds or other obligations of school districts of which the Library is a part and within which the school district is located.
5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281 (C.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities, if:
  - a. The underlying securities are permitted investments pursuant to paragraphs (1) and (3);
  - b. The custody of collateral is transferred to a third party;
  - c. The maturity of the agreement is more than 30 days; and
  - d. The underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

As of December 31, 2024 and 2023, the County's investment balances of \$24,587,036.00 and \$29,836,392.21, respectively, were held in the County's bonds and notes. The County categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, "*Fair Value Measurement and Application*". The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County has the following recurring fair value measurement as of December 31, 2024 and 2023:

- Bonds and Notes in the amount of \$24,587,036.00 and \$29,836,392.21, respectively, are valued using the County's internal data (Level 3 inputs)

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7) ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor as of October 1 in each year and filed with the County Board of Taxation by January 10th of the following year. Upon the filing of certified adopted budgets by the Local Units, Local School District, County and Special Districts, the tax rate is struck by the County Tax Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the local unit tax collector on or before May 13th. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the “lawful yearly expenditure” which includes the total amount of property taxes to be raised by the local unit that is due to the County.

8) PENSION PLANS

Description of Plans – The State of New Jersey, Division of Pension and Benefits (Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan’s designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the Public Employees’ Retirement System (PERS) and the Police and Firemen’s Retirement System (PFRS), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions), or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

A. PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) - The Public Employees’ Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by Division. The more significant aspects of the PERS Plan are as follows:

*Plan Membership and Contributing Employers* - Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction’s pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2024:

	2024
Inactive plan members or beneficiaries currently receiving benefits	193,915
Inactive plan members entitled to but not yet receiving benefits	646
Active plan members	244,324
Total	438,885
Contributing Employers	1,678
Contributing Non-employers	1

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 NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
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8) PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)

*Significant Legislation* – Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

*Payrolls and Covered Wages* - For the year ended December 31, 2024, the County's total payroll for all employees was \$109,414,405.14. Total PERS covered payroll was \$62,284,412.00. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by the County to active employees covered by the Plan.

*Specific Contribution Requirements and Benefit Provisions* – The contribution policy is set by N.J.S.A.43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, Chapter 78, the member contribution rate was 7.00% in State fiscal year 2021. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was less than the actuarial determined amount. The County's cash basis contributions to the Plan for the year ended December 31, 2024 was \$10,744,388.00. County contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. County payments to PERS for the year ending December 31, 2024 consisted of the following:

	2024
Normal Cost	\$ 1,906,912.00
Amortization of Accrued Liability	8,383,877.00
Total Pension	10,290,789.00
NCGI Premiums	453,599.00
Total Pension & NCGI	\$ 10,744,388.00

Ch. 19, P.L. 2009 billings reflect the recoupment of the 50% deferral of normal and accrued liability costs due on April 1, 2009. The law set a fifteen-year repayment schedule for the deferred amount, with additional annual adjustments to reflect the return on investment of actuarial net assets of the plan on deferred principal balances.

The County recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

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

The following represents the membership tiers for PERS:

COUNTY OF MERCER, NEW JERSEY  
 NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
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8) PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)

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

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

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The regulatory basis of accounting which is the basis for the preparation of the County's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the County does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2024, the PERS reported a net pension liability of \$13,702,423,985.00 for its Local (Non-State) Non-Special Funding Situation Employer Member Group. The County's proportionate share of the net pension liability for the Local Employer Member Group that is attributable to the County was \$107,991,434.00 or 0.7947532377%, which was a decrease of 0.0091494831% from its proportion measured as of June 30, 2023.

*Actuarial Assumptions* - The collective total pension liability in the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 that was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.75 - 6.55% based on years of service
Investment rate of return	7.00%

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

8) PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year 2010 on a generational basis. Disability retirement rate used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2022.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
US Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	<u>100.00%</u>	

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

8) PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)

*Discount Rate* – The discount rate used to measure the total pension liabilities of PERS was 7.00% as of June 30, 2024. 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 will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate* – The following presents the collective pension liability of PERS participating employers as of June 30, 2024, calculated using the discount rates as disclosed above as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	At 1% Decrease 6.00%	At Current Discount Rate 7.00%	At 1% Increase 8.00%
State	\$ 25,435,378,381.00	\$ 22,170,235,622.00	\$ 19,397,657,682.00
Local	18,207,152,620.00	13,702,423,985.00	9,868,924,715.00
PERS Plan Total	<u>\$ 43,642,531,001.00</u>	<u>\$ 35,872,659,607.00</u>	<u>\$ 29,266,582,397.00</u>
County's Share	<u>\$ 143,494,065.00</u>	<u>\$ 107,991,434.00</u>	<u>\$ 77,778,890.00</u>

\*- Local Share includes \$114,378,189.00 of Special Funding Situation allocated to the State of NJ as a non-employer.

*Components of Net Pension Liability* – The components of the collective net pension liability for PERS, including the State of New Jersey, at June 30, 2024 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 30,497,816,419.00	\$ 43,115,494,090.00	\$ 73,613,310,509.00
Plan Fiduciary Net Position	8,327,580,797.00	29,413,070,105.00	37,740,650,902.00
	<u>\$ 38,825,397,216.00</u>	<u>\$ 72,528,564,195.00</u>	<u>\$ 111,353,961,411.00</u>

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

8) PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)

At December 31, 2024, the County's deferred outflow of resources and deferred inflow of resources related to PERS were from the following sources, if GASB Statement No. 68 was recognized:

	<b>2024</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,163,267.00	\$ 287,503.00
Changes of assumptions	134,159.00	1,228,694.00
Net difference between projected and actual investment earnings on pension plan investments		5,007,268.00
Changes in proportion	1,187,562.00	6,994,813.00
County contributions subsequent to the measurement date	10,814,485.00	
	\$ 14,299,473.00	\$ 13,518,278.00

The \$10,814,485.00 of deferred outflows resulting from the County's contribution subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions would be recognized in pension expense as follows, if GASB Statement No. 68 was recognized:

Year ended December 31,	Amount
2025	\$ (6,902,904.00)
2026	1,854,191.00
2027	(3,393,703.00)
2028	(1,595,623.00)
2029	4,749.00
Total	\$ (10,033,290.00)

*Additional Information*

Collective balances of the Local Group at June 30, 2024 are as follows:

Collective deferred outflows of resources	\$ 1,079,580,780.00
Collective deferred inflows of resources	1,611,322,898.00
Collective net pension liability - Local Group	13,702,423,985.00
County's Proportion	0.7947532377%

Collective Local Group pension expense (benefit) for the Local Group for the measurement period ended June 30, 2024 was (\$79,181,803.00). The average of the expected remaining service lives of all plan members is 5.08, 5.08, 5.04, 5.13, 5.16, and 5.21 years for 2024, 2023, 2021, 2020, and 2019, respectively.

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

8) PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)

State Contribution Payable Dates

Chapter 83, P.L. 2016 requires the State to make pension contributions on a quarterly basis: at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30. As such, contributions are assumed to be made on a quarterly basis with the first contribution 15 months after the associated valuation date.

Local employer's contributions are expected to be paid on April 1<sup>st</sup>, 21 months after the associated valuation date.

Receivable Contributions

The Fiduciary Net Position (FNP), includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the year ended June 30, 2024 are \$1,393,655,054.00.

Special Funding Situation

The County is responsible for the actuarially determined annual contributions to the PERS, except where legislation was passed that legally obligates the State if certain circumstances occur. A special funding situation exists for the Local employers of the PERS. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers based upon the provisions of several legislative actions. The provisions of GASB Statement No. 68 define this these relationship as a "special funding situation", and the State of New Jersey is defined as a "non-employer contributing entity".

Unaudited data provided by the PERS indicates that the total Non-employer contributions made to the PERS by the State for the year ended June 30, 2024 was \$61,435,556.00. The portion of that contribution allocated to the County was \$348,165.00, or 0.7984250523%. The June 30, 2024 State special funding situation pension expense of \$10,092,234.00 was actuarially determined and represents the required contribution due from the State for the year. The special funding situation net pension liability under the special funding situation was reported at \$114,378,189.00 at June 30, 2024 and represents the accumulated difference between the actuarially determined annual contributions required and the actual State contributions through the valuation date. The County's allocated shares of the special funding situation pension expense and related revenue for the year ended June 30, 2024 and its share of the special funding situation net pension liability at that date were \$348,165.00 and \$4,238,425.00, respectively.

COUNTY OF MERCER, NEW JERSEY  
 NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

8) PENSION PLANS (CONT'D)

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM

The Police and Firemen's Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

*Plan Membership and Contributing Employers*- Substantially all full-time county and municipal police and firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2024:

	2024
Inactive plan members or beneficiaries currently receiving benefits	50,109
Inactive plan members entitled to but not yet receiving benefits	66
Active plan members	41,451
 Total	 90,629
 Contributing Employers	 582
Contributing Non-employers	1

*Significant Legislation* - Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

The State Legislature adopted L. 2018, c. 55 in July 2018, which transferred management of PFRS from the New Jersey Department of Treasury, Division of Pensions and Benefits to a newly constituted twelve-member PFRS Board of Trustees. The new PFRS Board, which was established in February 2019 per the legislation, has more power and authority as compared to the former PFRS Board of Trustees. In addition to overseeing the management of PFRS, the new PFRS Board will also have the authority to direct investment decisions, to adjust current benefit levels and to change member and employer contribution rates. With regard to changes in current benefit provisions, such changes can only be made with the approval of a supermajority of eight (8) of the twelve (12) members of the new PFRS Board. Also, benefit enhancement can only be made if an independent actuary certifies that the benefit enhancements will not jeopardize the long-term viability of PFRS. Under prior law, benefit enhancements, including the reinstatement of COLA for retirees, could only be considered when the funded level of the pension fund reaches 80%. An actuarial certification was also required that the funded levels would remain at or above 80% over a 30-year period following the benefit enhancement.

In accordance with L. 2018, c. 55, the new PFRS Board will also have the authority to formulate investment policies and direct the investment activities of the PFRS. The PFRS Board has proposed regulations for adoption governing the methods, practices, and procedures for investment or reinvestments of money of PFRS.

For the year ended December 31, 2024, the County's total payroll for all employees was \$109,414,405.15. Total PFRS covered payroll was \$29,926,687.00. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by the County to active employees covered by the Plan.

COUNTY OF MERCER, NEW JERSEY  
 NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

8) PENSION PLANS (CONT'D):

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM (CONT'D)

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate was 10% in State fiscal year 2021. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The County's cash basis contributions to the Plan for the year ended December 31, 2024 was \$10,673,891.00. County Contributions are due and payable on April 1<sup>st</sup> in the second fiscal period subsequent to plan year for which the contribution requirements were calculated.

County payments to PFRS made in the year ending December 31, 2024 consisted of the following:

	2024
Normal Cost	\$ 3,369,609.00
Amortization of Accrued Liability	6,969,844.00
Total Pension	10,339,453.00
NCGI Premiums	334,438.00
Total Pension & NCGI	\$ 10,673,891.00

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service.

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2.00% of final compensation for each year of creditable service, as defined, up to 30 years plus 1.00% 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 1.00% 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 2.00% of final compensation for each year of service.

COUNTY OF MERCER, NEW JERSEY  
 NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

8) PENSION PLANS (CONT'D):

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM (CONT'D)

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The regulatory basis of accounting which is basis for the preparation of the County's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the County does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2024, the PFRS reported a net pension liability of \$16,757,7546,211.00 for its Non-State, Non-Special Funding Situation Employer Member Group. The County's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$81,439,670.00, or 0.78863977%, which was a decrease of 0.01318432% from its proportion, measured as of June 30, 2023.

*Actuarial Assumptions* - The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	3.25-16.25%
	Based on years of service
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and a 102.5% adjustment for females, with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and a 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions, 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 rate of return (expected returns, net of pension plans 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 real rates of return for each major asset class included in the PFRS's target asset allocation as of June 30, 2024 are summarized in the following table:

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

8) PENSION PLANS (CONT'D):

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM (CONT'D)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
U.S. Large-Cap Equity	24.00%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%
Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Non-U.S. Developed Small Cap Equity	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%
Emerging Markets Small-Cap Equity	1.50%	9.60%
U.S. Treasury Bond	7.00%	4.10%
U.S. Corporate Bond	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	<u>10.00%</u>	10.10%
	<u>100.00%</u>	

*Discount Rate* – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate* – The following presents the net pension liability of the participating employers as of June 30, 2024, 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-percentage point lower or 1-percentage-point higher than the current rate:

	<u>At 1% Decrease 6.00%</u>	<u>At Current Discount Rate 7.00%</u>	<u>At 1% Increase 8.00%</u>
State	\$ 5,149,731,999.00	\$ 4,395,279,764.00	\$ 3,766,388,682.00
Local	<u>17,663,214,080.00</u>	<u>12,362,466,447.00</u>	<u>7,948,105,229.00</u>
PFRS Plan Total	<u>\$ 22,812,946,079.00</u>	<u>\$ 16,757,746,211.00</u>	<u>\$ 11,714,493,911.00</u>
County's Share	<u>\$ 116,359,169.00</u>	<u>\$ 81,439,670.00</u>	<u>\$ 52,359,379.00</u>

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

8) PENSION PLANS (CONT'D):

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM (CONT'D)

*Components of Net Pension Liability* – The components of the collective net pension liability of the participating employers for PFRS, including the State of New Jersey, at June 30, 2024 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 6,404,078,773.00	\$ 4,521,001,314.00	\$ 10,925,080,087.00
Plan Fiduciary Net Position	<u>2,008,799,009.00</u>	<u>32,847,534,867.00</u>	<u>34,856,333,876.00</u>
	<u>\$ 8,412,877,782.00</u>	<u>\$ 37,368,536,181.00</u>	<u>\$ 45,781,413,963.00</u>

At December 31, 2024, the County's deferred outflow of resources and deferred inflow of resources related to PFRS were from the following sources, if GASB Statement No. 68 was recognized:

	<b>2024</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 5,130,636.00	\$ 2,788,039.00
Changes of assumptions	128,740.00	2,391,749.00
Net difference between projected and actual investment earnings on pension plan investments		637,413.00
Changes in proportion	2,819,938.00	12,418,435.00
County contributions subsequent to the measurement date	<u>10,908,776.00</u>	
	<u>\$ 18,988,090.00</u>	<u>\$ 18,235,636.00</u>

The \$10,908,776.00 of deferred outflows resulting from the County's contribution subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions would be recognized in pension expense as follows, if GASB Statement No.68 were followed:

<u>Year ended December 31,</u>	<u>Amount</u>
2025	\$ (7,756,713.00)
2026	2,996,619.00
2027	(3,508,011.00)
2028	(1,932,063.00)
2029	30,964.00
2030	12,882.00
Total	<u>\$ (10,156,322.00)</u>

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A.43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 8.5% of pensionable compensation to 10.0% in October 2011. Employer contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits.

COUNTY OF MERCER, NEW JERSEY  
 NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

8) PENSION PLANS (CONT'D):

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM (CONT'D)

*Additional Information*

Collective balances at June 30, 2024

Collective deferred outflows of resources	\$ 1,350,388,724.00
Collective deferred inflows of resources	1,421,121,200.00
Collective net pension liability - Local Group	12,362,466,447.00
 County's Proportion	 0.7886397700%

Collective pension expense for the Local Group for the measurement period ended June 30, 2023 is \$775,608,387.00. The average of the expected remaining service lives of all plan members is 6.09, 6.16, 6.22, 6.17, 5.90, and 5.92 years for 2024, 2023, 2021, 2020, and 2019, respectively.

State Contribution Payable Dates

Chapter 83, P.L. 2016 requires the State to make pension contributions on a quarterly basis: at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30. As such, contributions are assumed to be made on a quarterly basis.

Local employer's contributions are expected to be paid on April 1<sup>st</sup>, 21 months after the associated valuation date.

Receivable Contributions

The Fiduciary Net Position (FNP) includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the years ended June 30, 2024 are \$2,008,799,009.00.

Special Funding Situation

The County is responsible for the actuarially determined annual contributions to the PFRS, except where legislation was passed that legally obligates the State if certain circumstances occur. A special funding situation exists for the Local employers of the PFRS. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers based upon the provisions of several legislative actions. The provisions of GASB Statement No. 68 define this these relationship as a "special funding situation", and the State of New Jersey is defined as a "non-employer contributing entity".

Unaudited data provided by the PFRS indicates that the total Non-employer contributions made to the PFRS by the State for the year ended June 30, 2024 was \$410,209,021.00. The portion of that contribution allocated to the County was \$1,847,073.00, or 0.78863969%. The June 30, 2024 State special funding situation pension expense of \$234,210,235.00 was actuarially determined and represents the required contribution due from the State for the year. The special funding situation net pension liability under the special funding situation was reported at \$2,035,866,994.00 at June 30, 2024 and represents the accumulated difference between the actuarially determined annual contributions required and the actual State contributions through the valuation date. The County's allocated shares of the special funding situation pension expense for the year ended June 30, 2024 and its share of the special funding situation NPL at that date were \$1,847,075.00 and \$16,055,657.00, respectively.

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

8) PENSION PLANS (CONT'D):

C: DEFINED CONTRIBUTION RETIREMENT PLAN

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The Division has selected Prudential Financial to manage the DCRP on its behalf. The more significant aspects of the DCRP are as follows:

*Plan Membership and Contributing Employers* - Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually.

*Contribution Requirement and Benefit Provisions* - State and local government employers contribute 3% of the employees' base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable.

A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

For the year ended December 31, 2023, the County's total payroll for all employees was \$109,414,405.14. Total DCRP covered payroll was \$2,982,636.00 and \$2,982,636.00 for the years ended December 31, 2024 and 2023, respectively. Covered payroll refers to all compensation paid by the County to active employees covered by the Plan. County and employee contributions to the DCRP for the year ended December 31, 2024 and 2023, were \$104,766.62 and \$89,479.07 and \$142,058.60 and \$121,306.19, respectively.

9) ACCRUED SICK AND VACATION BENEFITS

The New Jersey State Legislature enacted laws in 2007 and 2010 regarding sick and vacation leave policies. The impact of the 2007 and 2010 laws regarding leave policies and how they are incorporated and implemented into collective bargaining agreements, individual contracts and municipal codes can be complicated and difficult to implement.

The County has established uniform personnel policy procedures which set forth the terms under which an employee may accumulate unused benefits, as follows:

Sick Leave

Sick leave for permanent employees accumulates in accordance with the terms of approved contracts. Any amount of sick leave allowance not used in a calendar year accumulates to the employee's credit to be used if and when needed. Upon normal retirement, employees are entitled to receive a lump sum payment as supplemental compensation for one-half of earned and unused accumulated sick leave to their credit on the effective date of retirement, up to a maximum of \$15,000.00 or \$18,000.00 where applicable based upon the date of hire.

COUNTY OF MERCER, NEW JERSEY  
 NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

9) ACCRUED SICK AND VACATION BENEFITS (CONT'D)

Vacations

Vacation pay for permanent employees also accumulates in accordance with the terms of approved contracts. Vacation days are to be taken in the year earned and do not accumulate, except that vacation time earned in the current year may be carried over to the next succeeding year only. The County maintains current records of each employee's status relating to earned and unused sick and vacation pay. At December 31, 2024, the estimated cost of unused sick pay is calculated to be \$37,277,432.79.

10) LEASE REVENUE

The County has leased property to various lessees in Mercer County with lease obligations composed of fixed payments valued at \$62,892,271.30. The combined principal and interest revenue for 2024 was \$2,060,268.51.

The projected benefit for future years is as follows:

<b>Calendar Year</b>	<b>Airport</b>	<b>Cell Tower</b>	<b>Trenton Thunder</b>	<b>Total</b>
2025	\$ 4,278,112.18	\$ 3,536.33	\$ 300,000.00	\$ 4,581,648.51
2026	4,366,276.00	3,642.42	300,000.00	4,669,918.42
2027	4,361,437.61	3,751.69	300,000.00	4,665,189.30
2028	4,159,753.95	3,864.24	350,000.00	4,513,618.19
2029	7,935,504.43	3,980.17	350,000.00	8,289,484.60
2030-2034	12,044,415.30	16,040.09	1,050,000.00	13,110,455.39
2035-2039	11,648,910.34	32,561.38		11,681,471.72
2040-2044	10,788,069.17			10,788,069.17
2045-2047	592,416.00			592,416.00
	<u>\$ 60,174,894.98</u>	<u>\$ 67,376.32</u>	<u>\$ 2,650,000.00</u>	<u>\$ 62,892,271.30</u>

11) RISK MANAGEMENT

The Mercer County Insurance Commission began operation in 2014. The Commission provides the following coverages: auto liability, general liability, property and workers' compensation whereby the County cost, is any, will be paid. During 2024 and 2023, deposits amounted to \$9,715,231.26 and \$33,520,026.00 and payments for claims amounted to \$6,930,114.37 and \$36,100,684.13. The remaining reserve, which is not based on an actuarial analysis, is \$6,066,056.34 and \$3,280,939.45 as of December 31, 2024 and 2023, respectively.

In addition, excess coverage is maintained for general liability, worker's compensation and property and casualty. Coverage excess of the self-insurance retention for each coverage is provided by New Jersey Counties Excess Liability Joint Insurance Coverage (NJCE); coverage above the NJCE layer is purchased from insurance carriers.

The County obtained an Actuarial Analysis of Loss Adjustment Expense Reserves report as of December 31, 2024. As of December 31, 2024, the Net Loss and Allocated Loss Adjustment Expenses (ALAE) Reserves was \$8,251,849.00 and the Net Incurred But Not Reported (IBNR) and Allocated Loss Adjustment Expenses (ALAE) Reserves was \$2,242,182.00.

The financial statements do not reflect any charges for claims incurred but not reported and any reported incurred claims that remain unpaid at December 31, 2024.

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

12) POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

**State Health Benefit Local Government Retired Employees Plan**

**Plan Description**

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost sharing multiple employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**Benefits Provided**

The Plan provides medical and prescription drug coverage to retirees and their dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

**Contributions**

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

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

12) POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

	June 30, 2023
Inactive plan members or beneficiaries currently receiving benefits	19,688
Active plan members	89,701
 Total	 109,389
 Contributing employers	 590
Contributing nonemployers	1

*Nonspecial Funding Situation* - The State of New Jersey's Total OPEB Liability for nonspecial funding situation was \$14,889,576,786.00 at June 30, 2024.

*Components of Net OPEB Liability* - The components of the collective net OPEB liability for Local Government Retired Employees Plan, including the State of New Jersey, is as follows:

	June 30, 2023
Total OPEB Liability	\$ 14,889,576,786.00
Plan Fiduciary Net Position (Deficit)	(116,962,691.00)
 Net OPEB Liability	 \$ 15,006,539,477.00
 Plan fiduciary net position as a percentage of the total OPEB liability	 -0.79%

*Actuarial Assumptions and Other Inputs* - The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. 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:

Inflation rate	2.50%
Salary Increases*:	
Public Employees' Retirement Systems (PERS)	
Rate for all future years	2.75% to 6.55%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 16.25%

\* - based on years of service

COUNTY OF MERCER, NEW JERSEY  
 NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

12) POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Mortality:	
PERS	Pub-2010 general classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
PFRS	Pub-2010 safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

Actuarial assumptions used in the July 1, 2023 Valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

Healthcare Trend Assumptions – For pre-Medicare medical benefits, the trend is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

*Discount Rate* - The discount rate for June 30, 2024 was 3.65%. 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 County’s Net OPEB Liability to Changes in the Discount Rate* - The following presents the net OPEB liability as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective 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:

	1% Decrease (2.65%)	At Discount Rate (3.65%)	1% Increase (4.65%)
Total Net OPEB Liability	\$ 342,225,215.00	\$ 295,449,950.00	\$ 257,826,464.00

*Sensitivity of the County’s Net OPEB Liability to Changes in the Healthcare Cost Trend Rates* - The following presents the net OPEB liability as of June 30, 2024, 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:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total Net OPEB Liability	\$ 251,097,693.00	\$ 295,449,950.00	\$ 352,234,393.00

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

13) COUNTY-GUARANTEED FINANCED PURCHASE PAYABLES AND OTHER ISSUES

The County guarantees certain project and revenue bonds and project notes of MCIA. The project and revenue bonds and project notes are used to finance certain projects within the County. The following is a summary of the projects and the status of the debt guaranteed by the County at December 31, 2024.

Project	Date of Guarantee	Authorized	Issued	Outstanding	Included with	Net
					County Gross Debt	Guarantee
County Courthouse Annex	8/12/2015	\$ 35,000,000.00	\$ 29,720,000.00	\$ 23,015,000.00	\$ 23,015,000.00	
Sports & Multi- Use Complex	12/5/1999	50,890,000.00	50,890,000.00	18,805,000.00		\$ 18,805,000.00
Renewable Energy Program Refunding Bonds	9/15/2021	11,235,000.00	11,235,000.00	5,310,000.00		5,310,000.00
Refunding Bonds of 2019	1/31/2019	27,550,000.00	27,550,000.00	18,750,000.00	18,750,000.00	
County Secured Revenue Refunding Bonds (Mercer County Projects), Series 2019	6/20/2019	66,295,000.00	66,295,000.00	46,615,000.00	46,615,000.00	
		<u>\$ 738,110,000.00</u>	<u>\$ 717,205,484.00</u>	<u>\$ 112,495,000.00</u>	<u>\$ 88,380,000.00</u>	<u>\$ 24,115,000.00</u>

Financed Purchases Payable – The County is a lessee of various types of property under financed purchases expiring in various years through 2040 with the MCIA as lessor. The effective annual interest rates range from 2.70% to 7.80%. The annual lease payments, which include interest payments under such lease agreements, are provided for by appropriations in the County’s annual budget.

14) FEDERAL AND STATE GRANTS RECEIVABLE

At December 31, 2024 and 2023, the County had recorded \$8,434,991.00 and \$8,434,991.00, respectively, of grants receivable as financing sources for capital projects authorized. A significant portion of this balance represents approved funding for the underlying projects. In the event that grant and/or contribution agreements are not executed to the extent of the approved funding, the County may: a) cancel the project, to the extent that expenditures have not been incurred; b) amend its authorizing ordinance to substitute County debt for the grants receivable; or c) raise any shortfalls in grants receivable as part of the County budget.

15) LONG TERM TAX EXEMPTIONS

The County’s constituent municipalities (other governments) participate in long- term tax exemption programs for redevelopment, as authorized and permitted by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. Taxes abated by these other governments include local, school, county, and, in some cases, fire district taxes. The tax-exempt project makes payments to the municipalities in lieu of taxes (PILOT payments). The County is to receive five percent (5.00%) of the PILOT amounts paid to the participating municipality. During 2024 and 2023, the County collected \$1,388,400.00 and \$1,335,000.00 in PILOT payments, respectively.

COUNTY OF MERCER, NEW JERSEY  
 NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

16) GOVERNMENTAL FIXED ASSETS

The County's governmental fixed assets are reported as follows:

	Balance Dec. 31, 2023	Increases	Decreases	Balance Dec. 31, 2024
General Fixed Assets	\$ 237,473,028.00	\$26,318,311.63	\$ 277,152.75	\$ 263,514,186.88
	\$ 237,473,028.00	\$26,318,311.63	\$ 277,152.75	\$ 263,514,186.88

At the date of this report, the County had litigation pending. This litigation can be generally categorized as negligence claims, workmen's compensation, condemnation cases and other miscellaneous cases. Management's review of the litigation pending indicates that any judgments rendered against the County will not have a material adverse impact on the County's financial position.

As more fully described in Note 11, the County is self-insured for worker's compensation, general liability, unemployment, inmate health care, and property and casualty insurance. The estimated reserve requirement for these claims is set forth in Note 11.

17) COMMITMENTS AND CONTINGENCIES

The County participates in a number of federal and state assisted programs that are subject to audit and adjustment by the respective grantors. The audits of these programs for or including the years ended December 31, 2024 and 2023 may have not been conducted or completed as of the date of this report. Grantor agencies reserve the right to conduct additional audits of the County's grant program for economy, efficiencies and program results which may result in disallowed costs to the County. However, County management does not believe such audits would result in any material amounts of disallowed costs.

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

**18) DUE TO/FROM OTHER FUNDS**

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	<u>Due from</u>	<u>Due to</u>	<u>Due from</u>	<u>Due to</u>
<b>Current Fund</b>				
Grant Fund	\$ 6,695,021.14	\$ 758,860.43		\$ 39,457,172.32
Trust Other	1,024,112.97	4,992,096.29	\$ 1,165,898.06	280,534.05
General Capital Fund	1,627,588.39			10,159,179.51
General Insurance Trust Fund				16,725,083.46
Housing and Community Development Trust Fund				123.01
Home Consortium Trust Fund			252,694.60	
Soil Conservation Trust Fund				1,177,882.70
Audio-Visual Trust Fund				50,270.73
Airport - PFC Trust Fund			686,332.32	
Open Space Trust Fund				973,100.00
Prosecutor - Seized Trust Fund			200,662.90	
Prosecutor - Forfeiture Funds			544,624.93	
Prosecutor - Seized Asset Maintenance Fund			11,666.64	
Police Academy - LOETEF Trust Fund			2,395.35	
Sheriff's Forfeiture Trust Fund			64,899.98	
	<u>9,346,722.50</u>	<u>5,750,956.72</u>	<u>2,929,174.78</u>	<u>68,823,345.78</u>
<b>Grant Fund</b>				
Current Fund	758,860.43	6,695,021.14	39,457,172.32	
General Capital Fund		14,947.76		14,947.76
Open Space Trust Fund		27,359.71		27,359.71
	<u>758,860.43</u>	<u>6,737,328.61</u>	<u>39,457,172.32</u>	<u>42,307.47</u>
<b>Trust Fund</b>				
Current Fund	4,992,096.29	1,024,112.97	19,206,993.95	2,929,174.78
Trust Other			7,951,568.87	
Grant Fund			27,359.71	
Unemployment Trust Fund			34,869.67	69,590.27
Forfeiture Federal Justice Trust Fund			60,892.24	
Seized Funds			30,240.51	
Seized Asset Maintenance Trust Fund				8,351.00
Prosecutor Forfeiture Trust Fund				91,132.75
Open Space Trust Fund	27,359.71		27,270.00	8,152,050.92
General Insurance Trust Fund			18,811,272.40	18,584,709.28
Airport PFC Trust Fund				10,279.47
General Capital Fund	3,454,500.00		1,429,500.00	
	<u>8,473,956.00</u>	<u>1,024,112.97</u>	<u>47,579,967.35</u>	<u>29,845,288.47</u>
<b>General Capital Fund</b>				
Current Fund		1,627,588.39	10,159,179.51	
Trust Fund		3,454,500.00		
Home Consortium Trust Fund				22,000.00
Open Space Trust Fund				1,407,500.00
Grant Fund	14,947.76		14,947.76	
	<u>14,947.76</u>	<u>5,082,088.39</u>	<u>10,174,127.27</u>	<u>1,429,500.00</u>
	<u>\$ 18,594,486.69</u>	<u>\$ 18,594,486.69</u>	<u>\$ 100,140,441.72</u>	<u>\$ 100,140,441.72</u>

COUNTY OF MERCER, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

**19) DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Under the regulatory basis of accounting, certain expenditures are required to be deferred to budgets of succeeding years. At December 31 the following deferred charges are recorded on the balance sheets of the various funds:

	<u>Balance December 31,</u>	<u>Funded by Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
<b><u>2024</u></b>			
Current Fund:			
Overexpenditure of Appropriation	\$ 16,074.92	\$ 16,074.92	\$ -
Overexpenditure of Appropriation			
Reserves	<u>355,183.54</u>	<u>355,183.54</u>	<u>-</u>
	<u>\$ 371,258.46</u>	<u>\$ 371,258.46</u>	<u>\$ -</u>
 Grants Fund:			
Overexpenditure of Grants Appropriations	<u>\$ 975,984.97</u>	<u>\$ 396,893.58</u>	<u>\$ 579,091.39</u>
 <b><u>2023</u></b>			
Current Fund:			
Overexpenditure of Appropriation	\$ 6,466,779.28	\$ 6,466,779.28	\$ -
Overexpenditure of Appropriation			
Reserves	<u>1,835,451.40</u>	<u>1,835,451.40</u>	<u>-</u>
	<u>\$ 8,302,230.68</u>	<u>\$ 8,302,230.68</u>	<u>\$ -</u>
 Grants Fund:			
Overexpenditure of Grants Appropriations	<u>\$ 1,870,978.22</u>	<u>\$ 1,728,141.17</u>	<u>\$ 142,837.05</u>
 General Capital Fund:			
Overexpenditure of Ordinance	<u>\$ 209,260.27</u>	<u>\$ 209,260.27</u>	<u>\$ -</u>

**20) SUBSEQUENT EVENTS**

On March 13, 2025, the Board of County Commissioners issued Bond Anticipation Notes in the amount of \$139,909,952.00. The notes are dated April 3, 2024, mature on April 2, 2025, and have an interest rate of 4.0%.

On June 10, 2025, the Board of County Commissioners adopted a Bond Ordinance providing for various capital improvements to Mercer County Community College, in and for the County of Mercer, appropriating \$2,925,533.00 therefore and authorizing the issuance of \$2,925,000.00 bond or notes to pay for the cost therefor.

**APPENDIX C**

**FORM OF APPROVING LEGAL OPINION**

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

March \_\_\_\_, 2026

County Executive and Members of the  
Board of County Commissioners  
County of Mercer  
Trenton, New Jersey

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Board of County Commissioners of the County of Mercer (the "County"), a body politic and corporate and political subdivision of the State of New Jersey (the "State"), and other proofs submitted to us relative to the authorization, sale, issuance, execution and delivery of the \$135,631,156 aggregate principal amount of Bond Anticipation Notes, Series 2026A (the "Notes") of the County. The Notes are dated March 30, 2026, mature on March 29, 2027 and bear interest at the rate of \_\_\_\_ and \_\_\_\_\_ hundredths per centum (\_\_\_\_%) per annum.

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

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

The Notes are authorized by, and are issued pursuant to, (i) the provisions of the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"); (ii) various bond ordinances duly adopted by the Board of County Commissioners of the County, approved by the County Executive, and published as required by law (the "Ordinances"); and (iii) a resolution duly adopted by the Board of County Commissioners of the County on March 12, 2026 (the "Resolution").

The Notes are being issued to (a) currently refund a \$79,657,120 principal portion of the County's \$139,909,952 Bond Anticipation Notes, Series 2025A, dated April 1, 2025 and maturing

March 31, 2026 (the “2025A Notes”) (a \$2,169,342 portion of the 2025A Notes will be paid by the County via a 2026 budget appropriation and the balance will be funded via the issuance of a \$58,083,490 Bond Anticipation Note by the County), (b) currently refund a \$12,974,036 principal portion of the County’s \$13,423,036 Bond Anticipation Notes, dated April 1, 2025 and maturing March 31, 2026, issued to the County (the “2025 County Notes” and together with the 2025A Notes, the “Prior Notes”) (a \$449,000 portion of the 2025 County Notes will be paid by the County via a 2026 budget appropriation), which Prior Notes were originally issued to temporarily finance the cost of various capital improvements and acquisitions in and for the County, including paying the costs associated with the issuance of such notes, and (c) temporarily finance various capital improvements and acquisitions in and for the County in the amount of \$43,000,000, including paying the costs associated with the issuance of the Notes.

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

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

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

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

Except as stated in the preceding paragraphs, we express no opinion as to any Federal, state, local or foreign tax consequences of the ownership or disposition of the Notes. Furthermore, we express no opinion as to any Federal, state, local or foreign tax law consequences with respect to the Notes, or the interest thereon, if any action is taken with respect to the Notes or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is rendered on the basis of Federal law and the laws of the State of New Jersey as enacted and construed on the date hereof.

We have examined the form of the executed Note and, in our opinion, the form of the Note is regular and proper.

Very truly yours,

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**APPENDIX D**

**FORM OF CERTIFICATE OF COMPLIANCE WITH SECONDARY  
MARKET DISCLOSURE REQUIREMENTS**

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## CERTIFICATE OF COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS

I, NICOLA TRASENTE, Chief Financial Officer of the County of Mercer (the "County"), a body politic and corporate and political subdivision of the State of New Jersey (the "State"), DO HEREBY CERTIFY in connection with the authorization, sale, issuance, execution and delivery of the County's \$135,631,156 aggregate principal amount of Bond Anticipation Notes, Series 2026A, dated March 30, 2026 and maturing on March 29, 2027 (the "Notes"), that pursuant to the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission established by the Securities Exchange Act of 1934, as amended and supplemented (the "Rule"), specifically subsections (d)(3) and (b)(5)(i)(C) thereof, the County (or its duly appointed Dissemination Agent) will provide notice (the "Notice") to the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access system ("EMMA") as a Portable Document File (PDF file) to [www.emma.msrb.org](http://www.emma.msrb.org) of any of the following events with respect to the County and/or the Notes herein described, as applicable: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax-exempt status of the Notes; (7) modifications to rights of security holders, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the securities, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the County; (13) consummation of a merger, consolidation, or acquisition involving the County, or sale of all or substantially all of the assets of the County, other than in the ordinary course of business, entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or change of name of a trustee, if material; (15) incurrence of a Financial Obligation (as defined below) of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect Noteholders, if material; or (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties (collectively, the "Listed Events").

*"Financial Obligation"* shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) listed hereinabove. The term *"Financial Obligation"* shall not include municipal securities as to which a final official statement has been provided to the MSRB, through the EMMA system, consistent with the Rule.

If the County (or its duly appointed Dissemination Agent) (a) has or obtains knowledge of the occurrence of any of the Listed Events not requiring a materiality determination, or (b) determines that the occurrence of a Listed Event requiring a materiality determination would be material to the Beneficial Owners of the Notes, the County (or its duly appointed Dissemination Agent) shall file a Notice of each such occurrence with the MSRB via EMMA in a timely manner not in excess of ten (10) business days after such determination.

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

In the event the County fails to comply with any provision of this Certificate, any Noteholder may take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its obligations under this Certificate. Notwithstanding the above, the remedy for a breach of the provisions of this Certificate or the County's failure to perform hereunder shall be limited to bringing an action to compel specific performance.

This Certificate shall inure solely to the benefit of the County, the purchaser and the holders from time to time of the Notes, and shall create no further rights in any other person or entity hereunder.

The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be NW Financial Group, LLC, Bloomfield, New Jersey. The County shall compensate the Dissemination Agent (which shall be appointed) for the performance of its obligations hereunder in accordance with an agreed upon fee structure.

IN WITNESS WHEREOF, I have hereunto set my hand on behalf of the County this \_\_\_\_ day of March, 2026.

**COUNTY OF MERCER,  
STATE OF NEW JERSEY**

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**NICOLA TRASENTE,  
Chief Financial Officer**

**Acknowledged and Accepted by:**

**NW FINANCIAL GROUP, LLC,  
as Dissemination Agent**

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**AUTHORIZED SIGNATORY**