

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 22, 2009

COUNTY OF MONMOUTH, NEW JERSEY

\$71,175,000 General Obligation Bonds, Series 2009

Consisting of

\$44,790,000 General Obligation Bonds, Series 2009A

\$26,385,000 General Obligation Bonds, Series 2009B

(Tax-Exempt Bonds or Build America Bonds)

Dated: Date of Delivery

Due: November 1 in the years shown
on the inside cover page

This Official Statement has been prepared by County of Monmouth to provide information on the Bonds. Selected information is presented on this cover page (including the following page) for the convenience of the user. To make an informed decision regarding the Bonds a prospective investor should read this Official Statement in its entirety.

<i>Bond Rating</i>	Fitch: AAA Moody's: Aaa S&P: AAA
<i>Tax Exemption</i>	Interest on Build America Bonds is subject to federal income taxation. Interest on Tax-Exempt Bonds is exempt from federal income taxation. Interest on the Tax-Exempt Bonds is not includable when calculating the federal personal alternative minimum tax. Interest on the Tax-Exempt Bonds is included when calculating the federal alternative minimum tax on corporations. Interest on the Bonds and any gain from the sale of the Bonds are not includable as gross income under the New Jersey Gross Income Tax Act.
<i>Redemption</i>	The Bonds are subject to redemption prior to their stated maturities as set forth herein.
<i>Security</i>	General obligations of the County of Monmouth.
<i>Purpose</i>	To finance various capital improvements.
<i>Denominations</i>	Multiples of \$5,000.
<i>Interest</i>	
<i>Payment Dates</i>	May 1, 2010 and semiannually thereafter on the first days of May and November in each year until maturity.
<i>Interest Rates per Annum</i>	See inside cover page.
<i>Bond Counsel</i>	Lomuro, Davison, Eastman & Munoz, P.A.
<i>Delivery/ Settlement</i>	On or about November 17, 2009
<i>Book-Entry-Only</i>	The Depository Trust Company
<i>Issuer Contact</i>	Craig R. Marshall, Director of Finance County of Monmouth (732) 431-7391

**ELECTRONIC PROPOSALS SUBMITTED VIA THE PARITY ELECTRONIC BIDDING SYSTEM WILL
BE ACCEPTED UNTIL 11:00 A.M. FOR THE SERIES A BONDS, AND UNTIL 11:30 A.M. FOR THE
SERIES B BONDS, ON TUESDAY, NOVEMBER 3, 2009
FOR MORE INFORMATION ON HOW TO BID,
PLEASE REFER TO THE ENCLOSED NOTICES OF SALE**

COUNTY OF MONMOUTH, NEW JERSEY

\$71,175,000 General Obligation Bonds

Consisting of

\$44,790,000 General Obligation Bonds, Series 2009A

\$26,385,000 General Obligation Bonds, Series 2009B

(Tax-Exempt Bonds or Build America Bonds)

\$44,790,000 General Obligation Bonds, Series 2009A

<u>MATURITY</u> <u>NOVEMBER 1</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>	<u>YIELD</u>
2010	\$2,760,000	%	%
2011	\$2,760,000		
2012	\$2,760,000		
2013	\$4,135,000		
2014	\$5,400,000		
2015	\$5,395,000		
2016	\$5,395,000		
2017	\$5,395,000		
2018	\$5,395,000		
2019	\$5,395,000		

\$26,385,000 General Obligation Bonds, Series 2009B

<u>MATURITY</u> <u>NOVEMBER 1</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>	<u>YIELD</u>
2020	\$5,280,000	%	%
2021	\$5,280,000		
2022	\$5,275,000		
2023	\$5,275,000		
2024	\$5,275,000		

COUNTY OF MONMOUTH
STATE OF NEW JERSEY

BOARD OF CHOSEN FREEHOLDERS

Barbara J. McMorrow	Director of the Board
John D'Amico	Deputy Director
Robert D. Clifton	Freeholder
Lillian G. Burry	Freeholder
Amy A. Mallet	Freeholder

COUNTY OFFICIALS

Robert M. Czech	County Administrator
James S. Gray	Clerk of the Board of Chosen Freeholders
Craig R. Marshall	Director of Finance and County Treasurer

PROFESSIONALS

Lomurro, Davison, Eastman & Munoz, P.A.	Bond Counsel
McEnerney, Brady & Co., LLC	Independent Auditor
Public Resources Advisory Group	Financial Advisor

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations with respect to the Bonds, other than those contained in this Preliminary Official Statement, in connection with the offering of the Bonds. If given or made, such information or representation must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell nor the solicitation of any offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or the holders of any of the Bonds. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the County since the date hereof or any earlier date as of which any information contained herein is given.

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

COUNTY OF MONMOUTH, NEW JERSEY

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

**Relating to its
General Obligation Bonds, Series 2009**

I. DESCRIPTION OF THE SERIES 2009 BONDS

Introduction

This Official Statement, which includes the cover page and appendices attached hereto, has been prepared by officials of the County of Monmouth (the "County"), State of New Jersey (the "State"), in connection with the sale and issuance of \$71,175,000 aggregate principal amount of the County's General Obligation Bonds, Series 2009 (the "Series 2009 Bonds") dated the date of delivery, consisting of \$44,790,000 General Obligation Bonds, Series 2009A (the "Series 2009A Bonds") and \$26,385,000 General Obligation Bonds, Series 2009 B (the "Series 2009B Bonds").

The Series 2009 Bonds are issued pursuant to the Local Bond Law of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended (the "Local Bond Law"), and where appropriate, Title 18A, Education, of the New Jersey Statutes. The Series 2009 Bonds have been authorized by various ordinances duly adopted by the County and a resolution of the County adopted at meeting of the Board of Freeholders of the County (the "County Board") on October 8, 2009. The Series 2009 Bonds will be general obligations of the County, whose full faith and credit are pledged to the payment of the principal of and interest on the Series 2009 Bonds, and for which the County shall, unless otherwise paid, levy ad valorem taxes upon all taxable property within the County without limitation as to rate or amount.

Term

The Series 2009 Bonds will be dated the date of delivery, and will mature on November 1 in the years and in the amounts set forth on the inside cover page hereof. The Series 2009 Bonds will bear interest payable semi-annually on May 1, 2010 and on the first day of each November and May thereafter until maturity.

Build America Bonds

The America Recovery and Reinvestment Act of 2009 (the "ARRA") authorizes the County to issue taxable bonds known as "Build America Bonds" to finance capital expenditures for which it could issue tax-exempt bonds and to elect to receive a subsidy payment (a "Subsidy Payment") from the Federal government equal to the amount of 35% of each interest payment on such taxable bonds. At the time of sale, the County will determine whether to issue all or a portion of the Series 2009 Bonds as Federally taxable Build America Bonds. The final Official Statement will describe

the manner of issuance of the Series 2009 Bonds. If any Series 2009 Bonds are issued as Build America Bonds, the Subsidy Payment will be paid to the County, no registered owner of such Series 2009 Bonds will be entitled to a tax credit or Subsidy Payment, and interest paid to registered owners of such Series 2009 Bonds will be subject to federal income tax. See **“TAX MATTERS: Build America Bonds.”** The Subsidy Payments have not been pledged to the payment of the Series 2009 Bonds. The Subsidy Payments are not full faith and credit obligations of the United States.

Denomination and Place of Payments

The Series 2009 Bonds initially will be issued in fully registered form, without coupons, in the name of Cede & Co. (“Cede”), as nominee for The Depository Trust Company (“DTC”) which will act as securities depository for the Series 2009 Bonds under its book-entry-only system (the “DTC Book-Entry-Only System”). An individual purchaser (the “Beneficial Owner”) may purchase a Series 2009 Bond in book-entry form (without certificates) in multiples of \$5,000.

Provided Cede is the registered owner of the Series 2009 Bonds, the principal, redemption price and interest on, the Series 2009 Bonds will be paid to DTC or Cede, as its nominee, and credited to the participants of DTC as listed on the records of DTC as of each next preceding April 15 and October 15 (the “Record Dates” for the payment of interest on the applicable series of the Series 2009 Bonds). See “OTHER INFORMATION - The DTC Book-Entry-Only System” herein.

Term Bond Option

Bidders may designate in their proposals two or more consecutive annual principal payments of the Series 2009 Bonds, which mature on the maturity date of the last annual principal payment of the sequence. Any term bond so designated shall be subject to mandatory sinking fund redemption in each year on the principal payment date and in the entire principal amount for each annual principal payment designated for inclusion in such term bond. There is no limitation on the number of term bonds in the Series 2009 Bonds.

Redemption Provisions

The Series 2009A Bonds are not subject to redemption at the option of the County prior to their respective maturity dates.

The Series 2009B Bonds are subject to redemption prior to their respective maturity dates, on or after November 1, 2019 at the option of the County, either in whole or in part, at any time in any order of maturity, at par (the “Redemption Price”) and accrued interest thereon to the date of redemption.

Extraordinary Optional Redemption for Build America Bonds

If issued as Build America Bonds, the Series 2009 Bonds are subject to Extraordinary Optional Redemption on any date prior to their maturity at the option of the County, in whole or in

part upon the occurrence of an Extraordinary Event, as defined below, at a redemption price equal to the greater of:

- (1) 100% of the principal amount of the Series 2009 Bonds to be redeemed; or
- (2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2009 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2009 Bonds are to be redeemed, discounted to the date on which the Series 2009 Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 100 basis points;

plus, in each case, accrued interest on the Series 2009 Bonds to be redeemed to the Extraordinary Optional Redemption Date.

An “Extraordinary Event” will have occurred if the County determines that a material adverse change has occurred to Section 54AA or 6431 of the Code (as such Sections were added by Section 1531 of the Recovery Act, pertaining to Build America Bonds) or there is any guidance published by the Internal Revenue Service or the United States Department of the Treasury with respect to such Sections or any other determination by the Internal Revenue Service or the United States Department of the Treasury, which determination is not the result of any act or omission by the County to satisfy the requirements to qualify to receive the 35% cash subsidy payment from the United States Department of the Treasury, pursuant to which material adverse change the County’s 35% cash subsidy payment from the United States Department of the Treasury is reduced or eliminated.

“Treasury Rate” means, with respect to any Extraordinary Optional Redemption Date for a particular Taxable Bond, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, assuming that the Comparable Treasury Issue is purchased on the Extraordinary Optional Redemption Date for a price equal to the Comparable Treasury Price, as calculated by the Designated Investment Banker.

“Comparable Treasury Issue” means, with respect to any Extraordinary Optional Redemption Date for a particular Taxable Bond, the United States Treasury security or securities selected by the Designated Investment Banker which has an actual or interpolated maturity comparable to the remaining average life of the Taxable Bond to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Taxable Bonds to be redeemed.

“Comparable Treasury Price” means, with respect to any Extraordinary Optional Redemption Date for a particular Taxable Bond, (1) if the Designated Investment Banker receives at least four Reference Treasury Dealer Quotations, the average of such quotations for such Extraordinary Optional Redemption Date, after excluding the highest and lowest Reference

Treasury Dealer Quotations, or (2) if the Designated Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.

“Designated Investment Banker” means one of the Reference Treasury Dealers appointed by the County.

“Reference Treasury Dealer” means each of the four firms, specified by the County from time to time, that are primary United States Government securities dealers in the City of New York (each a “Primary Treasury Dealer”); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the County will substitute another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Extraordinary Optional Redemption Date for a particular Taxable Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at 3:30 P.M., New York City time, on the third Business Day preceding such Extraordinary Optional Redemption Date.

Notice of Redemption

Notice of Redemption shall be given by publishing such notice once a week for two (2) successive weeks in a newspaper of general circulation that carries financial news, is printed in the English language and is customarily published on each business day in the State of New York, the first of such publications to be at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. A Notice of Redemption shall also be mailed by first class mail in a sealed envelope with postage prepaid to the registered owners of such Series 2009 Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the County. However, so long as DTC (or any successor thereto) acts as Securities Depository for the Series 2009 Bonds, Notices of Redemption shall be sent only to such depository and shall not be sent to the beneficial owners of the Series 2009 Bonds, nor shall the notices be published as provided herein. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the County determines to redeem a portion of the Series 2009 Bonds of a maturity and the Series 2009 Bonds are issued as Tax-Exempt Bonds, such Series 2009 Bonds shall be selected by the County by lot. If the County determines to redeem a portion of a maturity of the Series 2009 Bonds and such Series 2009 Bonds are issued as Build America Bonds, such Series 2009 Bonds shall be selected by the County on a pro rata basis. If Notice of Redemption has been given as described herein, the Series 2009 Bonds, or the portion thereof called for redemption, shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Payment shall be made upon surrender of the Series 2009 Bonds redeemed.

Authorization

The Series 2009 Bonds have been authorized and are to be issued in accordance with the Local Bond Law, and Title 18A, Education, of the New Jersey Statutes and various ordinances and a resolution adopted by the Board of Chosen Freeholders of the County. The ordinances included in the sale of the Series 2009 Bonds were published in full or in summary form after their adoption along with the statement that the twenty-day period of limitation within which a suit, action or proceeding questioning the validity of the authorizing bond ordinances can be commenced began to run from the date of the first publication of such estoppel statement. The Local Bond Law provides that, after issuance, all obligations shall be presumed conclusively to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning the sale, execution or delivery of the Series 2009 Bonds by the County.

Security for the Series 2009 Bonds

The Series 2009 Bonds are general obligations of the County whose full faith and credit are pledged to the payment of the principal of and interest thereon. The County is authorized and required by law to levy ad valorem taxes upon all the taxable property within the County without limitation as to rate or amount for the payment of the principal of and interest on the Series 2009 Bonds.

Purpose of the Issue

The proceeds of the Series 2009 Bonds will be used to finance the acquisition and construction of capital improvements authorized by various ordinances of the Board of Chosen Freeholders of the County.

II. COUNTY OF MONMOUTH, NEW JERSEY, GENERAL INFORMATION

Description of the County

The County of Monmouth (the "County"), with a land area of 472 square miles, is located in central New Jersey and is bordered on the west by Mercer and Middlesex Counties, on the south by Burlington and Ocean Counties, on the east by 27 miles of Atlantic Ocean Beachfront and on the north by 26 miles of Raritan and Sandy Hook Bay Shorelines. The County consists of fifty-three (53) municipalities, whose populations range from 280 to 70,062 (2009 estimate).

County Government

The County is governed by a Board of Chosen Freeholders composed of five members, all of whom are elected at large. The County Administrator is responsible for the day-to-day operations of County government under the guidelines and policy supervision of the Board.

Board of Chosen Freeholders

		<u>Expiration of Term</u>
Barbara J. McMorrow	Director of the Board	January 2010
John D'Amico	Deputy Director	January 2011
Robert D. Clifton	Freeholder	January 2011
Lillian G. Burry	Freeholder	January 2012
Amy A. Mallet	Freeholder	January 2012

County Officials

James S. Gray	Clerk of the Board of Chosen Freeholders
Robert M. Czech	County Administrator
Craig R. Marshall	Director of Finance
Andrea I. Bazer, Esq.	County Counsel
Craig R. Marshall	County Treasurer

Reclamation Center Utility

On February 14, 1985, the Board of Chosen Freeholders unanimously approved the creation of the Monmouth County Reclamation Center Utility to operate the County landfill and various recycling and reclamation programs. The Reclamation Center Utility is currently a self-liquidating utility under the Local Bond Law and its activity has been shown as a separate fund in each year beginning with calendar year 1985. See "Reclamation Center Utility Fund - Statement of Operations and Change in Fund Balance (2004-2008)" herein.

Solid Waste Disposal

The County presently uses solid waste processing and landfill facilities at the Monmouth County Reclamation Center (MCRC) in Tinton Falls for disposal of non-hazardous solid waste generated in the County that is not recycled. Although some County waste is disposed at out-of-state landfills since federal court decisions dismantled the New Jersey "waste flow control" regulations, the MCRC still accepts most solid waste from local businesses and municipalities. The MCRC accepted 440,922 tons during 2008 and, at current monthly deliveries, is expected to accept a similar amount during 2009. Much of the waste has been shredded since the MCRC opened in 1976, making more efficient use of the available capacity. A Materials Processing and Recovery Facility (MPRF) began operation in December 1996, and now accepts all municipal and bulky waste brought to the facility. Trucks dump regular and bulky waste in separate areas of an enclosed building, where waste is inspected, and some recyclables removed, before waste is baled. Bulky waste is crushed and transferred to an out-of-state landfill. A new Phase III landfill

area opened in August 1997, designed specifically as a balefill. With its new landfill space and MPRF operation, and bulky waste transfer operation, sufficient landfill capacity will be available for the County past the year 2017. This landfill capacity and facility have been included in the Monmouth County Solid Waste Management Plan, and certified by the Commissioner of the New Jersey Department of Environmental Protection (the "NJDEP"). The Phase III Landfill and MPRF have received all necessary permits from the NJDEP. The County has also opened a permanent "Household Hazardous Waste Facility" adjacent to the landfill, to complement existing efforts to keep potentially toxic household paints and chemicals from reaching the landfill.

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

Transportation

The County's transportation network provides convenient access to destinations within New Jersey and the major cities beyond: New York, Boston, Philadelphia and Washington, D.C. There are in excess of 2,700 highway miles in Monmouth County. The Garden State Parkway runs the length of the County with seven interchanges located in the County. State Highways 9, 18, 33, 34, 35, 36 and 79 and Interstate 195 traverse the County. Other transportation facilities include the New Jersey coast railroad line with fourteen stations, a network of local and regional bus services, ferry service to New York City, and the Monmouth County Executive Airport. The Monmouth County Executive Airport has all weather flight capabilities and serves as a base for business travel.

III. FINANCIAL INFORMATION

County Taxes

County taxes are collected by the constituent municipalities and are paid to the County Treasurer. The municipal levy includes all county, school and municipal taxes.

Each municipality is required to pay to the County Treasurer its share of the County Purpose Tax on the fifteenth day of February, May, August and November of each year. The County receives its share of the taxes collected by each municipality from the first taxes collected. The County has received 100% of its tax levy for each of the last five years.

CAP Limitations

N.J.S.A. 40A:4-45.4 et seq., commonly referred to as the “CAP Law”, places a limit on county tax levies. The increase in the County tax levy is either 2.5% or the cost-of-living adjustment, whichever is less, of the previous year’s tax levy, subject to certain exceptions. However, N.J.S.A. 40A:4-45.14 limits increases in county tax levies to a maximum of 3.5% only when the governing body acts to increase capped tax levies to that limit. The cost-of-living adjustment is defined as the annual percentage increase, rounded to the nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the year preceding the current year. The cost-of-living adjustment for 2009 is 6.50%. In addition, new legislation was enacted during 2007 known as the tax levy CAP under N.J.S.A. 40A:4-45.44 et seq. requiring the calculation of another limitation (a 4% limitation) on county and municipal tax levies. The new CAP calculation is subject to various adjustments, such as the value of increased assessments and other modifications. The law also allows the Local Finance Board to grant waivers for extraordinary circumstances (some of which are defined in the law). Starting with calendar year 2008, counties had to calculate both formulas and are limited to the amount that provides the lesser tax levy.

Assessed Valuation of Real Property and Equalized Valuations Taxable and Tax Rates

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Net Valuation Divided by Equalized Valuation</u>	<u>Valuations as Equalized</u>	<u>Tax Rate Per \$100</u>
2005	\$ 65,515,271,859	72.68	\$ 90,137,099,466	0.299560815
2006	70,973,216,180	67.57	105,034,059,265	0.266087398
2007	87,315,329,030	73.15	119,359,170,505	0.240657102
2008	91,600,065,288	71.89	127,408,793,979	0.225699847
2009	106,245,689,388	82.34	129,032,178,878	0.228457858

Source: Abstract of Ratables County of Monmouth

Distribution of Assessed Valuation

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Vacant Land	\$ 1,299,927,319	\$ 1,450,018,215	\$ 1,890,326,965	\$ 1,939,743,990	\$ 2,032,658,100
Residential	53,934,369,834	57,987,104,041	71,996,304,967	75,608,544,008	87,639,645,250
Farm Regular	437,114,900	547,263,000	648,209,100	664,923,650	775,852,100
Farm Qualified	28,297,015	28,365,615	28,791,400	29,084,900	28,127,200
Commercial	7,588,884,440	8,460,769,015	9,933,979,740	10,347,047,120	12,457,546,650
Industrial	872,367,350	993,688,150	1,054,549,300	1,041,586,900	1,127,627,600
Apartments	<u>1,195,603,600</u>	<u>1,362,558,500</u>	<u>1,609,606,500</u>	<u>1,811,064,800</u>	<u>1,957,642,900</u>
	<u>\$65,356,564,458</u>	<u>\$70,829,766,536</u>	<u>\$87,161,767,972</u>	<u>\$91,441,995,368</u>	<u>\$106,019,099,800</u>

Source: Abstract of Ratables, County of Monmouth.

Note: Difference between Assessed Valuation and Net Valuation Taxable is the "Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies" (c.138, L.1966).

List of Monmouth County Twelve Largest Taxpayers as of December 31, 2008

<u>Owner of Record</u>	<u>Property Location</u>	<u>2008 Total Assessed Value</u>	<u>2008 Tax Rate Per \$100</u>	<u>Total 2008 Taxes</u>
1. Freehold Mall				
American Multi-Cinema, Inc.	Freehold Township	\$ 12,557,600	3.497	\$ 439,139.27
EF Partners LLC c/o Sady Greens Revoc.	Freehold Township	7,181,000	3.497	251,119.57
Freemall Associates, LLC	Freehold Township	167,668,500	3.497	5,863,367.45
Galyans Sports & Outdoor	Freehold Township	6,810,500	3.497	238,163.19
HD Development of Maryland, Inc.	Freehold Township	9,380,800	3.497	328,046.58
JC Penney Properties, Inc.	Freehold Township	5,890,400	3.497	205,987.29
LT Propco LLC c/o NRDC Equity Partner	Freehold Township	5,163,400	3.497	180,564.10
Macy's East, Inc.	Freehold Township	9,969,600	3.497	348,636.91
Nordstrom, Inc.	Freehold Township	6,945,100	3.497	242,870.15
Office Depot, Inc. c/o Kramer	Freehold Township	2,589,500	3.497	90,554.82
State St. Bank & Trust Co. Of Conn.	Freehold Township	9,300,000	3.497	325,221.00
TRU 2005 RE I, LLC c/o Toys "R" Us	Freehold Township	4,025,000	3.497	140,754.25
Trustees of SRC Facilities	Freehold Township	6,127,100	3.497	214,264.69
				<u>\$8,868,689.27</u>
2. AT& T Corporate Park				
199 Laurel Assoc. c/o Steiner Equity Group	Middletown	\$ 366,000	3.787	\$ 13,860.42
200 Laurel c/o ATT Lease Adm	Middletown	142,529,300	3.787	5,397,584.59
Four Ponds c/o CB R Ellis Inc.	Middletown	30,000,000	3.787	1,136,100.00
				<u>\$6,547,545.01</u>
3. Monmouth Mall				
Eatontown Monmouth Mall LLC	Eatontown	\$202,500,000	1.678	\$3,397,950.00
Lord & Taylor May Stores #57	Eatontown	16,000,000	1.678	268,480.00
Macy's East Federated Dept. Stores	Eatontown	25,000,000	1.678	419,500.00
JC Penney 1150-0 Property Tax Office	Eatontown	20,000,000	1.678	335,600.00
				<u>\$4,421,530.00</u>
4. Assisted Living Facility				
Tinton Falls Campus, LLC c/o Seabrook	Tinton Falls	\$194,256,000	1.679	\$3,261,558.24

	<u>Owner of Record</u>	<u>Property Location</u>	<u>2008 Total Assessed Value</u>	<u>2008 Tax Rate Per \$100</u>	<u>Total 2008 Taxes</u>
5.	Seaview Square Mall Seaview Square, LLC c/o Investment Int'l Sears, Roebuck & Co. D/768Tax, B2107A	Ocean Township Ocean Township	\$100,000,000 22,517,600	1.799 1.799	\$1,799,000.00 405,091.62 <u>\$2,204,091.62</u>
6.	New Jersey Sports & Exposition Auth New Jersey Sports & Exposition Auth	Oceanport	\$115,996,200	1.411	\$1,636,706.38
7.	International Flavors & Fragrances International Flavors & Fragrances	Union Beach	\$ 43,364,500	2.909	\$1,261,473.31
8.	Belcore Research Facility One Rvr.Assoc. c/o Mack-Cali Realty Corp.	Middletown	\$ 31,640,100	3.787	\$1,198,210.59
9.	Lucent Technologies LTI NJ Finance LLC NS-MPG Inc. c/o Lucent Technologies NS-MPG Inc. c/o Lucent Technologies	Holmdel Holmdel Holmdel	\$ 56,151,700 4,134,900 5,865,800	1.556 1.556 1.556	\$ 873,720.45 64,339.04 91,271.85 <u>\$1,029,331.34</u>
10.	Shopping Center Caydenzar c/o Denholtz Assoc. Holmdel Commons, LLC c/o Kimco Realty	Holmdel Holmdel	\$ 8,683,900 56,178,500	1.556 1.556	\$ 135,121.48 874,137.46 <u>\$1,009,258.94</u>
11.	Shopping Center JDN Real Estate Freehold LP (Sams Club) JDN Real Estate Freehold LP (Walmart) JDN Real Estate Freehold LP	Freehold Township Freehold Township Freehold Township	\$ 11,913,300 10,791,800 5,707,500	3.497 3.497 3.497	\$ 416,608.10 377,389.25 199,591.28 <u>\$ 993,588.63</u>
12.	Shopping Center Kimco Realty Corporation	Holmdel	\$ 59,385,600	1.556	\$ 924,039.94

Source: Monmouth County Board of Taxation (March 25, 2009).

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

The foundation of the New Jersey local finance system is the annual budget. Every local unit must adopt an operating budget in the form required by the Division of Local Government Services, New Jersey Department of Community Affairs (the "Division"). Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division ("Director") prior to final adoption of the budget. The budget law requires each local unit to

appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

Tax anticipation notes are limited in amount by law and must be paid off in full by a county within six months of the close of the fiscal year. The County has no tax anticipation notes outstanding and presently does not anticipate issuing such notes.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The budgets of local units must be in balance; i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22).

If in any year a county's expenditures exceed its realized revenues for that year, then such (deficit) must be raised in the succeeding year's budget.

Miscellaneous Revenues

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

No budget or amendment thereof shall be adopted unless the Director shall have previously certified approval thereof, with the exception of the inclusion of categorical grants-in-aid contracts for their face amount with an offsetting appropriation.

Deferral Of Current Expenses

Emergency appropriations made under N.J.S.A. 40A:4-46, after the adoption of the budget and the determination of the tax rate, may be authorized by the Board of Freeholders. However, with minor exceptions set forth below, such appropriations must be included in full in the following year's budget.

The exceptions are certain enumerated quasi-capital projects such as ice, snow, and flood damage, repair to streets, roads, and bridges, which may be amortized over three years, and tax map preparation, revision of ordinances, and master plan preparations, which may be amortized over five years.

Under the amended "CAP" law, emergency resolutions aggregating less than 3% of the previous year's final current operating appropriations may be raised in that portion of the budget

outside the “CAP” if approved by at least two-thirds of the members of the Board of Freeholders and the Director of the Division of Local Government Services. Emergency resolutions that aggregate more than 3% of the previous year’s final current operating appropriations must be raised within the “CAP”. Emergency resolutions for debt service, capital improvements, the County’s share of Federal or State grants and other statutorily permitted items are outside the “CAP”.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited until the last two months of the year. Subaccounts (line items) within an appropriation are not subject to the same year-end transfer restriction; however, they are subject to internal review and approval.

Capital Budget

In accordance with the local budget law, each local unit must adopt and annually revise a six-year capital program budget. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the Board of Freeholders setting forth the items and the method of financing or from the annual operating budget if the items were detailed. See “Anticipated Capital Needs” herein.

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

This law regulates the nonbudgetary financial activities of local governments. The chief financial officer of every local unit must file annually with the Director a verified statement of the financial condition of the local unit. The County’s statement is on file with the Clerk of the Board of Freeholders.

An independent examination of the County’s financial statements must be performed annually by a registered municipal accountant. The audit, conforming to the Division of Local Government Services “Requirements of Audit,” includes recommendations for improvement of the local unit’s financial procedures and must be filed with the Director within six months after the close of its fiscal year. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion.

The report of McEnerney, Brady & Company, LLC, the County’s independent auditor, for the calendar year ending December 31, 2008 appears in Appendix A to this Official Statement.

Statement of Operations and Changes in Fund Balance – Current Fund (2004-2008)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues and Other Additions:					
Fund Balance Utilized	\$ 41,000,000	\$ 42,000,000	\$ 48,000,000	\$ 48,500,000	\$ 48,500,000
Miscellaneous Revenue					
Anticipated	145,700,910	162,262,787	159,238,090	170,535,152	167,216,523
Miscellaneous Revenue Not					
Anticipated	19,729,814	19,473,201	20,681,166	21,588,882	26,436,981
Receipts from Current Taxes	260,752,374	269,650,000	278,540,000	286,504,000	286,504,000
Other Credits to Revenue	373,149	168,665	33,020	139,088	466,658
Unexpended Balance of					
Appropriations Lapsed	<u>11,209,366</u>	<u>11,872,567</u>	<u>13,275,303</u>	<u>14,160,639</u>	<u>14,544,598</u>
Total Revenues and Other					
Additions	\$478,765,613	\$505,427,220	\$519,767,581	\$541,427,764	\$543,668,760
Expenditures:					
Budget Appropriations*	\$434,735,137	\$457,217,441	\$471,096,694	\$491,497,123	\$498,848,289
Other Charges	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	\$434,735,137	\$457,217,441	\$471,096,694	\$491,497,123	\$498,848,289
Excess in Revenue	44,030,476	48,209,779	48,670,886	49,930,640	44,820,471
Adjustment to Income Before					
Surplus: Emergency	--	300,000	--	--	25,000
Authorization					
Fund Balance, January 1	<u>75,661,587</u>	<u>78,692,063</u>	<u>85,201,841</u>	<u>85,872,728</u>	<u>87,303,368</u>
	119,692,063	127,201,842	133,872,728	135,803,368	132,148,839
Decreased by:					
Utilized as Anticipated Revenue	<u>41,000,000</u>	<u>42,000,000</u>	<u>48,000,000</u>	<u>48,500,000</u>	<u>48,500,000</u>
Fund Balance, December 31	<u>\$78,692,063</u>	<u>\$85,201,842</u>	<u>\$85,872,728</u>	<u>\$87,303,368</u>	<u>\$83,648,839</u>
Fund Balance, as a percentage					
of Total Expenditures	18.10%	18.63%	18.23%	17.76%	16.77%
* Paid or Charged	\$419,662,587	\$438,519,331	\$453,427,198	\$473,278,798	\$484,870,147
Appropriation Reserves	14,874,204	18,697,692	17,669,495	18,214,953	13,974,235
Current Appropriations Cancelled	<u>198,346</u>	<u>418</u>	<u>-</u>	<u>3,371</u>	<u>3,907</u>
	\$434,735,137	\$457,217,441	\$471,096,694	\$491,497,123	\$498,848,289

Current Fund operating results reflect a policy of conservatively estimating revenues and closely controlling expenditures. As a result, fund balances have been utilized less than the budgeted amounts. Fund balance, as a percentage of expenditures, has ranged in recent years from 16.77% in 2008 to 18.63% in 2005, while the tax levy has remained stable. In fact, since 2004 the average annual property tax increase has been 2.38%, below the corresponding rates of inflation. Revenue growth is expected to continue through 2009, albeit at a slower pace, as a result of the recession.

Five Year Summary of Current Fund Budget and Actual Results

	2004		2005		2006		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:										
County Clerk	\$ 15,325,000	\$ 21,712,982	\$ 19,825,000	\$ 19,262,801	\$ 18,871,000	\$ 20,399,541	\$ 17,755,000	\$ 16,252,266	\$ 15,700,000	\$ 14,992,200
Interest on Investments	3,700,000	4,600,829	3,700,000	10,472,163	7,500,000	17,022,147	10,500,000	16,521,581	11,500,000	9,878,267
Parks & Recreation	5,800,000	6,436,515	6,300,000	6,306,851	6,300,000	6,696,673	6,500,000	7,027,329	7,000,000	7,076,760
Medical Homes	21,650,000	23,864,837	22,800,000	23,305,117	22,500,000	25,210,171	23,400,000	24,256,251	23,350,000	23,831,125
Division of Social Services	19,525,000	22,796,087	19,550,000	27,757,804	21,050,000	25,408,548	23,500,000	26,768,972	26,500,000	28,075,031
State of N.J. - Social Service Reimbursement	16,235,451	16,235,451	17,249,056	17,249,056	19,526,031	19,526,031	18,746,227	18,746,227	21,130,952	21,130,952
State of N.J. - Inmate Reimbursement	1,000,000	1,809,535	1,800,000	2,006,605	2,000,000	2,477,497	2,450,000	2,337,289	2,300,000	897,201
State of N.J. - Remaining Aid	3,415,014	3,716,014	3,299,921	3,644,530	3,666,870	4,017,211	3,505,193	3,853,644	3,285,241	3,629,368
State & Federal Grants	29,465,317	29,465,317	30,914,506	30,914,506	23,815,470	23,815,470	30,584,642	30,584,642	28,336,524	28,336,524
Miscellaneous Revenue	16,866,981	34,793,157	19,828,958	40,816,555	19,327,324	35,345,968	19,552,062	45,775,835	24,716,572	55,806,076
Fund Balance Utilized	41,000,000	41,000,000	42,000,000	42,000,000	48,000,000	48,000,000	48,500,000	48,500,000	48,500,000	48,500,000
County Tax Levy	260,752,374	260,752,374	269,650,000	269,650,000	278,540,000	278,540,000	286,504,000	286,504,000	286,504,000	286,504,000
TOTAL REVENUES	\$434,735,137	\$467,183,098	\$456,917,441	\$493,385,988	\$471,096,695	\$506,459,257	\$491,497,124	\$527,128,036	\$498,823,289	\$528,657,504
Appropriations:										
General Government	\$ 24,624,574	\$ 23,278,391	\$ 26,446,021	\$ 25,516,861	\$ 27,070,645	\$ 25,276,690	\$ 28,233,385	\$ 26,558,715	\$ 29,339,837	\$ 27,747,235
Public Works & Engineering	30,342,779	29,180,304	30,369,986	28,897,265	30,640,339	29,548,387	32,707,198	31,619,731	33,532,094	32,091,766
Health & Human Services	88,278,190	84,641,414	92,742,015	88,215,166	97,144,461	93,326,878	97,464,230	92,398,083	102,235,679	96,904,251
Education	38,412,359	38,042,360	39,482,971	39,101,736	41,312,423	40,879,829	43,236,284	43,081,350	45,125,696	44,974,986
Parks & Recreation	18,291,867	18,166,548	19,238,294	19,074,508	19,095,842	18,886,613	19,019,919	18,852,243	19,376,519	19,132,523
State & Federal Grants	30,915,317	30,446,573	32,214,506	31,968,505	25,115,470	24,897,888	31,884,642	31,645,980	29,636,524	29,479,291
Capital Improvements	12,721,000	11,478,553	15,492,000	13,021,489	12,957,000	11,458,188	13,046,000	9,994,599	7,679,495	6,890,688
Debt Service	45,254,276	45,055,930	45,882,310	45,881,893	46,396,689	46,396,689	47,976,840	47,973,468	47,569,624	47,565,718
Statutory Expenditures	15,600,000	15,132,226	14,300,000	12,298,643	21,175,000	19,906,965	22,500,000	21,829,599	28,025,000	27,723,180
Unclassified/Contingent	500,000	420,962	800,000	780,398	957,731	949,239	1,162,641	1,071,923	1,050,525	1,043,839
Public Safety	78,484,244	77,379,002	83,809,947	82,335,061	86,405,622	85,274,140	89,949,605	88,473,764	92,305,832	91,092,722
Land Use Administration	1,570,008	1,517,516	1,618,115	1,565,742	1,571,318	1,556,691	1,624,869	1,593,017	1,731,971	1,659,455
Code Enforcement	368,878	367,532	381,276	377,667	393,680	366,193	383,060	351,973	346,660	340,983
Insurance	40,690,000	37,072,310	45,365,000	41,458,750	49,985,000	44,768,497	51,189,000	47,374,460	48,310,000	46,196,843
Utility Expenses	8,681,645	7,482,966	9,075,000	8,025,647	10,575,475	9,634,312	11,119,451	10,459,893	12,582,833	12,026,667
Deferred Charges	-0-	-0-	-0-	-0-	300,000	300,000	-0-	-0-	-0-	-0-
TOTAL APPROPRIATIONS	\$434,735,137	\$419,662,587	\$457,217,441	\$438,519,331	\$471,096,695	\$453,427,199	\$491,497,124	\$473,278,798	\$498,848,289	\$484,870,147
Excess in Revenues		\$47,520,511		\$54,866,657		\$53,032,058		\$53,849,238		\$43,787,357
Appropriation Reserve		14,874,204		18,697,692		17,669,496		18,214,953		13,974,236
Excess in Revenues, Net		\$32,646,307		\$36,168,965		\$35,362,562		18,214,953		\$29,813,121
Other Credits to Income:		-0-		-0-		-0-		-0-		-0-
Refund of Prior Year Loan to Grant Fund		-0-		11,872,567		13,275,304		14,160,639		\$14,544,598
Unexpended Balance of Previous Year		-0-		300,000		-0-		-0-		25,000
Appropriation Reserve		-0-		168,247		33,020		135,716		462,752
Emergency Authorization		174,803		\$48,509,779		\$48,670,886		\$49,930,640		\$44,845,471
Other		\$44,030,476								
Total Excess in Revenues, Net + Other										
Credits to Income		34,661,587		36,692,063		37,201,842		37,372,728		\$38,803,368
Fund Balance, Beginning of Year		\$78,692,063		\$85,201,842		\$85,872,728		\$87,303,368		\$83,648,839
Fund Balance, End of Year										

Comparative County Budgets

	<u>2008⁽¹⁾</u>	<u>2009⁽²⁾</u>
Anticipated Revenues:		
Fund Balance Utilized	\$ 48,500,000	\$ 44,850,000
State Aid	50,304,003	48,973,611
State and Federal Grants	10,627,235	12,031,302
Miscellaneous Revenue	85,178,762	86,861,087
County Tax Levy	<u>286,504,000</u>	<u>294,784,152</u>
Total Anticipated Revenues	<u>\$481,114,000</u>	<u>\$487,500,152</u>
Appropriations:		
Operations	\$397,864,881	\$403,829,440
Capital Improvements	7,679,495	3,100,000
Debt Service	47,569,624	48,095,712
Pension Contributions and Social Security Taxes	28,000,000	32,450,000
Deferred Charges	<u>--</u>	<u>25,000</u>
Total Appropriations	<u>\$481,114,000</u>	<u>\$487,500,152</u>

(1) The 2008 County Budget was adopted by the Board of Chosen Freeholders on March 6, 2008.

(2) The 2009 County Budget was adopted by the Board of Chosen Freeholders on March 26, 2009.

**Statements of Operations and Changes in Fund Balance –
Reclamation Center**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>REVENUES</u>					
Fund Balance	\$18,100,000	\$17,100,000	\$17,500,000	\$17,500,000	\$28,000,000
Grant	--	650,948	--	--	1,129,849
Utility Fees	28,940,504	30,363,009	31,505,608	30,658,261	28,888,585
Miscellaneous Revenue Not Anticipated	1,240,803	2,851,985	4,166,300	4,752,620	3,666,176
Other Income	9,826	11,694,678	3,753,383	272,069	261,647
Unexpended Appropriations	4,836,835	4,741,091	4,284,270	6,672,856	7,057,989
Total Revenue	<u>\$53,127,968</u>	<u>\$67,401,711</u>	<u>\$61,209,562</u>	<u>\$59,855,808</u>	<u>\$69,004,246</u>
<u>EXPENDITURES</u>					
Operations with Reserves	\$30,488,906	\$35,876,128	\$33,676,062	\$35,191,310	\$49,490,491
Other Expenditures and Commitments	--	4,232	1	--	--
Total Expenditures	<u>\$30,488,906</u>	<u>\$35,880,360</u>	<u>\$33,676,063</u>	<u>\$35,191,310</u>	<u>\$49,490,491</u>
Net Revenues	<u>\$22,639,062</u>	<u>\$31,521,351</u>	<u>\$27,533,498</u>	<u>\$24,664,498</u>	<u>\$19,513,755</u>
Debt Service	<u>3,384,591</u>	<u>3,274,820</u>	<u>3,823,937</u>	<u>3,808,689</u>	<u>3,639,358</u>
Change in Fund Balance	\$19,254,471	\$28,246,531	\$23,709,561	\$20,855,808	\$15,874,397
Fund Balance, January 1	<u>\$21,806,209</u>	<u>\$22,960,680</u>	<u>\$34,107,210</u>	<u>\$40,316,772</u>	<u>43,672,580</u>
	\$41,060,680	\$51,207,211	\$57,816,772	\$61,172,580	59,546,977
Utilized as Revenue	18,100,000	17,100,000	17,500,000	17,500,000	28,000,000
Fund Balance, December 31	<u><u>\$22,960,680</u></u>	<u><u>\$34,107,211</u></u>	<u><u>\$40,316,772</u></u>	<u><u>\$43,672,580</u></u>	<u><u>\$31,546,977</u></u>

Anticipated Capital Needs

The Board of Freeholders annually adopts a six-year capital improvement program setting forth its anticipated capital expenditures during that period. The program amended and adopted by the Board of Freeholders on May 14, 2009 calls for expenditures of \$613,511,000 through the year 2014. Of this \$613,511,000 total, \$144,156,000 is anticipated to be paid from cash and Federal and State grants; the remaining \$469,355,000 will be financed by the issuance of bond anticipation notes or bonds of the County. Many of the projects represented in the capital improvement program have not received a funding commitment from the Board of Freeholders and their inclusion in the program represents a planning mechanism for future decisions of the Board.

Investment of Funds

The Director of Finance is responsible for the investment of funds for the County. Permitted investments for local governmental units in New Jersey pursuant to New Jersey Statute 40A:5-15.1 (the "Statute") are presented below:

1. Bonds or other obligations of the US or obligations guaranteed by the US.
2. Government money market mutual funds.
3. Fixed rate obligations issued by federal agency or federal instrumentality in accordance with an act of Congress, with maturity of not more than 397 days.
4. Bonds or other obligations of Monmouth County or of school districts within Monmouth County.
5. Bonds or other obligations with maturity of not more than 397 days, approved by the Division of Investment of the Department of the Treasury for investment by local units.
6. Local government investment pools, as defined by the Statute.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c.281 (C.52:18A-90.4).
8. Repurchase agreements fully collateralized by securities outlined in (1) and (3) above, with custody of collateral transferred to a third party, maturity not exceeding 30 days, underlying securities purchased through a public depository and an executed master repurchase agreement providing for the custody and security of collateral.

The composition of the County's current portfolio, as of August 15, 2009, is presented in the table below:

<u>Type of Security</u>	<u>Amount</u>	<u>Percent</u>
Bank Money Market Accounts	\$306,413,422	88.7%
Taxable Bond/Tax Anticipation Notes ⁽¹⁾	39,000,000	11.3

None of the County's investments have a maturity date of more than 397 days from the date of purchase.

⁽¹⁾Local Bond/Tax Anticipation Notes approved for purchase by the Director, Division of Investments, Department of Treasury, State of New Jersey.

Pension Funds

County employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions; Treasury Department of the State of New Jersey. The three plans are: The Public Employees' Retirement System, the Police and Firemen's Retirement System, and the Defined Contribution Retirement Program (DCRP) of New Jersey. During 2007, the State through the enactment of P.L. 2007, c. 92 created the DCRP for certain public employees and established its membership requirements. The Division annually charges counties and other participating governmental units for their respective contributions to the plans based upon actuarial methods, except for the new DCRP which is a percentage set by legislation. A portion of the cost is contributed by the employees. The County's share of pension costs, which is based upon the annual billings received from the State, amounted to \$9,107,797 for 2007, \$14,552,605 for 2008, and \$18,508,341 for 2009.

Debt and Financial Management Policies

The Board of Chosen Freeholders adopted debt and financial management policies pursuant to a resolution adopted on September 14, 1995, as amended May 11, 2006. The policies adopted were as follows:

1. The County will annually adopt a six year capital improvement program showing the projected capital expenditures and the source of funding for those expenditures. The County will determine the effect of the projected debt issuance on its net tax-supported debt ratios such as debt to full value, debt per capita, debt to personal income and debt service to revenues.
2. The County will maintain a target of net tax-supported debt service to revenues ratio, excluding debt service on Recreational Facilities Revenue Bonds, of 10%. The target is to be achieved over a period of time, but the maximum level will be 12.0%.
3. The County will maintain a minimum rapidity repayment rate of 70% of its net tax-supported debt to be retired in 10 years.
4. The County's ratio of net tax-supported debt to full value will not exceed 0.75%.
5. The ratio of net tax-supported debt to personal income will not exceed 2.0%.
6. The County will plan to have a minimum ratio of year-end Current Fund Balance to revenues of 7%. This Current Fund Balance policy can be violated in times of fiscal stress as long as the County has a plan to restore the Fund Balance to appropriate levels.

IV. DEBT INFORMATION

Local Bond Law

The Local Bond Law generally governs the issuance of bonds and notes by local units to finance certain capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in either serial or sinking fund installments. A five percent cash down payment is generally required toward the financing of capital expenditures. All bonds and notes issued by the County are general ("full faith and credit") obligations.

Debt Limits

The authorized bond indebtedness of the County is limited by statute, subject to the exceptions noted below, to an amount equal to two percent of its average equalized assessed valuation. The equalized valuation basis of the County is set by statute as the average for the last three years, of the equalized value of all taxable real property, together with improvements to such property, and the assessed valuation of Class II railroad property within its boundaries as annually determined by the Director of the Division of Taxation.

Exceptions To Debt Limits - Extensions of Credit

The debt limit of the County may be exceeded with the approval of the Local Finance Board, a state regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the County must apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines, among other things, that a proposed debt authorization would not materially impair the ability of the County to meet its obligations or to provide essential services, or makes other statutory determinations, approval is granted. In addition, debt in excess of the debt limit may be issued by the County under N.J.S.A. 40A:2-7(g) for purposes permitted under the Local Bond Law if the amount (exclusive of utility and assessment obligations) of such obligations and all others authorized pursuant to such provision during the then current fiscal year do not exceed an amount equal to two-thirds of the amount budgeted for the retirement of outstanding obligations. The County's net debt as of August 31, 2009 is 0.3859% of its equalized valuation basis, compared to the statutory debt limit of 2.00%.

Short-Term Financing

The County has the authority to sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance so provides. Under the Local Bond Law, bond anticipation notes, which are full faith and credit obligations of the issuer, may be issued for a period not exceeding one year and may be renewed from time to time, again for a period that does not exceed one year. All bond anticipation notes, including all renewals, must be paid not later than three years from their original date, unless the issuer begins to amortize such notes beginning in the third year. If the appropriate amortization is commenced in the third year, such notes must finally mature, and be paid not later than first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. The County has not issued any short-term debt since September 1997.

Statement of Statutory Net Debt as of August 31, 2009

GROSS DEBT:

General Bonds Issued and Outstanding	\$306,440,000.00
Self-Liquidating Utility	15,290,000.00
County College Bonds Issued and Outstanding	9,310,000.00
County Vocational Bonds Issued and Outstanding	1,099,236.17
NJDEP-Green Trust Program	5,069,679.68
Installment Purchase Agreement Notes Payable	<u>2,655,000.00</u>
	\$339,863,915.85

BONDS/NOTES AUTHORIZED:

General Improvements:

Notes Issued	-0-
Authorized but not Issued	\$345,587,000.00

Self-Liquidating Utility:

Notes Issued	-0-
Authorized but not Issued	-0- <u>345,587,000.00</u>

TOTAL GROSS DEBT

\$685,450,915.85

LESS: STATUTORY DEDUCTIONS:

Guaranty Equipment Lease Program - M.C.I.A.	49,660,000.00 ⁽¹⁾	
Gov't Loan Refunding Revenue Bonds - M.C.I.A.	8,380,000.00 ⁽¹⁾	
Guaranty Lease Revenue Bonds - BCC - M.C.I.A.	40,540,000.00 ⁽¹⁾	
Guaranty Pooled Loan Program - M.C.I.A.	40,075,000.00 ⁽¹⁾	
County College Bonds	9,310,000.00 ⁽²⁾	
Self-Liquidating Utility	15,290,000.00 ⁽³⁾	
Open Space Acquisition Bonds	44,245,000.00 ⁽⁴⁾	
IPA Cash on Hand (Market Value)	299,485.85 ⁽⁵⁾	207,799,485.85

STATUTORY NET DEBT

\$477,651,430.00

Three-Year Average (2006-2008)
Equalized Valuation of Real
Property (Pursuant to
N.J.S.A. 15:1-35.1)

\$123,766,688,201.00

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

0.3859%

Debt Limitation Per N.J.S.A. 40A:2-6
(Counties) 2% of Three-Year Average
Equalized Valuation

\$2,475,333,764.02

Total Net Debt

477,651,430.00

Remaining Net Debt Capacity

\$1,997,682,334.02

(1) The County has unconditionally guaranteed \$49,660,000 M.C.I.A. Capital Equipment Pooled Lease Revenue Bonds, \$8,380,000 M.C.I.A. Governmental Loan Refunding Revenue Bonds, \$40,540,000 M.C.I.A. Lease Revenue Bonds For Brookdale Community College and \$40,075,000 M.C.I.A. Governmental Pooled Loan Revenue Bonds. The guaranty is an allowable deduction from gross debt pursuant to the Local Bond Law and the County Improvement Authorities Law (N.J.S.A. 40:37A-80).

(2) The County College Bonds are an allowable deduction pursuant to the County College Bond Act (N.J.S.A. 18A:64A-22.4).

(3) The MCRC indebtedness is an allowable deduction for self-liquidating purposes pursuant to the Local Bond Law (N.J.S.A. 40A:2-44 (c)).

(4) The Open Space Acquisition Bonds are an allowable deduction pursuant to Local Bond Law (N.J.S.A. 40A:2-44(h)).

(5) The cash on hand to retire one of the IPA Notes Payable is an allowable deduction pursuant to the Local Bond Law (N.J.S.A. 40A:2-44(f)).

Schedule of Debt Service as of December 31, 2008

Year	General	County College	Vocational School	NJDEP Green Trust	Total Principal	Interest	Total	Principal Reclamation Center	Interest Reclamation Center	Total Including Reclamation Center
2009	\$ 30,085,000.00	\$ 2,670,000.00	\$ 258,927.61	\$1,262,651.61	\$ 34,276,579.22	\$14,299,989.10	\$ 48,576,568.32	\$ 2,790,000.00	\$ 721,275.00	\$ 52,087,843.32
2010	29,050,000.00	1,950,000.00	264,916.11	1,288,030.94	32,552,947.05	12,962,292.70	45,515,239.75	2,750,000.00	587,125.00	48,852,364.75
2011	30,130,000.00	1,960,000.00	271,214.09	1,007,468.88	33,368,682.97	11,518,083.69	44,886,766.66	1,200,000.00	461,200.00	46,547,966.66
2012	33,110,000.00	1,360,000.00	277,993.62	1,027,719.01	35,775,712.63	10,108,048.79	45,883,761.42	1,550,000.00	406,700.00	47,840,461.42
2013	31,285,000.00	895,000.00	285,112.36	751,278.66	33,216,391.02	8,660,271.49	41,876,662.51	1,550,000.00	340,950.00	43,767,612.51
2014	29,270,000.00	900,000.00	-	346,625.85	30,516,625.85	7,300,801.43	37,817,427.28	1,550,000.00	271,450.00	39,638,877.28
2015	27,450,000.00	900,000.00	-	162,069.11	28,512,069.11	5,980,073.61	34,492,142.72	1,550,000.00	201,150.00	36,243,292.72
2016	25,410,000.00	450,000.00	-	-	25,860,000.00	4,760,571.25	30,620,571.25	1,600,000.00	128,800.00	32,349,371.25
2017	19,990,000.00	450,000.00	-	-	20,440,000.00	3,707,802.50	24,147,802.50	1,600,000.00	54,800.00	25,802,602.50
2018	18,150,000.00	-	-	-	18,150,000.00	2,791,927.50	20,941,927.50	-	-	20,941,927.50
2019	15,530,000.00	-	-	-	15,530,000.00	2,077,790.00	17,607,790.00	-	-	17,607,790.00
2020	15,705,000.00	-	-	-	15,705,000.00	1,429,520.00	17,134,520.00	-	-	17,134,520.00
2021	11,235,000.00	-	-	-	11,235,000.00	829,918.75	12,064,918.75	-	-	12,064,918.75
2022	8,470,000.00	-	-	-	8,470,000.00	433,862.50	8,903,862.50	-	-	8,903,862.50
2023	2,180,000.00	-	-	-	2,180,000.00	87,200.00	2,267,200.00	-	-	2,267,200.00
	<u>\$327,050,000.00</u>	<u>\$11,535,000.00</u>	<u>\$1,358,163.79</u>	<u>\$5,845,844.06</u>	<u>\$345,789,007.85</u>	<u>\$86,948,153.32</u>	<u>\$432,737,161.17</u>	<u>\$16,140,000.00</u>	<u>\$3,173,450.00</u>	<u>\$452,050,611.17</u>

Debt Analysis

	December 31, <u>2004⁽¹⁾</u>	December 31, <u>2005⁽¹⁾</u>	December 31, <u>2006⁽¹⁾</u>	December 31, <u>2007⁽¹⁾</u>	December 31, <u>2008⁽¹⁾</u>
Full Valuation Per Capita	\$127,017.00	\$146,493.00	\$170,704.00	\$193,985.00	\$207,067.00
County Net Debt as a Percentage of Full Value	0.42%	0.39%	0.35%	0.31%	0.33%
County Net Debt Per Capita	\$533.30	\$577.33	\$603.93	\$609.83	\$675.91
Overlapping Net Debt as a Percentage of Full Value	2.28%	2.05%	1.81%	1.62%	1.57%
Overlapping Net Debt Per Capita	\$2,895.15	\$3,005.86	\$3,085.79	\$3,146.44	\$3,245.74

⁽¹⁾ Per capita figures for 2004 through 2008 utilizing 2000 Census Data.

Gross Debt and Net Debt of Constituent Municipalities as of December 31, 2008

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Aberdeen Township	\$19,356,745.70	\$14,368,813.98	\$23,273,215.81	\$19,356,745.70	\$14,368,813.98	\$	\$23,273,215.81	\$2,171,933,438.33	1.0715%
Allenhurst Borough	0.00	138,233.00	2,023,181.00	0.00	138,233.00	0.00	2,023,181.00	540,381,694.00	0.3744%
Allentown Borough	10,170,919.00	5,394,356.00	2,366,236.00	10,170,919.00	5,394,356.00	340,015.00	2,026,221.00	209,362,251.00	0.9678%
Asbury Park City	10,046,963.00	29,263,561.00	11,027,393.00	10,046,963.00	29,263,561.00	0.00	11,027,393.00	1,328,705,564.00	0.8299%
Atlantic Highlands Borough	8,360,571.00	14,688,870.00	12,600,717.00	8,360,571.00	14,688,870.00	729,833.00	11,870,884.00	859,886,043.00	1.3805%
Avon-By-The-Sea Borough	6,955,000.00	3,228,824.00	4,810,928.00	6,955,000.00	808,158.00	0.00	7,231,594.00	995,082,194.00	0.7267%
Belmar Borough	3,958,266.00	3,700,079.00	10,728,769.00	3,958,266.00	3,700,079.00	680,925.00	10,047,844.00	1,716,700,296.00	0.5853%
Bradley Beach Borough	1,968,000.00	2,434,231.00	7,966,914.00	1,968,000.00	2,434,231.00	121,980.00	7,844,934.00	1,117,018,710.00	0.7023%
Brielle Borough	5,140,000.00	1,339,823.00	1,751,263.00	5,140,000.00	937,378.00	0.00	2,153,708.00	1,544,936,296.00	0.1394%
Colts Neck Township	26,134,344.00	0.00	15,187,667.00	26,134,344.00	0.00	4,567,650.00	10,620,017.00	3,364,917,049.00	0.3156%
Deal Borough	0.00	961,850.00	5,463,032.00	0.00	0.00	0.00	6,424,882.00	2,569,973,704.00	0.2500%
Eatontown Borough	30,353,063.00	0.00	15,294,225.00	30,353,063.00	0.00	6,198,607.00	9,095,618.00	2,481,084,465.00	0.3666%
Englishtown Borough	2,292,608.00	1,145,000.00	735,743.00	2,292,608.00	1,145,000.00	0.00	735,743.00	232,334,631.00	0.3167%
Fair Haven Borough	12,321,179.00	0.00	8,463,839.00	12,321,179.00	0.00	14,220.00	8,449,619.00	1,555,702,939.00	0.5431%
Farmingdale Borough	47,830,000.00	1,226,882.00	273,828.00	47,830,000.00	1,226,882.00	0.00	273,828.00	152,729,392.00	0.1793%
Freehold Borough	9,166,494.00	3,121,400.00	9,411,027.00	9,166,494.00	3,121,400.00	1,933,008.00	7,478,019.00	1,219,851,701.00	0.6130%
Freehold Township	64,983,576.00	18,901,079.00	52,340,807.00	64,983,576.00	18,901,079.00	0.00	52,340,807.00	6,362,872,996.00	0.8226%
Hazlet Township	7,455,000.00	2,056,328.00	14,735,907.00	7,455,000.00	234,328.00	859,472.00	15,698,435.00	2,569,112,131.00	0.6110%
Highlands Borough*	4,400,135.00	480,000.00	6,146,979.00	4,400,135.00	480,000.00	196,900.00	5,950,079.00	782,467,351.00	0.7604%

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Holmdel Township	27,610,000.00	1,465,271.00	38,823,628.00	21,610,000.00	1,465,271.00	22,648,604.00	16,175,024.00	4,563,621,140.00	0.3544%
Howell Township	73,792,353.00	10,115,000.00	50,709,000.00	73,792,353.00	6,155,460.00	709,200.00	53,959,340.00	6,886,548,815.00	0.7835%
Interlaken Borough	0.00	0.00	947,965.00	0.00	0.00	134,977.00	812,988.00	288,823,302.00	0.2815%
Keansburg Borough*	5,225,000.00	13,608,000.00	10,214,976.00	5,225,000.00	13,608,000.00	0.00	10,214,976.00	705,436,230.00	1.4480%
Keyport Borough	3,535,000.00	2,383,600.00	13,433,001.00	3,535,000.00	2,383,600.00	214,803.00	13,218,198.00	763,072,932.00	1.7322%
Lake Como Borough*	0.00	0.00	347,555.00	0.00	0.00	0.00	347,555.00	368,285,607.00	0.0944%
Little Silver Borough	12,271,731.00	0.00	6,297,114.00	12,271,731.00	0.00	0.00	6,297,114.00	1,641,878,397.00	0.3835%
Loch Arbour Village	850,465.00	0.00	1,054,562.00	850,465.00	0.00	0.00	1,054,562.00	179,619,361.00	0.5871%
Long Branch City	0.00	0.00	47,868,068.00	0.00	0.00	1,489,091.00	46,378,977.00	4,946,035,229.00	0.9377%
Manalapan Township	61,085,836.00	333,494.00	21,998,506.00	61,085,836.00	333,494.00	5,449,000.00	16,549,506.00	6,190,486,126.00	0.2673%
Manasquan Borough	11,177,000.00	1,685,384.00	10,517,703.00	11,177,000.00	1,685,384.00	0.00	10,517,703.00	2,124,280,125.00	0.4951%
Marlboro Township	51,172,384.00	456,250.00	30,934,969.00	51,172,384.00	456,250.00	2,644,482.00	28,290,487.00	7,496,091,949.00	0.3774%
Matawan Borough	9,386,938.00	7,988,900.00	12,374,934.00	9,386,938.00	7,988,900.00	0.00	12,374,934.00	1,053,266,158.00	1.1749%
Middletown Township	74,275,000.00	1,626,069.00	74,433,041.00	74,275,000.00	1,626,069.00	0.00	74,433,041.00	12,173,604,907.00	0.6114%
Millstone Borough	45,515,000.00	0.00	27,389,757.00	45,515,000.00	0.00	0.00	27,389,757.00	2,083,627,561.00	1.3145%
Monmouth Beach Borough	2,826,000.00	0.00	2,162,495.00	2,826,000.00	0.00	81,245.00	2,081,250.00	1,422,558,615.00	0.1463%
Neptune City Borough	9,070,000.00	393,500.00	2,803,686.00	9,070,000.00	393,500.00	0.00	2,803,686.00	572,219,137.00	0.4900%
Neptune Township	6,484,000.00	8,197,527.00	25,202,118.00	6,484,000.00	7,795,842.00	708,537.00	24,895,266.00	4,022,442,550.00	0.6189%
Ocean Township	26,631,535.00	0.00	23,139,708.00	26,631,535.00	0.00	97,560.00	23,042,148.00	5,624,618,377.00	0.4097%

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Oceanport Borough	2,558,000.00	0.00	5,629,429.00	2,558,000.00	0.00	1,273,649.00	4,355,780.00	1,276,171,254.00	0.3413%
Red Bank Borough	8,630,871.00	10,074,500.00	15,611,449.00	8,630,871.00	10,074,500.00	185,711.00	15,425,738.00	2,250,198,554.00	0.6855%
Roosevelt Borough	353,000.00	2,726,387.00	237,500.00	353,000.00	2,726,387.00	0.00	237,500.00	92,213,472.00	0.2576%
Rumson Borough	13,221,821.00	0.00	18,538,555.00	13,221,821.00	0.00	23,449.00	18,515,106.00	3,588,857,101.00	0.5159%
Sea Bright Borough	0.00	629,500.00	5,694,850.00	0.00	81,186.00	166,949.00	6,076,215.00	855,714,440.00	0.7101%
Sea Girt Borough	0.00	4,856,498.00	3,552,149.00	0.00	4,666,517.00	0.00	3,742,130.00	1,927,026,679.00	0.1942%
Shrewsbury Borough	6,398,650.00	0.00	9,766,338.00	6,398,650.00	0.00	50,720.00	9,715,618.00	1,161,235,262.00	0.8367%
Shrewsbury Township	346,170.00	0.00	1,214,774.00	346,170.00	0.00	0.00	1,214,774.00	77,998,052.00	1.5574%
Spring Lake Borough	1,865,000.00	8,696,006.00	7,754,868.00	1,865,000.00	6,550,444.00	551,498.00	9,348,932.00	3,447,727,005.00	0.2712%
Spring Lake Heights Borough	5,352,047.00	1,102,883.00	2,260,387.00	5,352,047.00	1,102,883.00	0.00	2,260,387.00	1,172,748,266.00	0.1927%
Tinton Falls Borough	13,742,767.00	0.00	29,493,778.00	13,742,767.00	0.00	11,798,769.00	17,695,009.00	3,096,481,485.00	0.5715%
Union Beach Borough*	0.00	1,991,315.74	9,301,036.95	0.00	1,991,315.74	0.00	9,301,036.95	670,021,718.33	1.3882%
Upper Freehold Township	61,760,081.00	0.00	23,574,906.00	61,760,081.00	0.00	5,099,114.00	18,475,792.00	1,271,294,149.00	1.4533%
Wall Township	36,135,000.00	16,466,244.00	39,424,035.00	36,135,000.00	16,466,244.00	0.00	39,424,035.00	6,486,229,794.00	0.6078%
West Long Branch Borough	5,113,000.00	0.00	12,749,614.00	5,113,000.00	0.00	0.00	12,749,614.00	1,438,216,110.00	0.8865%
TOTAL	\$847,277,512.70	\$197,245,658.72	\$790,058,125.76	\$847,277,512.70	\$184,393,615.72	\$68,969,968.00	\$733,940,200.76	\$123,693,702,704.66	0.5934%

* Towns with a fiscal year ending 06/30/08

Other County Obligations

Monmouth County Improvement Authority Correctional Facilities Revenue Bonds

The \$30,330,000 Correctional Facilities Refunding Revenue Bonds, Series 1997 are direct and special obligations of the Monmouth County Improvement Authority ("Authority") secured by a pledge of certain property, which includes the Authority's right to receive rental payments from the County pursuant to the terms and provisions under the Lease and Agreement dated as of August 1, 1991 between the County and the Authority. The County is obligated to pay to the Authority such sums of money constituting lease rentals in amounts necessary to provide for the cost of acquisition and construction of additions and improvements to the existing correctional facilities located in the County, including payment of debt service on bonds associated with the financing of such acquisition and any administrative expenses of the Authority. The lease rental payments representing debt service on said bonds are irrevocably pledged by the Authority for the payment of principal of, or the redemption price, if any, and interest on such bonds. As of August 31, 2009, \$7,475,000 of the bonds were outstanding.

Maturities of Bonds	
<u>Outstanding August 31, 2009</u>	
<u>Date</u>	<u>Amount</u>
2010	\$ 3,645,000
2011	3,830,000

**Monmouth County Improvement Authority
Capital Equipment Pooled Lease
Revenue Bonds**

The \$20,590,000 Capital Equipment Pooled Lease Revenue Bonds, Series 1999, the \$16,885,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2001, the \$16,180,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2003, the \$21,905,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2005, and the \$19,940,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2007 (the "Bonds") are limited obligations of the Authority secured by a pledge of certain property, which includes the Authority's right to receive payments of principal and interest on bonds issued to the Authority ("Local Unit Bonds") to finance the acquisition of equipment for lease to certain governmental units located within the County (the "Local Units"). The principal and interest on each Local Unit Bond is secured by a pledge of lease payments made by the applicable Local Unit pursuant to the terms and provisions of a lease agreement between the Authority and such Local Unit, with respect to the equipment leased by such Local Unit. Payment of principal and interest on each Local Unit Bond is unconditionally and irrevocably guaranteed by each of the Local Units. In addition, payment of principal and interest on each Local Unit Bond is unconditionally and irrevocably guaranteed by the County. As of August 31, 2009, \$40,750,000 of the bonds were outstanding.

**Maturities of Bonds
Outstanding August 31, 2009**

<u>Date</u>	<u>Amount</u>
2009	\$ 9,190,000
2010	7,745,000
2011	6,065,000
2012	5,470,000
2013	4,150,000
2014	2,800,000
2015	2,940,000
2016	1,165,000
2017	1,225,000

Monmouth County Improvement Authority
Governmental Loan Refunding
Revenue Bonds

The \$21,670,000 Governmental Loan Refunding Revenue Bonds, Series 2006 (the “2006 Pooled Loan Bonds”) are limited obligations of the Authority secured by a pledge of certain property, which includes the Authority’s right to receive payments of principal and interest on bonds (the “2006 Borrower Bonds”) issued by certain governmental units located within the County (the “2006 Borrowers”) to refinance various capital improvements of the 2006 Borrowers. The principal and interest on each 2006 Borrower Bond is a direct and general obligation of each respective 2006 Borrower. Payment of principal and interest on the 2006 Pooled Loan Bond is unconditionally and irrevocably guaranteed by the County. As of August 31, 2009, \$8,380,000 of the bonds were outstanding.

Maturities of 2006 Pooled Loan Bonds
Outstanding August 31, 2009

<u>Date</u>	<u>Amount</u>
2/1/2010	\$ 1,055,000
8/1/2010	670,000
2/1/2011	1,050,000
8/1/2011	570,000
2/1/2012	825,000
8/1/2012	580,000
2/1/2013	695,000
8/1/2013	570,000
2/1/2014	690,000
8/1/2014	430,000
2/1/2015	490,000
8/1/2015	290,000
2/1/2016	270,000
8/1/2016	195,000

**Monmouth County Improvement Authority
Governmental Loan Revenue Bonds Series 2008**

The \$40,075,000 Governmental Loan Revenue Bonds, Series 2008 (the “2008 Pooled Loan Bonds”) are limited obligations of the Authority secured by a pledge of certain property, which includes the Authority’s right to receive payments of principal and interest on bonds (the “2008 Borrower Bonds”) issued by certain governmental units located within the County (the “2008 Borrowers”) to refinance various capital improvements of the 2008 Borrowers. The principal and interest on each 2008 Borrower Bond is a direct and general obligation of each respective 2008 Borrower. Payment of principal and interest on the 2008 Pooled Loan Bond is unconditionally and irrevocably guaranteed by the County. As of August 31, 2009, \$40,075,000 of the bonds were outstanding.

Maturities of 2008 Pooled Loan Bonds
Outstanding August 31, 2009

<u>Date</u>	<u>Amount</u>
2009	\$ 1,705,000
2010	1,660,000
2011	1,700,000
2012	1,965,000
2013	2,045,000
2014	2,135,000
2015	2,465,000
2016	2,495,000
2017	2,530,000
2018	2,630,000
2019	2,760,000
2020	2,900,000
2021	2,565,000
2022	2,660,000
2023	2,485,000
2024	1,175,000
2025	1,205,000
2026	1,235,000
2028	1,760,000

**Monmouth County Improvement Authority
Lease Revenue Bonds Series 2008
Brookdale Community College Project**

The \$27,850,000 Lease Revenue Bonds, Series 2008 (Monmouth County Guaranteed) (Brookdale Community College Project) (the “Brookdale Bonds”) are limited obligations of the Authority secured primarily by those revenues of the Authority which are derived by the Authority from rentals to be paid by Brookdale Community College (the “College”) pursuant to a lease agreement, as well as a pledge of certain other property, to provide funds for various improvements to the facilities of the College. Payment of principal and interest on the Brookdale Bonds is unconditionally and irrevocably guaranteed by the County. As of August 31, 2009, \$27,540,000 of the bonds were outstanding.

Maturities of Brookdale Bonds <u>Outstanding August 31, 2009</u>	
<u>Date</u>	<u>Amount</u>
2010	\$ 450,000
2011	465,000
2012	480,000
2013	500,000
2014	515,000
2015	535,000
2016	565,000
2017	590,000
2018	620,000
2019	650,000
2020	685,000
2021	720,000
2022	755,000
2023	795,000
2024	835,000
2026	1,810,000
2028	2,015,000
2031	3,495,000
2038	11,060,000

V. ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

Since 1950, the strategic location of the County in the New York Metropolitan Area and the completion of the Garden State Parkway and State Routes 9, 35 and 36, and to the railroad lines serving the County, have resulted in high population growth. The County's population increased 48.4% from 1950 (225,327) to 1960 (334,401), 38.1% from 1960 to 1970 (461,849), 8.9% from 1970 to 1980 (503,173), 9.9% from 1980 to 1990 (553,124), 11.2% from 1990 to 2000 (615,301) and 7.75% from 2000 to 2008 (662,987 estimate).

Employment

Historic data of private (nongovernmental) employment in the County follow:

PRIVATE EMPLOYMENT

<u>Year</u>	<u>Number of Jobs</u>	<u>Percentage Change</u>
2004	210,910	2.1
2005	213,425	1.2
2006	215,590	1.0
2007	214,899	(0.3)
2008	213,088	(0.8)

Source: New Jersey Department of Labor and Workforce Development.

The economy of Monmouth County, as reflected in the number of jobs/industrial sector, is well diversified. The service industry sector employs the greatest portion of people in the County at 55.9%, with retail trade next at 18.1% and finance, insurance and real estate at 6.9%. A breakdown of the data follows:

EMPLOYMENT BY INDUSTRIAL SECTOR

<u>Sector</u>	<u>Number Employed 2007</u>	<u>Percentage of Total</u>	<u>Number Employed 2008</u>	<u>Percentage of Total</u>
Services	116,163	54.06%	119,173	55.93%
Retail Trade	39,265	18.27	38,588	18.11
Manufacturing	9,387	4.37	9,263	4.35
Finance, Insurance and Real Estate	14,938	6.95	14,688	6.89
Construction	15,587	7.25	14,023	6.58
Wholesale Trade	9,510	4.43	9,234	4.33
Utilities	1,335	0.62	1,456	0.68
Transportation and Warehousing	7,439	3.46	5,669	2.66
Agriculture	975	0.45	938	0.44
Unclassified Entities	<u>300</u>	<u>0.14</u>	<u>56</u>	<u>0.03</u>
Total	214,899	100.00%	213,088	100.00%

Source: New Jersey Department of Labor and Workforce Development.

MAJOR EMPLOYERS

The leading industries in the County by number of employees as of July 2009 are as follows:

<u>Employer</u>	<u>Municipality</u>	<u>Number Of Employees</u>
Meridan Health Care ¹	Various Locations	7,085
Fort Monmouth	Eatontown, Oceanport and Tinton Falls	4,806
AT&T	Various Locations	4,150
County of Monmouth	Various Locations	3,505
Centra State Healthcare Systems	Freehold Township	2,500
Monmouth Medical Center	Long Branch	2,036
Foodarama Supermarkets, Inc. ²	Various Locations	2,014
Bayshore Community Health Services	Holmdel	1,600
Vonage	Holmdel	1,491
Naval Weapons Station Earle	Colts Neck & Middletown	1,333
Monmouth University	West Long Branch	1,292
Visiting Nurse Association of Central NJ	Red Bank	1,200

Source: Monmouth County Department of Economic Development and Tourism - July 2009

NOTES:

- 1) Jersey Shore Medical Center, Riverview Medical Center and other facilities in Monmouth County
- 2) Shop Rite Supermarkets

LABOR FORCE DATA

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Labor Force	323,053	326,039	331,129	332,600	334,600
Employment	308,435	312,669	317,518	320,200	318,300
Unemployment	14,618	13,370	13,611	12,400	16,200
Unemployment Rate	4.5%	4.1%	4.1%	3.7%	4.9%
New Jersey					
Unemployment Rate	4.9%	4.5%	4.7%	4.3%	5.5%
United States					
Unemployment Rate	5.5%	5.1%	4.6%	4.6%	5.8%

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

Median Family Income

According to the U.S. Census Bureau, the median family income in the County was \$53,590 in 1990 and \$76,823 in 2000, as opposed to \$47,589 in 1990 and \$65,370 in 2000 for New Jersey and \$35,225 in 1990 and \$50,046 in 2000 for the nation.

Average Per Capita Personal Income

<u>Year</u>	<u>Monmouth County</u>	<u>Percentage of United States</u>	<u>New Jersey</u>	<u>Percentage of United States</u>	<u>U.S.A.</u>
2003	42,962	136.37	39,844	126.47	31,504
2004	46,066	139.08	41,872	126.41	33,123
2005	47,724	137.31	43,598	125.44	34,757
2006	51,455	140.15	46,763	127.37	36,714
2007	54,801	141.92	49,511	128.22	38,615

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

Housing and Construction Values

The U.S. Census Bureau lists 2000 census housing units in the County at 240,884, compared to the 1990 census housing units of 218,408, an increase of 10.3%. The following tables compare the County with the State relative to building permits and construction values for new, privately owned housing units.

RESIDENTIAL BUILDING PERMITS

<u>Year</u>	<u>County of Monmouth</u>	<u>State of New Jersey</u>	<u>Monmouth's Percentage of State Permits</u>
2004	2,628	35,936	7.3
2005	2,584	38,588	6.7
2006	2,820	34,323	8.2
2007	2,054	25,389	8.1
2008	1,526	18,369	8.3

RESIDENTIAL CONSTRUCTION VALUES (Thousands)

<u>Year</u>	<u>County of Monmouth</u>	<u>State of New Jersey</u>	<u>Monmouth's Percentage of State Construction Value</u>
2004	\$410,857	\$4,294,185	9.6
2005	415,418	4,993,072	8.3
2006	352,945	4,382,665	8.1
2007	340,905	3,674,659	9.3
2008	283,210	2,801,255	10.1%

Source: U.S. Bureau of The Census.

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

NON-RESIDENTIAL CONSTRUCTION VALUES

<u>Year</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Office</u>	<u>Public</u>	<u>Total</u>
2004	\$110,315,526	\$ 6,291,123	\$49,530,963	\$45,799,901	\$211,937,513
2005	69,172,126	603,000	60,731,471	30,678,011	161,184,608
2006	117,890,239	1,265,000	70,454,582	27,721,218	217,331,039
2007	117,766,271	18,674,698	55,292,323	31,897,548	223,630,840
2008	71,633,111	6,129,443	42,780,116	82,751,909	203,294,579

Source: Monmouth County Department of Economic Development and Tourism.

VI. LEGAL MATTERS

Legality of the Bonds

The legality of the Series 2009 Bonds will be subject to the final approval opinion of Lomurro, Davison, Eastman & Munoz, P.A., Bond Counsel to the County. Such opinion will be to the effect that the Series 2009 Bonds are valid and legally binding obligations of the County, and the County is authorized and required by law to levy ad valorem taxes upon all taxable property by said County for the payment of the Series 2009 Bonds and the interest thereon without limitation as to rate or amount.

Tax Matters: Tax-Exempt Bonds

Federal

The County has covenanted to comply with any continuing requirements that may be necessary to preserve the exclusion from gross income for purposes of federal income taxation of interest on the Series 2009 Bonds under the Internal Revenue Code of 1986, as amended (the "Code"). Failure to comply with certain requirements of the Code could cause interest on the Series 2009 Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2009 Bonds. In the opinion of Lomurro, Davison, Eastman & Munoz, P.A., Bond Counsel to the County, to be delivered at the time of original issuance of the Series 2009 Bonds, interest on the Series 2009 Bonds is not includable in gross income for federal income tax purposes under current law if the County complies with its covenant. The Series 2009 Bonds are not "private activity bonds" as such term is defined in the Code.

Personal Alternative Minimum Tax

Interest on the Series 2009 Bonds is not included as an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax.

Corporate Alternative Minimum Tax

The Code provides that an alternative minimum tax is imposed on corporations at a rate of 20 percent. For purposes of the corporate alternative minimum tax, the Code includes an increase adjustment for computation of the alternative minimum tax consisting generally of seventy-five percent (75%) of the amount by which "adjusted current earnings" exceed alternative minimum taxable income (computed without regard to this adjustment and the alternative tax net operating loss deduction). Thus, to the extent that interest on the Series 2009 Bonds is a component of a corporate holder's "adjusted current earnings", a portion of that interest may be subject to an alternative minimum tax.

Branch Profits Tax

Section 884 of the Code imposes on foreign corporations a branch profits tax equal to 30 percent of the "dividend equivalent amount" for the taxable year, unless modified, reduced or eliminated by income tax treaty in certain instances. Interest on the Series 2009 Bonds received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the "dividend equivalent amount" of such corporation for purposes of the branch profits tax.

S Corporation Tax

Section 1375 of the Code imposes a tax on the "excess net passive income" of certain S corporations with passive investment income in excess of 25 percent of gross receipts for a taxable year. The U.S. Department of Treasury has issued regulations indicating that interest on tax-exempt bonds held by an S corporation, such as the Series 2009 Bonds, would be included in the calculation of excess net passive income.

Section 265 Qualification

The Code denies the interest deduction for indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of one hundred percent (100%) of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues, which must be so designated by the issuer as qualified under Section 265 of the Code, eighty percent (80%) of such interest may be deducted as a business expense by such institutions.

The Series 2009 Bonds **have not** been designated as qualified under Section 265 of the Code by the County for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

Other Federal Tax Consequences

Owners of the Series 2009 Bonds should be aware that the ownership of tax-exempt obligations may result in other collateral federal income tax consequences to certain taxpayers, including property and casualty insurance companies, individual recipients of Social Security and Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or to carry tax-exempt obligations.

Tax Matters: Build America Bonds

Interest on the Build America Bonds is **not** exempt from federal income taxation.

ALL POTENTIAL PURCHASERS OF THE SERIES 2009 BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

Tax Matters: State

Interest on the Series 2009 Bonds and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act.

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 Series 2009 Bonds of the County, including the Series 2009 Bonds, and such Series 2009 Bonds are authorized security for any and all public deposits.

Municipal Bankruptcy

The undertakings of the County should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 401, et seq., as amended by Public Law 94-260, approved April 8, 1976, and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, Public Law 94-260 approved April 8, 1976, the Bankruptcy Reform Act of 1994, effective October 22, 1994, and other bankruptcy laws affecting creditor's rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy 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 debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

Litigation

To the knowledge of the County Counsel, Andrea I. Bazer, Esq., there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Series 2009 Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Series 2009 Bonds, or in any manner questioning the authority or the proceedings for the

issuance of the Series 2009 Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the County or the title of any of the present officers. Moreover, to the knowledge of the County Counsel, no litigation is presently pending or threatened that, in the opinion of the County Council, would have a material adverse impact on the financial condition of the County if adversely decided. A certificate to such effect will be executed by the County Counsel was delivered to the Purchaser of the Series 2009 Bonds at the closing.

VII. OTHER INFORMATION

Report of Independent Public Accountants

The financial statements of the County included in Appendix A have been audited by McEnerney, Brady & Co., LLC, independent public accountants, as stated in its report appearing therein and are included in reliance upon the report of such firm and upon its authority as experts in accounting and auditing.

Ratings

Fitch, Moody's Investors Service, Inc., and Standard & Poor's Rating Service, a division of The McGraw-Hill Companies Inc., have assigned the Series 2009 Bonds the ratings of AAA, Aaa and AAA, respectively. The ratings assigned reflect only the view of the organizations assigning such ratings, and an explanation of the significance of the ratings may be obtained only from those organizations. There can be no assurance that such ratings will be retained for any given period of time or that a particular rating will not be revised downward or withdrawn by the respective rating agency if in its judgment circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse impact on the market price of the Series 2009 Bonds.

The DTC Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2009 Bonds. The Series 2009 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2009 Bond certificate will be issued for each issue of the Series 2009 Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation, (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. 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 and www.dtc.org.

Purchases of Series 2009 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2009 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2009 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2009 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2009 Bonds, except in the event that use of the book-entry system for the Series 2009 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2009 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2009 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2009 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2009 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2009

Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2009 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2009 Bonds may wish to ascertain that the nominee holding the Series 2009 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to Cede & Co. If less than all of the Series 2009 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2009 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s, consenting or voting rights to those Direct Participants to whose accounts the Series 2009 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2009 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co., (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2009 Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, certificated bonds are required to be printed and delivered.

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

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

The principal of and interest on the Series 2009 Bonds are payable to DTC by the County.

Secondary Market Disclosure

The County has entered into a written UNDERTAKING to provide secondary market disclosure information as set forth in SEC Rule 15c2-12. A copy of the UNDERTAKING is set forth in Appendix B. Annual financial information, including operating data, shall be filed with www.emma.msrb.org ("EMMA").

Notices of events specified in SEC Rule 15c2-12, if material, shall be filed with EMMA.

Additional Information

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to the Director of Finance, Craig R. Marshall, County of Monmouth, 300 Halls Mills Road, Freehold, New Jersey 07728-1256 (Telephone: (732) 431-7391).

Miscellaneous

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2009 Bonds.

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

COUNTY OF MONMOUTH

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

APPENDIX A

REPORT ON AUDITS OF FINANCIAL STATEMENTS

Certified Public Accountants
293 Eisenhower Parkway, Suite 270
Livingston, New Jersey 07039
(973) 535-2880
Fax - (973) 535-5893

McENERNEY, BRADY & COMPANY, L.L.C.

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying regulatory-basis financial statements of the County of Monmouth, County of Monmouth, New Jersey ("County") as of December 31, 2008 and for the year ended December 31, 2008, listed as financial statement exhibits in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the County for the year ended December 31, 2007 were audited by other auditors whose report dated June 26, 2008 expressed a qualified opinion in accordance with generally accepted accounting principles in the United States of America and unqualified on a regulatory basis. We did not audit the revenues of the outside departments and the Schedules of Federal and State Awards nor perform the OMB-A133 required major programs compliance testing for the years ended December 31, 2008 and 2007, which were performed pursuant to a contract with Hutchins, Farrell, Meyer & Allison, P.A. for 2008 and another auditor for 2007, and our opinion, insofar as it relates to the outside departments and the OMB-A133 audit, is based solely on the letters and reports and the summary of findings from the other auditors.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

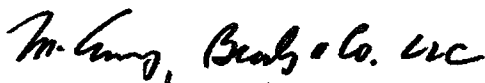
As described in Note 1, the County prepares its financial statements using accounting practices that demonstrate compliance with the regulatory-basis of accounting and budget laws prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the County's preparing its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County as of December 31, 2008, or the changes in its financial position for the year then ended.

Also, in our opinion, the regulatory-basis financial statements referred to above present fairly, in all material respects, the financial position, on a regulatory accounting basis, of the various funds of the County as of December 31, 2008, and the results of operations and changes in fund balances in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and described in Note 1 to the financial statements for the year ended December 31, 2008 on the basis of accounting described in Note 1.

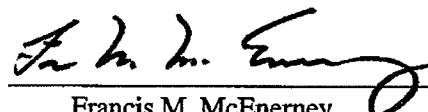
In accordance with Government Auditing Standards, we have also issued our report dated June 27, 2009 on our consideration of the County's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the regulatory-basis financial statements taken as a whole. The accompanying supplementary schedules and comments section listed in the Table of Contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the regulatory-basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.



McEnerney, Brady & Company, L.L.C.

Independent Auditors



Francis M. McEnerney
Registered Municipal Accountant
(#539)

June 27, 2009
Report Date

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

COMPARATIVE BALANCE SHEET

A

Assets	Reference	December 31,	
		2008	2007
Cash and Cash Equivalents	A-4	\$ 144,627,239.38	\$ 155,009,575.02
Change Fund	Unchanged	630.00	630.00
		<u>144,627,869.38</u>	<u>155,010,205.02</u>
Receivables with Full Reserves:			
Added and Omitted Taxes Receivable	A-5	2,215,022.62	2,448,909.83
Revenue Accounts Receivable	A-7	2,276,777.32	6,710,648.10
Revenue Accounts Receivable - Unanticipated		-	47,298.53
Total Receivables with Full Reserves		<u>4,491,799.94</u>	<u>9,206,856.46</u>
Deferred Charges			
Emergency Appropriations	A-3	25,000.00	-
Total Deferred Charges		<u>25,000.00</u>	<u>-</u>
		<u>149,144,669.32</u>	<u>164,217,061.48</u>
Federal and State Grant Fund			
Cash and Cash Equivalents	A-13	14,920,805.72	18,513,924.70
Federal and State Grant Receivables	A-14	29,105,967.64	26,308,482.87
		<u>44,026,773.36</u>	<u>44,822,407.57</u>
		<u>\$ 193,171,442.68</u>	<u>\$ 209,039,469.05</u>

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

A

COMPARATIVE BALANCE SHEET

Liabilities, Reserves and Fund Balance	Reference	December 31,	
		2008	2007
Appropriation Reserves	A-3	\$ 13,974,235.29	\$ 18,214,953.54
Appropriation Reserves - PERS	A-11	-	2,590,000.00
Appropriation Reserves - PFRS	A-11	3,705,000.00	4,815,000.00
Encumbrances Payable	A-3	33,947,770.76	31,045,463.10
Accounts Payable	A-9	6,462,535.96	6,801,488.13
Due to State of New Jersey- Realty Transfer Fees	A-10	2,602,564.83	3,407,605.72
Reserve for Arbitrage Rebates	A-12	292,270.07	812,673.19
Contractor's Retainage Payable	UNCHANGED	19,653.00	19,653.00
		<u>61,004,029.91</u>	<u>67,706,836.68</u>
Reserve for Receivables		4,491,799.94	9,206,856.46
Fund Balance	A-1	<u>83,648,839.47</u>	<u>87,303,368.34</u>
		<u>88,140,639.41</u>	<u>96,510,224.80</u>
Total Liabilities and Reserves		<u>149,144,669.32</u>	<u>164,217,061.48</u>
<u>Federal and State Grant Fund</u>			
Federal and State Grant Appropriated Reserves	A-15	43,893,148.86	44,106,797.76
Unappropriated Grant Reserves	A-16	<u>133,624.50</u>	<u>715,609.81</u>
		<u>44,026,773.36</u>	<u>44,822,407.57</u>
		<u>\$ 193,171,442.68</u>	<u>\$ 209,039,469.05</u>

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

A-1

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

Revenue and Other Income	Reference	Year Ended December 31,	
		2008	2007
Fund Balance Utilized	A-2	\$ 48,500,000.00	\$ 48,500,000.00
Miscellaneous Revenue Anticipated	A-2	167,216,523.34	170,535,152.68
Receipts from Current Taxes	A-2	286,504,000.00	286,504,000.00
Nonbudget Revenues	A-2	26,436,980.56	21,588,882.78
Other Credits to Income			
Unexpended Balance Appropriation Reserves	A-8	14,544,597.82	14,160,639.84
Current Appropriations Cancelled	A-3	3,906.46	3,371.83
Adjustments to Accounts Payable	A-9	462,751.96	135,716.99
		<u>543,668,760.14</u>	<u>541,427,764.12</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operatons:			
Salaries and Wages	A-3	179,069,379.02	174,484,136.07
Other Expenses	A-3	236,504,790.85	233,490,147.57
Capital Improvements	A-3	7,679,495.00	13,046,000.00
Debt Service	A-3	47,569,624.14	47,976,840.30
Deferred Charges and Statutory Expenditures	A-3	28,025,000.00	22,500,000.00
		<u>498,848,289.01</u>	<u>491,497,123.94</u>
Excess in Revenue		44,820,471.13	49,930,640.18
Adjustments to Income Before Surplus:			
Expenditures Included Above Which Are By Statute			
Deferred Charges to Budget of Succeeding Year	A-3	25,000.00	
Fund Balance, January 1,	A	<u>87,303,368.34</u>	<u>85,872,728.16</u>
		132,148,839.47	135,803,368.34
Less: Utilized as Revenue	A-1, A-2	<u>48,500,000.00</u>	<u>48,500,000.00</u>
Fund Balance, December 31,	A	<u><u>83,648,839.47</u></u>	<u><u>87,303,368.34</u></u>

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

A-2

STATEMENT OF REVENUES

	Reference	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 48,500,000.00	\$ 48,500,000.00	\$ -
<u>Miscellaneous Revenues - Local Revenues</u>				
County Clerk	A-7	12,000,000.00	12,106,332.66	106,332.66
Surrogate	A-7	300,000.00	602,972.05	302,972.05
Sheriff	A-7	2,000,000.00	2,403,163.45	403,163.45
Interest on Investments and Deposits	A-7	11,500,000.00	9,878,266.77	(1,621,733.23)
Parks and Recreation	A-7	7,000,000.00	7,076,759.64	76,759.64
M.C. County Care Center - Geraldine L. Thompson Division	A-7	10,000,000.00	9,698,162.64	(301,837.36)
M.C. County Care Center - John L. Montgomery Division	A-7	13,350,000.00	14,132,962.51	782,962.51
Data Processing - Board of Social Services	A-7	86,000.00	95,334.00	9,334.00
Receipts, Rental of County Owned Property	A-7	300,000.00	511,902.24	211,902.24
Indirect Cost Recovery	A-7	2,855,000.00	2,804,862.84	(50,137.16)
USDA Reimbursement, Youth Detention Center	A-7	30,000.00	47,521.96	17,521.96
Maintenance in Lieu of Rent, Division of Social Services	A-7	1,126,020.00	1,238,647.00	112,627.00
Recovery of Fringe Benefits	A-7	6,000,000.00	8,318,359.42	2,318,359.42
Lease, Workers Compensation Court	A-7	50,000.00	28,719.99	(21,280.01)
Intoxicated Driver Resource Center	A-7	125,000.00	327,030.00	202,030.00
Reimbursement - Federal Inmates at Correctional Facility	A-7	6,262,551.99	7,274,161.03	1,011,609.04
Division of Social Services	A-7	2,912,190.00	4,522,683.12	1,610,493.12
Total Local Revenues		75,896,761.99	81,067,841.32	5,171,079.33
<u>Miscellaneous Revenues - State Aid</u>				
State Aid - County College Bonds (N.J.S.A. 18A:64 A-22-6)	A-7	3,269,203.20	3,269,203.19	(0.01)
Reimbursement, Mental Health Administrator's Salary	A-7	9,000.00	15,000.00	6,000.00
Reimbursement, State Inmates at Correctional Institution	A-7	2,300,000.00	897,200.68	(1,402,799.32)
Division of Economic Assistance - Earned Income Credit	A-7	22,600,000.00	22,630,523.00	30,523.00
Total State Aid		28,178,203.20	26,811,926.87	(1,366,276.33)
<u>Miscellaneous Revenues- State Assumption of Costs of County Social and Welfare Services and Psychiatric</u>				
Social and Welfare Services (c.66, P.L. 1990)				
Division of Youth and Family Services	A-7	3,301,006.00	3,301,006.00	-
Supplemental Social Security Income	A-7	987,810.00	921,825.00	(65,985.00)
Psychiatric Facilities (C.73, P.L. 1990)				
Maintenance of Patients in State Institutions				
Mental Diseases	A-7	5,390,208.00	5,390,208.00	-
Mentally Retarded	A-7	12,439,738.00	12,439,738.00	-
Board of County Patients in State and Other Institutions				
Total State Assumption of Costs of County Social and Welfare Services and Psychiatric Facilities	A-7	7,038.00	345,164.65	338,126.65
		22,125,800.00	22,397,941.65	272,141.65
<u>Miscellaneous Revenues - Special Items of Revenue</u>				
<u>Anticipated with Prior Written Consent of the Director of Local Public Services - Public and Private Revenues</u>				
<u>Offset with Appropriations</u>				
State of New Jersey- Department of Health and Senior Services				
Monmouth County Office of Aging Comprehensive Area Plan Grant	A-7	4,019,753.00	4,019,753.00	-
CAP/NJEH Medicaid Case Management	A-7	925,000.00	925,000.00	-
Alcoholism Services Plan - CY 2008, 08-535-ADA-C-O	A-7	1,106,809.00	1,106,809.00	-
State of New Jersey - Governor's Council on Alcohol and Drug Abuse:				
Alliance Prevention Program - CY2008	A-7	684,596.00	684,596.00	-
State of New Jersey - Department of Community Affairs				
Recreational Opportunities for Individuals with Disabilities (ROID) - CY 2008	A-7	12,000.00	12,000.00	-
LIHEAP - CWA, FY 2008	A-7	10,832.00	10,832.00	-
USF - CWA, FY 2008	A-7	10,832.00	10,832.00	-
USF - CWA, FY 2009	A-7	9,940.50	9,940.50	-

See Accompanying Notes

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

A-2

STATEMENT OF REVENUES

	Ref.	Budget	Realized	Excess or (Deficit)
State of New Jersey - New Jersey Transit Corporation:				
FTA - JARC Route 35 Shuttle - FFY2006, Round 8	A-7	106,571.00	106,571.00	-
FTA - JARC Route 836 Shuttle - FFY2005, Round 7	A-7	30,000.00	30,000.00	-
FTA - JARC Route 836 Shuttle - FFY2006, Round 8	A-7	64,126.00	64,126.00	-
FTA - Section 5311 - FY2009	A-7	185,797.00	185,797.00	-
Senior Citizen and Disabled Resident Transportation Grant (CASINO) - CY2008	A-7	2,171,828.00	2,171,828.00	-
Work First New Jersey - CY2009 Project Income	A-7	3,778.00	3,778.00	-
State of New Jersey - Division of Vocational Rehabilitation Services:				
Brokered Employment Transportation - CY2009 Project Income	A-7	21,517.30	21,517.30	-
North Jersey Transportation Planning Authority:				
NJIT - Sub-Regional Transportation Planning Program - FY2009	A-7	123,822.00	123,822.00	-
NJIT - Coastal Evacuation Study - FY2008-2009	A-7	24,000.00	24,000.00	-
State of New Jersey - Department of Transportation:				
TTF - Annual Transportation Program FY2008	A-7	5,297,000.00	5,297,000.00	-
Halls Mill Road Scoping Study, Task Order No. MONCO-7	A-7	196,690.67	196,690.67	-
State of New Jersey - Department of Children and Families:				
DYFS - Youth Detention Center - CY 2008 - 08BFNC	A-7	41,840.00	41,840.00	-
DYFS - Human Services Advisory Council - CY 2008 - 08AVNC	A-7	79,373.00	79,373.00	-
DYFS - Family Court, Grants-In-Aid - CY 2008 - 08CNNC	A-7	7,870.00	7,870.00	-
CJA - CAPTA, MCPO Equipment, FY 2009	A-7	52,084.00	52,084.00	-
DCBHS - CIACC - CY 2008, 08CCNS	A-7	45,411.55	45,411.55	-
State of New Jersey - Department of Human Services:				
DFD - Special Initiative and Transportation - FY2009	A-7	242,672.00	242,672.00	-
DFD - Title IV-D Reimbursement Agreement - FFY2009	A-7	466,770.00	466,770.00	-
DFD - Social Services for the Homeless - CY2008 - SH08013	A-7	789,104.00	789,104.00	-
DMHS - MHANJ - Disaster Liaison - FY2008	A-7	2,500.00	2,500.00	-
DMHS - Project Transition/Path and NJMAP - CY2008 - S1202039	A-7	436,684.00	436,684.00	-
State of New Jersey - Office of the Attorney General:				
DLPS - DCJ - Victim Assistance, VOCA, SFY2009, V-39-06	A-7	195,587.00	195,587.00	-
DLPS - DCJ - SANE/SART, VS-34-08, FFY 2009	A-7	61,075.00	61,075.00	-
DLPS - DCJ - Narcotics Task Force - CY2008, JAG 1-13TF-07	A-7	86,499.00	86,499.00	-
DLPS - DCJ - LLEBG, Megan's Law, FFY 2007, JAG-1-16-LL-06	A-7	15,877.00	15,877.00	-
DLPS - DCJ - Body Armor Replacement Fund (BARF) - FY 2007	A-7	62,649.53	62,649.53	-
DLPS - DCJ - Body Armor Replacement Fund (BARF) - FY2008	A-7	55,681.74	55,681.74	-
DLPS - DCJ - LEOTEF - SFY2007	A-7	46,160.00	46,160.00	-
DLPS - DCJ - Community Justice Program, #JAG 3-10-06	A-7	60,000.00	60,000.00	-
DLPS - DSP - OEM - Emergency Management Preparedness Grant (EMPG), FFY 2006	A-7	8,000.00	8,000.00	-
DLPS - DSP - OEM - PAO, Warren Grove Fire	A-7	28,489.40	28,489.40	-
DLPS - OHSP - Homeland Security Grant Program (HSGP), FFY 2008	A-7	892,662.32	892,662.32	-
DLPS - DHTS - Safe CARGO, FY 2008, OP08-21-01-28	A-7	8,400.00	8,400.00	-
DLPS - DHTS - Safe CARGO, FY 2009, OP09-21-01-03	A-7	17,600.00	17,600.00	-
DLPS - DHTS - Click It or Tickel, CY 2008, OP08-45-01-191	A-7	4,000.00	4,000.00	-
DLPS - JJC - State/Community Partnership - CY2008 - SCP-PM/PS-08-13	A-7	477,548.00	477,548.00	-
DLPS - JJC - Juvenile Detention Alternatives Initiative (JDAI),MERC,FFY2009	A-7	25,000.00	25,000.00	-
DLPS - JJC - Family Court - CY2008, FC-PS-08-13	A-7	276,118.00	276,118.00	-
DLPS - JJC - Juvenile Accountability Incentive Block Grant - FFY2008 - Year 10, 07-13	A-7	53,685.00	53,685.00	-
DLPS - JJC - MCYDC - State Facilities Education Act (SFEA), SFY 2008	A-7	67,500.00	67,500.00	-
DLPS - JJC - MCYDC - State Facilities Education Act (SFEA), SFY 2009	A-7	99,000.00	99,000.00	-
State of New Jersey - Department of Environmental Protection:				
Clean Communities Program - FY2008	A-7	72,626.53	72,626.53	-
Recycling Program - REC-94-13 - Project Income	A-7	6,530.00	6,530.00	-
Wreck Pond Stormwater Restoration, RP07-010	A-7	24,000.00	24,000.00	-
Ramanessin Study, 2007	A-7	231,400.00	231,400.00	-

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

A-2

STATEMENT OF REVENUES

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
State of New Jersey - Department of Labor and Workforce Development:				
Workforce Investment Act - (WIA) (07A) PY2007	A-7	21,696.98	21,696.98	-
Workforce Investment Act - (WIA) (08A) PY2008	A-7	1,661,817.00	1,661,817.00	-
Workforce Development Partnership Program (WDPP) (08C) - PY2008	A-7	55,416.00	55,416.00	-
Workforce Investment Board (WIB) (07G) - PY2007	A-7	30,000.00	30,000.00	-
Workforce Investment Board (WIB) (08G) - PY2008	A-7	30,000.00	30,000.00	-
Work First New Jersey (WFNJ) (081) SFY2009	A-7	2,552,448.00	2,552,448.00	-
Workforce Learning Link (WLL) (08K) - SFY2009	A-7	189,869.00	189,869.00	-
State of New Jersey - Division of Archive and Records Management:				
PARIS Grants Program, 2008-2009	A-7	1,509,000.00	1,509,000.00	-
State of New Jersey - Office of Information Technology:				
OETS - 9-11 Coordinator, FY 2007, 07-CC-13-000	A-7	25,000.00	25,000.00	-
OETS - 9-11 General Assistance, FY 2008	A-7	350,000.00	350,000.00	-
US Department of Housing and Urban Development:				
Township of Woodbridge - HOPWA - 2008	A-7	471,092.55	471,092.55	-
EDI-SP - Child Advocacy Center (CAC), B-08-SP-NJ-0644	A-7	196,000.00	196,000.00	-
United States - Department of Defense:				
ARMY - Adult Shelter, Fort Monmouth	A-7	40,000.00	40,000.00	-
United States - Department of Justice:				
Office of Justice Programs (OJP) - SCAAP, FY 2007, 2007-F4603, NJ-AP	A-7	397,972.00	397,972.00	-
Office of Justice Programs (OJP) - SCAAP, FY 2008, 2008-APBX-1424	A-7	349,473.00	349,473.00	-
Office of Justice Programs (OJP) - BVP, FY 2008	A-7	3,633.73	3,633.73	-
Naval Weapons Station Earle:				
M.C. Mosquito Extermination Comm., ISA, FY 2008 #N40085-08-M-7834	A-7	13,300.00	13,300.00	-
Gateway National Recreation Area - Sandy Hook				
M.C. Mosquito Extermination Commission, ISA, FY2008	A-7	3,449.44	3,449.44	-
Rutger's - The State University:				
ORSP - MEMEC, Asian Tiger Mosquito Control, 2008	A-7	125,400.00	125,400.00	-
County Clerks - Interlocal Service Agreements (ISA's):				
DSMS (Document Summary Management System),				
E-Recording, FY 2006-2009	A-7	253,666.00	253,666.00	-
Donations:				
New Jersey Natural Gas/First Energy Corporation - Triad Project	A-7	1,000.00	1,000.00	-
New Jersey Natural Gas/First Energy Corporation - Project Lifesaver,				
OOA, 2007-08	A-7	2,820.00	2,820.00	-
Monmouth Cares, Inc:				
Monmouth 4-H Cares Program Grant, FY 2009	A-7	8,180.58	8,180.58	-
		<u>28,336,523.82</u>	<u>28,336,523.82</u>	<u>-</u>
Special Items of Revenue Anticipated with Prior Written Consent				
of the Director of Local Government Services- Other Special Items:				
<u>Constitutional Officers - Increased Fees (P.L. 2001, c370)</u>				
County Clerk	A-7	3,700,000.00	2,885,867.80	(814,132.20)
Surrogate	A-7	186,000.00	194,497.20	8,497.20
Sheriff	A-7	66,000.00	191,924.68	125,924.68
Pension Reserve	A-7, A-11	3,700,000.00	3,700,000.00	-
Division of Social Services - Early Retirement Incentive Principal	A-7	1,630,000.00	1,630,000.00	-
		<u>9,282,000.00</u>	<u>8,602,289.68</u>	<u>(679,710.32)</u>
Total Miscellaneous Revenues				
	A-1	<u>163,819,289.01</u>	<u>167,216,523.34</u>	<u>3,397,234.33</u>
Subtotal General Revenues				
	A-1	<u>212,319,289.01</u>	<u>215,716,523.34</u>	<u>3,397,234.33</u>
Amount To Be Raised By Taxation				
	A-1	<u>286,504,000.00</u>	<u>286,504,000.00</u>	<u>-</u>
Total General Revenues				
		<u>498,823,289.01</u>	<u>502,220,523.34</u>	<u>3,397,234.33</u>

COUNTY OF MONMOUTH , NEW JERSEY
CURRENT FUND

A-2a

STATEMENT OF REVENUES

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue Not Anticipated

Collections:

Garnishment Service Charge	\$ 10,969.25
Rent of Newspaper Receipt Booth	480.00
Voter Registration - labels and tapes	7,590.41
Construction Board of Appeals	5,600.00
Pay Telephone Station Commissions	462,782.26
Interest Parks Department	7,237.03
Engineers Plans and Specifications	3,576.75
Vending Machine Commissions	40,131.55
Autopsy Fees	1,388.00
Planning Board Receipts	8,187.89
Interest on Late Payment of Taxes	94.91
Miscellaneous Unanticipated revenues	8,136,778.71
Judgements	564.10
Salary and Fringe Benefit Reimbursements	324,612.81
Interest - Sheriff's Account	97,048.93
Damages to County Property	99,818.60
Purchase of Lists, Records, etc.	805.00
Auction Sales	188,830.54
Inmate Transportation	76,978.11
Payment in Lieu of Taxes	4,062.00
Sales of County Merchandise, Property, etc.	99,187.71
Permit Fees	30,825.00
Appropriation Refunds	1,712,648.53
Appropriation Refunds - Agricultural Easements	231,180.63
Unanticipated Grant Receipts	320,549.14
Insurance Reimbursements	371,685.64
Telephone Refunds	398.12
MC Police Computer	117,364.54
Copier Receipts	67,769.20
Uniform Fire Code Permit Fees	1,468.00
Planning Board:	
Site Plan Revision Fees	21,692.40
Site Plan Inspection Fees	13,246.76
Subdivision Initial Application Fees	105,757.00
Special Events	12,240.00

See accompanying notes

COUNTY OF MONMOUTH , NEW JERSEY
CURRENT FUND

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STATEMENT OF REVENUES

ANALYSIS OF NONBUDGET REVENUE

Reimbursement for Motor Pool	174,890.77
Reimbursements for Single Audit Costs	14,147.24
Information Services Costs - Mod IV Tax System	107,073.49
Board of Elections - State Reim	1,052,429.43
Comm. Reg Elections - Twp Reim (Ch. 278/95)	131,561.41
County Clerk Election - Twp Reim (Ch 278/95)	15,406.08
Board of Elections - Twp Reim (Ch. 278/95)	30,682.28
Probation Fines	9,550.64
Information Services - Print Shop Reimbursements	164,353.76
Bail Bond Forfeitures	125,985.00
Juror Compensation Fund	1,463.00
Interest on County Clerk's Account	52,031.97
Office of Emergency Management - State Reim.	25,000.00
Probation - Sheriff Labor Assistance Prog. (SLAP)	459.00
Voting Machine Rentals	1,565.50
NJAOC - Service Agreements	544,962.12
Primary Election - Postage Reimbursements	30,596.69
MCDOT - Agency Receipts	945,924.44
MCDOT - Bets Fare Revenue	17,476.15
Police Academy - Tuition	85,721.84
Police Academy - Trainee Ammunition	12,514.80
911 Program, Police Radio - Municipal Receipts	885,604.55
MCPO - Emergency Response	44,000.00
MCPO - USDOJ	34,331.56
MCPO Restitution Collections	1,391.63
Employee Fines/ Fees	5,485.79
Developers Fees	1,322,901.85
MCCI - Inmate Fees	242,455.73
MCCI - SSA Reimbursement	46,800.00
MCCI - Donations	150.00
MCCI - Inmate Medical Co- Pay Program	36,664.57
MCCI - Western Union Commissions	3,208.00
MCCI - Sheriff - Attorney ID Cards	1,080.00
MCCI - Reim. Inmates US Air Force	55,955.00
Inmate Commission	374,743.58
MCCI - Reim. Inmates Philadelphia	4,192,718.57

See accompanying notes

COUNTY OF MONMOUTH , NEW JERSEY
CURRENT FUND

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STATEMENT OF REVENUES

ANALYSIS OF NONBUDGET REVENUE

GIS A/R Munic/ Others - Excess		22,275.00
Bayshore Ferry rent		123,970.44
Bayshore Ferry Food/ Beveragre Concession		3,016.41
County Clerk Archives Day		1,218.50
MCDSS - Federal Locator Fees		42.00
MCDSS - Jury Duty/ Employee S & W Reim.		120.00
Revenues Not Anticipated		<u>462,592.42</u>
County Added and Omitted	A-4	23,988,070.73
	A-5	<u>2,448,909.83</u>
	A-1	<u><u>26,436,980.56</u></u>

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

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STATEMENT OF APPROPRIATIONS

	Appropriations		Expended	
	Budget	Modified Budget	Paid or Charged	Reserved
GENERAL GOVERNMENT				
Office of County Administrator				
Salaries and Wages	\$ 710,943.00	\$ 756,143.00	\$ 754,249.65	\$ 1,893.35
Other Expenses	185,000.00	185,000.00	158,394.18	26,605.82
Research, Technical and Consulting Services				
Other Expenses	1,350,000.00	1,313,822.00	1,159,551.49	154,270.51
Purchasing Department				
Salaries and Wages	750,675.00	819,675.00	818,476.43	1,198.57
Other Expenses	33,852.00	33,852.00	26,395.47	7,456.53
Public Information				
Salaries and Wages	218,546.00	243,146.00	243,049.81	96.19
Fixed Asset Accounting System - Other Expenses	107,656.00	107,656.00	60,969.46	46,686.54
Personnel Department				
Salaries and Wages	1,104,554.00	1,115,554.00	1,114,543.80	1,010.20
Other Expenses	80,730.00	80,730.00	68,561.95	12,168.05
Youth Employment Program				
Salaries and Wages	369,600.00	363,300.00	356,872.28	6,427.72
Other Expenses				
Board of Chosen Freeholders				
Salaries and Wages	151,000.00	151,000.00	150,770.99	229.01
Other Expenses	4,144.00	4,144.00	1,628.10	2,515.90
Clerk of the Board				
Salaries and Wages	660,977.00	619,977.00	614,861.85	5,115.15
Other Expenses	83,350.00	83,350.00	74,528.70	8,821.30
County Clerk - Elections				
Salaries and Wages	180,040.00	153,040.00	151,100.83	1,989.17
Other Expenses	44,800.00	44,800.00	14,749.30	30,050.70
Office of County Clerk				
Salaries and Wages	2,500,241.00	2,451,241.00	2,450,392.55	848.45
Other Expenses	336,335.00	336,335.00	302,966.54	33,368.46
Superintendent of Elections				
Salaries and Wages	1,463,088.00	1,580,088.00	1,574,342.47	5,745.53
Other Expenses	653,700.00	666,000.00	603,236.46	62,763.54

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

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STATEMENT OF APPROPRIATIONS

Budget	Modified Budget	Expended		Amend	Cancelled
		Paid or Charged	Reserved		
Board of Elections					
Salaries and Wages	1,211,385.00	1,254,785.00	1,252,842.56	1,942.44	
Other Expenses	246,550.00	246,550.00	197,515.92	49,034.08	
Finance Department					
Salaries and Wages	1,169,545.00	1,215,545.00	1,207,448.32	8,096.68	
Other Expenses	593,550.00	693,550.00	426,689.20	266,860.80	
Office of Records Management					
Salaries and Wages	103,517.00	78,517.00	77,055.07	1,461.93	
Other Expenses	135,655.00	135,655.00	67,668.09	67,986.91	
Audit Services					
Other Expenses	120,000.00	120,000.00	-	120,000.00	
Department of Information Services					
Salaries and Wages	2,315,298.00	2,328,298.00	2,317,103.22	11,194.78	
Other Expenses	2,838,532.00	2,838,532.00	2,411,024.47	427,507.53	
Board of Taxation					
Salaries and Wages	350,254.00	367,254.00	364,764.89	2,489.11	
Other Expenses	15,343.00	15,343.00	7,623.73	7,719.27	
Office of County Counsel					
Salaries and Wages	145,000.00	90,000.00	85,769.44	4,230.56	
Other Expenses	2,300,000.00	2,300,000.00	2,207,238.95	92,761.05	
Office of County Adjuster					
Salaries and Wages	122,409.00	122,909.00	122,776.81	132.19	
Other Expenses	242,577.00	242,577.00	199,836.34	42,740.66	
County Surrogate					
Salaries and Wages	775,838.00	809,838.00	808,283.55	1,554.45	
Other Expenses	12,583.00	12,583.00	10,991.02	1,591.98	
County Engineer					
Salaries and Wages	4,079,437.00	4,213,437.00	4,200,823.16	12,613.84	
Other Expenses	310,856.00	310,856.00	280,932.32	29,923.68	
Economic Development and Tourism					
Salaries and Wages	362,248.00	362,648.00	361,217.85	1,430.15	
Other Expenses	68,072.00	68,072.00	64,357.56	3,714.44	

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS

	Budget	Appropriations		Expended		Cancelled
		Budget	Modified Budget	Paid or Charged	Reserved	
Historic Commission						
Salaries and Wages	34,400.00		34,600.00	34,584.82	15.18	
Other Expenses	369,435.00		369,435.00	341,045.65	28,389.35	
TOTAL - GENERAL GOVERNMENT	28,931,715.00		29,339,837.00	27,747,235.25	1,592,601.75	
Land Use Administration						
Planning Board (N.J.S.A. 40A:27-3)						
Salaries and Wages	1,566,683.00		1,575,683.00	1,566,096.02	9,586.98	
Other Expenses	151,688.00		151,688.00	88,798.98	62,929.02	
Contributions to Soil Conservation District (N.J.S.A. 4:24(1))						
Other Expenses	4,600.00		4,600.00	4,600.00	-	
TOTAL - LAND USE	1,722,971.00		1,731,971.00	1,659,455.00	72,516.00	
Code Enforcement and Administration						
Weights and Measures						
Salaries and Wages	398,119.00		344,119.00	339,025.43	5,093.57	
Other Expenses	2,541.00		2,541.00	1,957.90	583.10	
TOTAL - CODE ENFORCEMENT AND ADMINISTRATION	400,660.00		346,660.00	340,983.33	5,676.67	
Insurances						
Other Insurance Premiums						
Other Expenses	3,270,000.00		3,270,000.00	3,142,011.55	127,988.45	
Workers Compensation						
Other Expenses	4,230,000.00		4,230,000.00	4,036,857.36	193,142.64	
Group Insurance Plan						
Other Expenses	40,560,000.00		40,560,000.00	38,767,974.30	1,792,025.70	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3)						
Other Expenses	250,000.00		250,000.00	250,000.00	-	
TOTAL - INSURANCES	48,310,000.00		48,310,000.00	46,196,843.21	2,113,156.79	

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

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STATEMENT OF APPROPRIATIONS

	Appropriations		Expended		Cancelled
	Budget	Modified Budget	Paid or Charged	Reserved	
Public Safety Functions					
Sheriff's Office - Police Radio					
Salaries and Wages	4,042,385.00	4,015,385.00	3,954,938.77	60,446.23	
Other Expenses	241,767.00	241,767.00	182,676.34	59,090.66	
Police Computer					
Salaries and Wages	428,278.00	348,278.00	346,558.22	1,719.78	
Other Expenses	456,200.00	456,200.00	390,834.64	65,365.36	
Office of Emergency Management					
Salaries and Wages:	378,205.00	274,205.00	271,795.18	2,409.82	
Other Expenses	40,132.00	40,132.00	33,359.04	6,772.96	
Department of Community Affairs					
Salaries and Wages:	261,474.00	271,474.00	270,483.17	990.83	
Other Expenses	6,011.00	6,011.00	3,914.69	2,096.31	
Medical Examiner					
Salaries and Wages	822,022.00	872,022.00	859,714.25	12,307.75	
Other Expenses	351,001.00	351,001.00	304,392.08	46,608.92	
Aid to Volunteer Rescue and Ambulance Squads(NUSA 40.5-2):					
Other Expenses	17,100.00	17,100.00	16,500.00	600.00	
Sheriff's Office					
Salaries and Wages	11,015,502.00	11,546,502.00	11,521,007.32	25,494.68	
Other Expenses	168,033.00	168,033.00	151,433.26	16,599.74	
Office of County Prosecutor					
Salaries and Wages	20,306,154.00	21,387,354.00	21,351,299.43	36,054.57	
Other Expenses	1,583,200.00	1,581,700.00	1,355,723.01	225,976.99	
Correctional Institution					
Salaries and Wages	34,719,904.00	34,364,904.00	34,242,843.86	122,060.14	
Other Expenses	11,143,771.00	11,143,771.00	10,763,863.87	359,907.13	

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

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STATEMENT OF APPROPRIATIONS

	Budget	Appropriations		Expended		Cancelled
		Budget	Modified Budget	Paid or Charged	Reserved	
Public Safety Function (Continued)						
Youth Detention Center						
Salaries and Wages		3,509,027.00	3,572,027.00	3,543,301.51	28,725.49	
Other Expenses		366,895.00	366,895.00	328,335.49	38,559.51	
Fire Marshall (N.J.S.A. 40A:14-1)						
Salaries and Wages		620,433.00	610,433.00	597,869.58	12,543.44	
Other Expenses		60,323.00	60,323.00	42,802.04	17,520.96	
Police Academy and Firing Range						
Salaries and Wages		427,750.00	413,750.00	403,559.24	10,190.76	
Other Expenses		196,565.00	196,565.00	135,496.79	61,068.21	
TOTAL - PUBLIC SAFETY FUNCTIONS		91,162,132.00	92,305,832.00	91,092,721.76	1,213,110.24	-
Public Works Functions						
County Road Maintenance						
Salaries and Wages		5,991,931.00	5,791,931.00	5,732,242.31	59,688.69	
Other Expenses		1,791,455.00	1,791,455.00	1,561,737.06	229,717.94	
County Bridge Maintenance						
Salaries and Wages		2,231,951.00	2,378,951.00	2,363,837.85	15,113.15	
Other Expenses		182,181.00	182,181.00	150,378.39	31,802.61	
Director of Public Works and Engineering						
Salaries and Wages		387,365.00	409,365.00	407,481.51	1,903.49	
Other Expenses		488.00	488.00	282.42	205.58	
Shade Tree Commission						
Salaries and Wages		1,398,112.00	1,363,112.00	1,358,973.19	4,138.81	
Other Expenses		210,598.00	210,598.00	174,369.16	36,228.84	
Central Mallroom						
Salaries and Wages		214,323.00	219,423.00	217,164.15	2,258.85	
Other Expenses		1,099,900.00	1,099,900.00	1,020,827.93	79,072.07	
Buildings and Grounds						
Salaries and Wages		7,125,429.00	7,053,429.00	7,031,517.70	21,911.30	
Other Expenses		7,773,028.00	7,674,528.00	6,785,826.84	888,701.16	
Central Motor Pool						
Salaries and Wages		1,833,794.00	1,715,794.00	1,715,203.55	590.45	
Other Expenses		1,559,516.00	1,559,516.00	1,490,520.57	68,995.43	
Mosquito Extermination Commission						
Other Expenses		2,081,403.00	2,081,403.00	2,081,403.00	-	
TOTAL - PUBLIC WORKS FUNCTIONS		33,881,494.00	33,532,094.00	32,091,765.63	1,440,328.37	-

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

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STATEMENT OF APPROPRIATIONS

	Appropriations		Expended		Cancelled
	Budget	Modified Budget	Paid or Charged	Reserved	
Human Services and Health Functions					
Division of Social Services Administration					
Salaries and Wages	22,665,768.00	22,665,768.00	20,986,404.82	1,679,363.18	
Other Expenses	23,339,809.00	23,339,809.00	20,891,698.12	2,448,110.88	
Temporary Assistance for Needy Families					
Other Expenses	298,303.00	298,303.00	165,000.00	133,303.00	
Assistance for Social Security Recipients					
Other Expenses	987,810.00	987,810.00	935,000.00	52,810.00	
Monmouth County Department of Health Care Facilities					
Salaries and Wages	412,596.00	268,696.00	268,682.60	13.40	
Other Expenses	5,731,499.00	5,731,499.00	5,158,993.56	572,505.44	
Monmouth County Care Centers - Geraldine L. Thompson Division:					
Salaries and Wages	8,083,761.00	7,846,761.00	7,804,864.47	41,896.53	
Monmouth County Care Centers - John L. Montgomery Division:					
Salaries and Wages	9,459,656.00	9,602,656.00	9,524,349.12	78,306.88	
Division of Mental Health					
Salaries and Wages	182,871.00	183,871.00	188,454.17	5,416.83	
Other Expenses	1,871,852.00	1,871,852.00	1,775,905.20	95,946.80	
Department of Children and Families					
Other Expenses	3,301,006.00	3,301,006.00	3,301,006.00	-	
Department of Human Services					
Salaries and Wages	266,246.00	268,246.00	267,314.55	931.45	
Other Expenses	19,850.00	19,850.00	7,548.78	12,301.22	
Department of Transportation Subsidy - Interim Emergency Bus					
Other Expenses	40,000.00	40,000.00	20,000.00	20,000.00	
Division of Planning and Contracting:					
Salaries and Wages	187,442.00	183,442.00	156,220.57	7,221.43	
Other Expenses	4,073.00	4,073.00	2,985.88	1,087.12	
Public Health Service (N.J.S. 40:13-1)					
Salaries and Wages	30,228.00	21,228.00	20,068.08	1,159.92	
Other Expenses	1,390,468.00	1,414,346.00	1,359,861.90	54,484.10	
Office of Disabilities					
Salaries and Wages	59,584.00	47,584.00	46,940.81	643.19	
Other Expenses	4,325.00	4,325.00	2,363.49	1,961.51	
Aid to Disabilities					
Other Expenses	319,202.00	319,202.00	319,202.00	-	
Division of Alcohol and Drug Abuse Services(N.J.S. 40:9B-4)					
Salaries and Wages	124,593.00	129,593.00	129,150.61	442.39	
Other Expenses	722,636.00	722,636.00	686,183.37	36,454.63	
Intoxicated Driver Resource					
Salaries and Wages	128,706.00	134,706.00	134,300.71	405.29	
Other Expenses	22,187.00	22,187.00	18,950.12	3,236.88	

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

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STATEMENT OF APPROPRIATIONS

	Appropriations		Expended	
	Budget	Modified Budget	Paid or Charged	Reserved
Budget				
Maintenance of Patients in State Institutions for Mental Diseases (N.J.S. 30:4-79) County Share	1,225,000.00	1,225,000.00	1,225,000.00	-
Other Expenses			-	-
Maintenance of Patients in State Institutions for Mental Diseases (N.J.S. 30:4-79) State Share	5,388,495.00	5,388,495.00	5,388,495.00	-
Other Expenses			-	-
Maintenance of Patients in State Institutions for Developmental Disabilities (N.J.S. 30:4-79)	12,439,738.00	12,439,738.00	12,439,738.00	-
Other Expenses			-	-
War Veterans and Grave Decorations	13,525.00	13,525.00	13,465.88	59.12
Salaries and Wages	27,300.00	27,300.00	23,625.00	3,675.00
Other Expenses			-	-
Office of Aging	210,896.00	216,896.00	215,753.85	1,142.15
Salaries and Wages	12,659.00	12,659.00	12,056.42	602.58
Other Expenses			-	-
Division of Transportation	497,636.00	503,636.00	480,236.89	23,399.11
Salaries and Wages	1,322,089.00	1,322,089.00	1,267,541.20	54,547.80
Other Expenses			-	-
Environmental Health Act - Contractual (N.J.S.A. 26:3A2-21)			-	-
Monmouth County Health Department	1,500,000.00	1,500,000.00	1,500,000.00	-
Other Expenses			-	-
Aid to Legal Aid Society	17,500.00	17,500.00	17,500.00	-
Other Expenses			-	-
Youth, Education, Recreation and Welfare	149,390.00	149,390.00	149,390.00	-
Other Expenses			-	-
TOTAL - HUMAN SERVICES AND HEALTH FUNCTIONS	102,458,701.00	102,235,679.00	96,904,251.17	5,331,427.83
Parks and Recreation Functions				
Department of Parks and Recreation	17,620,851.00	17,677,851.00	17,568,363.37	109,487.63
Salaries and Wages	1,698,668.00	1,698,668.00	1,564,159.26	134,508.74
Other Expenses			-	-
TOTAL - PARKS AND RECREATION FUNCTIONS	19,319,519.00	19,376,519.00	19,132,522.63	243,996.37
Education				
Aid to Monmouth County Audio and Visual Aids Commission	6,722.00	6,722.00	6,722.00	-
Other Expenses			-	-
Monmouth County Community College Brookdale	28,560,468.00	28,560,468.00	28,560,468.00	-
Other Expenses			-	-
Reimbursements for Residents Attending Out of County Two Year Colleges (N.J.S. 18A-64A)	200,000.00	200,000.00	65,637.27	134,362.73
Other Expenses			-	-

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

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STATEMENT OF APPROPRIATIONS

	Budget	Appropriations		Expended	
		Budget	Modified Budget	Paid or Charged	Reserved
Cooperative Extension Program					
Salaries and Wages		364,722.00	376,722.00	376,186.10	535.90
Other Expenses		127,115.00	127,115.00	123,029.39	4,085.61
Vocational Schools					
Other Expenses		15,405,120.00	15,405,120.00	15,405,120.00	-
Superintendent of Schools					
Salaries and Wages		403,021.00	429,021.00	427,771.50	1,249.50
Other Expenses		20,528.00	20,528.00	10,051.53	10,476.47
TOTAL - EDUCATION FUNCTIONS		45,087,696.00	45,125,696.00	44,974,985.79	150,710.21
Other Common Operating Functions (Unclassified)					
Prior Years Bills					
Other Expenses		504.03	504.03	504.03	-
Accumulated leave Absences					
Salaries and Wages		850,000.00	850,000.00	850,000.00	-
Provision for Salary Adjustments and New Employees					
Salaries and Wages		1,029,421.02	21.02	21.02	21.02
TOTAL - OTHER COMMON OPERATING FUNCTIONS (UNCLASSIFIED)		1,679,925.05	850,525.05	850,504.03	21.02
Utility Expenses and Bulk Purchases					
Utilities		12,582,833.00	12,582,833.00	12,026,667.56	556,165.44
Other Expenses					
TOTAL - UTILITY EXPENSES AND BULK PURCHASES		12,582,833.00	12,582,833.00	12,026,667.56	556,165.44
Public and Private Programs Offset by Revenues					
State of New Jersey- Department of Health and Senior Services					
Monmouth County Office of Aging Comprehensive Area Plan Grant		4,412,705.00	4,412,705.00	4,412,705.00	
CAP/NJEH Medicaid Case Management		925,000.00	925,000.00	925,000.00	
Alcoholism Services Plan - CY 2008, 08-535-ADA-C-O		1,106,809.00	1,106,809.00	1,106,809.00	
State of New Jersey - Governor's Council on Alcohol and Drug Abuse:					
Alliance Prevention Program - CY2008		684,596.00	684,596.00	684,596.00	

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

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STATEMENT OF APPROPRIATIONS

	Budget	Appropriations		Expended	
		Budget	Modified Budget	Paid or Charged	Reserved
State of New Jersey - Department of Community Affairs					
Recreational Opportunities for Individuals with Disabilities (ROID) - CY 2008					
LIHEAP - CWA, FY 2008		15,000.00	15,000.00	15,000.00	
USF - CWA, FY 2008		10,832.00	10,832.00	10,832.00	
USF - CWA, FY 2009		9,940.50	9,940.50	9,940.50	
State of New Jersey - New Jersey Transit Corporation:					
FTA - JARC Route 35 Shuttle - FFY2006, Round 8		213,142.00	213,142.00	213,142.00	
FTA - JARC Route 836 Shuttle - FFY2005, Round 7		30,000.00	30,000.00	30,000.00	
FTA - JARC Route 836 Shuttle - FFY2006, Round 8		128,252.00	128,252.00	128,252.00	
FTA - Section 5311 - FY2009		247,280.00	247,280.00	247,280.00	
Senior Citizen and Disabled Resident Transportation Grant (CASINO) - CY2008					
Work First New Jersey - CY2009 Project Income		2,171,828.00	2,171,828.00	2,171,828.00	
State of New Jersey - Division of Vocational Rehabilitation Services:		3,778.00	3,778.00	3,778.00	
Brokered Employment Transportation - CY2009 Project Income					
North Jersey Transportation Planning Authority:					
NJIT - Sub-Regional Transportation Planning Program - FY2009		21,517.30	21,517.30	21,517.30	
NJIT - Coastal Evacuation Study - FY2008-2009		154,777.00	154,777.00	154,777.00	
State of New Jersey - Department of Transportation:		30,000.00	30,000.00	30,000.00	
TTF - Annual Transportation Program FY2008		5,297,000.00	5,297,000.00	5,297,000.00	
Halls Mill Road Scoping Study, Task Order No. MONCO-7		196,690.67	196,690.67	196,690.67	
State of New Jersey - Department of Children and Families:					
DYFS - Youth Detention Center - CY 2008 - 08BFNC		67,975.00	67,975.00	67,975.00	
DYFS - Human Services Advisory Council - CY 2008 - 08AVNC		95,249.00	95,249.00	95,249.00	
DYFS - Family Court, Grants-in-Aid - CY 2008 - 08CNNG		7,870.00	7,870.00	7,870.00	
CJA - CAPTA, MCPO Equipment, FY 2009		52,084.00	52,084.00	52,084.00	
DCBHS - CIACC - CY 2008, 08CCNS		45,411.55	45,411.55	45,411.55	
State of New Jersey - Department of Human Services:					
DFD - Special Initiative and Transportation - FY2008		242,672.00	242,672.00	242,672.00	
DFD - Title IV-D Reimbursement Agreement - FFY2009		500,965.00	500,965.00	500,965.00	
DFD - Social Services for the Homeless - CY2008 - SH08013		789,104.00	789,104.00	789,104.00	
DMHS - MHANJ - Disaster Liaison - FY2008		2,500.00	2,500.00	2,500.00	
DMHS - Project Transition/Path and NJMAP - CY2008 - S1202039		612,979.00	612,979.00	612,979.00	
State of New Jersey - Office of the Attorney General:					
DLPS - DCJ - Victim Assistance, VOCA, SFY2009, V-39-06		195,587.00	195,587.00	195,587.00	
DLPS - DCJ - SANE/SART, VS-34-08, FFY 2009		61,075.00	61,075.00	61,075.00	
DLPS - DCJ - Narcotics Task Force - CY2008, JAG 1-13TF-07		172,998.00	172,998.00	172,998.00	
DLPS - DCJ - LLEBG, Megan's Law, FFY 2007, JAG-1-16-LL-06		21,169.00	21,169.00	21,169.00	
DLPS - DCJ - Body Armor Replacement Fund (BARF) - FY 2007		62,649.53	62,649.53	62,649.53	
DLPS - DCJ - Body Armor Replacement Fund (BARF) - FY2008		55,681.74	55,681.74	55,681.74	
DLPS - DCJ - LEOTEF - SFY2007		46,160.00	46,160.00	46,160.00	
DLPS - DCJ - Community Justice Program, #JAG 3-10-06		80,000.00	80,000.00	80,000.00	
DLPS - DSP - OEM - Emergency Management Preparedness Grant (EMPG), FFY 2006		10,000.00	10,000.00	10,000.00	

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

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STATEMENT OF APPROPRIATIONS

	Appropriations		Expended		Cancelled
	Budget	Modified Budget	Paid or Charged	Reserved	
DLPs - DSP - OEM - PAO, Warren Grove Fire	28,489.40	28,489.40	28,489.40		
DLPs - OHSP - Homeland Security Grant Program (HSGP), FFY 2008	892,662.32	892,662.32	892,662.32		
DLPs - DHTS - Safe CARGO, FY 2008, OP08-21-01-26	8,400.00	8,400.00	8,400.00		
DLPs - DHTS - Safe CARGO, FY 2009, OP09-21-01-03	17,600.00	17,600.00	17,600.00		
DLPs - DHTS - Click It or Ticket, CY 2008, OP08-45-01-191	4,000.00	4,000.00	4,000.00		
DLPs - JJC - State/Community Partnership - CY2008 - SCP-PM/PS-08-13	582,971.00	582,971.00	582,971.00		
DLPs - JJC - Juvenile Detention Alternatives Initiative (JDAI), MERC, FFY2	25,000.00	25,000.00	25,000.00		
DLPs - JJC - Family Court - CY2008, FC-PS-08-13	276,118.00	276,118.00	276,118.00		
DLPs - JJC - Juvenile Accountability Incentive Block Grant - FFY2008 - Year 10, 07-13					
DLPs - JJC - MCYDC - State Facilities Education Act (SFEA), SFY 2008	59,650.00	59,650.00	59,650.00		
DLPs - JJC - MCYDC - State Facilities Education Act (SFEA), SFY 2009	67,500.00	67,500.00	67,500.00		
State of New Jersey - Department of Environmental Protection:	99,000.00	99,000.00	99,000.00		
Clean Communities Program - FY2008					
Recycling Program - REC-94-13 - Project Income	72,626.53	72,626.53	72,626.53		
Wreck Pond Stormwater Restoration, RP07-010	6,530.00	6,530.00	6,530.00		
Ramanesslin Study, 2007	24,000.00	24,000.00	24,000.00		
State of New Jersey - Department of Labor and Workforce Development:	231,400.00	231,400.00	231,400.00		
Workforce Investment Act - (WIA) (07A) PY2007					
Workforce Investment Act - (WIA) (08A) PY2008	21,696.98	21,696.98	21,696.98		
Workforce Development Partnership Program (WDPP) (08C) - PY2008	1,661,817.00	1,661,817.00	1,661,817.00		
Workforce Investment Board (WIB) (07G) - PY2007	55,416.00	55,416.00	55,416.00		
Workforce Investment Board (WIB) (08G) - PY2008	30,000.00	30,000.00	30,000.00		
Work First New Jersey (WFNJ) (081) SFY2009	30,000.00	30,000.00	30,000.00		
Workforce Learning Link (WLL) (08K) - SFY2009	2,552,448.00	2,552,448.00	2,552,448.00		
State of New Jersey - Division of Archive and Records Management:	189,869.00	189,869.00	189,869.00		
PARIS Grants Program, 2008-2009					
State of New Jersey - Office of Information Technology:	1,509,000.00	1,509,000.00	1,509,000.00		
OETS - 9-11 Coordinator, FY 2007, 07-CC-13-000					
OETS - 9-11 General Assistance, FY 2008	25,000.00	25,000.00	25,000.00		
US Department of Housing and Urban Development:	350,000.00	350,000.00	350,000.00		
Township of Woodbridge - HOPWA - 2008					
EDI-SP - Child Advocacy Center (CAC), B-08-SP-NJ-0644	471,092.55	471,092.55	471,092.55		
United States - Department of Defense:	196,000.00	196,000.00	196,000.00		
ARMY - Adult Shelter, Fort Monmouth	40,000.00	40,000.00	40,000.00		
United States - Department of Justice:					
Office of Justice Programs (OJP) - SCAAP, FY 2007, 2007-F4603, NJ-AP	397,972.00	397,972.00	397,972.00		
Office of Justice Programs (OJP) - SCAAP, FY 2008, 2008-APBX-1424	349,473.00	349,473.00	349,473.00		
Office of Justice Programs (OJP) - BVP, FY 2008	3,633.73	3,633.73	3,633.73		
Naval Weapons Station Earle:					
M.C. Mosquito Extermination Comm., ISA, FY 2008 #N40085-08-M-7834	13,300.00	13,300.00	13,300.00		

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

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STATEMENT OF APPROPRIATIONS

	Appropriations		Expended		Cancelled
	Budget	Modified Budget	Paid or Charged	Reserved	
Budget					
Gateway National Recreation Area - Sandy Hook: M.C. Mosquito Extermination Commission, ISA, FY2008	3,449.44	3,449.44	3,449.44		
Rutgers - The State University: ORSP - MEMEC, Asian Tiger Mosquito Control, 2008	125,400.00	125,400.00	125,400.00		
County Clerks - Interlocal Service Agreements (ISA's): DSMS (Document Summary Management System), E-Recording, FY 2006-2009	253,666.00	253,666.00	253,666.00		
Donations: New Jersey Natural Gas/First Energy Corporation - Triad Project New Jersey Natural Gas/First Energy Corporation - Project Lifesaver, OOA, 2007-08	1,000.00	1,000.00	1,000.00		
Monmouth Cares, Inc: Monmouth 4-H Cares Program Grant, FY 2009	2,820.00	2,820.00	2,820.00		
Matching Funds for Grants	8,180.58	8,180.58	8,180.58		
TOTAL - PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES	157,233.00	157,233.00		157,233.00	
	29,636,523.82	29,636,523.82	29,479,280.82	157,233.00	-
TOTAL OPERATIONS	415,374,169.87	415,374,169.87	402,497,226.18	12,876,943.69	-
CONTINGENT	200,000.00	200,000.00	193,335.17	6,664.83	
TOTAL OPERATIONS INCLUDING CONTINGENT	415,574,169.87	415,574,169.87	402,690,561.35	12,883,608.52	-
Detail: Salaries and Wages	179,069,379.02	179,069,379.02	176,614,790.67	2,454,588.35	
Other Expenses (Including Contingent)	236,504,790.85	236,504,790.85	226,075,770.68	10,429,020.17	
Capital Improvements: Capital Improvement Fund	3,579,495.00	3,579,495.00	3,579,495.00	-	
Capital Improvements: Road Overlay	3,000,000.00	3,000,000.00	2,970,536.41	29,463.59	
Buildings and Grounds	1,100,000.00	1,100,000.00	340,656.35	759,343.65	
TOTAL - CAPITAL IMPROVEMENTS	7,679,495.00	7,679,495.00	6,890,687.76	788,807.24	-
County Debt Service Payment of Bond Principal: State Aid - County College Bonds (N.J.S. 18A:64A-22.6) Vocational School Bonds Other Bonds	2,670,000.00	2,670,000.00	2,670,000.00	-	
	253,366.87	253,366.87	253,366.87	-	
	26,830,000.00	26,830,000.00	26,830,000.00	-	

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

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STATEMENT OF APPROPRIATIONS

	Appropriations		Expended		Cancelled
	Budget	Modified Budget	Paid or Charged	Reserved	
Interest on Bonds:					
State Aid - County College Bonds (N.J.S. 18A:64A-22.6)	599,203.20	599,203.20	599,203.20		
Vocational School Bonds	58,303.00	58,303.00	58,303.00		
Other Bonds	11,762,714.41	11,762,714.41	11,762,008.42		705.99
Green Trust Program:					
Loan Repayment for Principal and Interest	1,373,286.66	1,373,286.66	1,373,286.66		
Monmouth County Improvement Authority Lease Agreements					
Correctional Facility	4,022,750.00	4,022,750.00	4,019,549.53		3,200.47
TOTAL COUNTY DEBT SERVICE	47,569,624.14	47,569,624.14	47,565,717.68		3,906.46
Deferred Charges and Statutory Expenditures					
Statutory Expenditures					
Public Employee's Retirement System	6,250,000.00	6,250,000.00	6,212,375.48	37,624.52	
Social Security System (O.A.S.I.)	13,325,000.00	13,325,000.00	13,095,430.67	229,569.33	
Police and Fireman's Retirement System	8,350,000.00	8,350,000.00	8,335,556.24	14,441.76	
County Pension and Retirement Fund	75,000.00	75,000.00	75,000.00	-	
Defined Contribution Retirement Plan		25,000.00	4,816.08	20,183.92	
Total Deferred Charges and Statutory Expenditures	28,000,000.00	28,025,000.00	27,723,180.47	301,819.53	
TOTAL GENERAL APPROPRIATIONS	\$ 498,823,289.01	\$ 498,848,289.01	\$ 484,870,147.26	\$ 13,974,235.29	\$ 3,906.46
				A	A-1
Analysis of Budget After Modification	Reference				
Appropriations	A-2	\$ 481,114,000.00			
Appropriations - 40A:4 -87	A-2	17,709,289.01			
Deferred Charges	A	25,000.00			
		\$ 498,848,289.01			
Analysis of Paid or Charged					
Cash Disbursements	A-4	\$ 422,466,497.05			
Encumbrance Payable	A	33,947,770.76			
Federal and State Grants	A-2	28,336,523.82			
Arbitrage Reserves	A-12	119,355.63			
		\$ 484,870,147.26			

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND

COMPARATIVE BALANCE SHEET

Assets	Reference	December 31, 2008	
		2008	2007
Cash and Cash Equivalents	B-1	<u>\$ 123,348,598.95</u>	<u>\$ 122,855,234.24</u>
U.S. HUD Receivables			
Relocation Assistance Program	B-2	2,213,303.82	7,196,847.05
Community Development Block Grants	B-3	4,578,088.41	4,803,489.13
Home Investment Grant	B-4	4,558,106.91	4,524,891.18
Shelter Plus Care Grant	B-5	1,585,783.00	1,336,657.00
Homeward Bound Grant	B-6	729,854.00	119,765.00
Emergency Shelter Grants	B-7	113,131.60	99,249.26
Taxes Receivable for Library, Health and Open Space Funds	B-8	256,216.43	274,306.03
Due from County Clerk	B-17	-	20,562.00
		<u>14,034,484.17</u>	<u>18,375,766.65</u>
Total Receivables and Other Assets		<u><u>\$ 137,383,083.12</u></u>	<u><u>\$ 141,231,000.89</u></u>
 Reserves			
Reserve for Taxes Receivable for Library, Health and Open Space	B-8	\$ 256,216.43	\$ 274,306.03
Reserve for U.S. HUD Grants:			
Relocation Assistance Program	B-9	6,057,765.73	12,754,559.23
Community Development Block Grants	B-10	5,025,693.20	5,766,853.69
Home Investment Grants	B-11	5,015,934.86	4,932,810.36
Shelter Plus Care	B-12	1,548,573.00	1,375,774.00
Homeward Bound	B-13	724,629.00	120,242.00
Reserve for:			
Contractors' 2% Retainage	B	18,616.72	18,616.72
Temporary Assistance To Needy Families	B-14	466,009.15	778,080.66
Other Trust Funds	B-15	118,233,253.35	115,154,954.63
Retirees Health Benefits	B-16	36,391.68	34,241.57
Due From County Clerk	B-17	-	20,562.00
Total Reserves		<u><u>\$ 137,383,083.12</u></u>	<u><u>\$ 141,231,000.89</u></u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND

C

COMPARATIVE BALANCE SHEET

Assets	Reference	December 31,	
		2008	2007
Cash and Cash Equivalents	C-2	\$ 86,370,473.69	\$ 118,078,138.74
Accounts Receivable			
Municipal Easements	C-5	2,429,662.44	6,927,337.90
Child Advocacy Center	C-2	-	750,000.00
Insurance Reimbursements	Unchanged	2,340,383.18	2,340,383.18
State of New Jersey - State Agencies	C-6	9,439,552.56	18,375,746.13
State of New Jersey - Capital Projects Chapter 12, P.L. 1971	C-9	11,535,000.00	14,205,000.00
		<u>25,744,598.18</u>	<u>42,598,467.21</u>
Deferred Charges to Future Taxation:			
Funded	C-4	334,644,607.08	335,190,147.09
Unfunded	C-7	125,879,400.75	119,660,000.00
		<u>460,524,007.83</u>	<u>454,850,147.09</u>
		<u>\$ 572,639,079.70</u>	<u>\$ 615,526,753.04</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-8	\$ 327,050,000.00	\$ 326,495,000.00
County College Serial Bonds - State Share	C-9	11,535,000.00	14,205,000.00
New Jersey Economic Development Authority			
Public Schools Facilities Loan Program	C-10	1,358,163.78	1,611,530.65
Green Trust Loan Program	C-11	5,845,844.05	7,083,616.44
IPA Note Payable	C-12	390,599.25	-
Reserve for Script Program	Unchanged	1,508.63	1,508.63
Due Escrow Agent	C-2	9,219.95	-
Reserve - IPA Principal	C-17	390,599.25	-
Improvement Authorizations:			
Funded	C-13	87,106,810.99	128,989,734.47
Unfunded	C-13	125,879,400.75	119,660,000.00
Contractors Retainage	Unchanged	73,191.61	73,191.61
Interest Due State of New Jersey	C-14	106,362.04	34,877.80
Capital Improvement Fund	C-15	2,110,261.72	2,092,766.72
Fund Balance	C-1	10,782,117.68	15,279,526.72
		<u>\$ 572,639,079.70</u>	<u>\$ 615,526,753.04</u>
Bonds and Notes Authorized But Not Issued	C-16	<u>\$ 125,879,400.75</u>	<u>\$ 119,660,000.00</u>

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE

	<u>Ref.</u>		
Balance, December 31, 2007	C		\$ 15,279,526.72
Increased by:			
Premium on Bond Sale	C-2	\$ 1,615,945.55	
Funded Improvement Authorizations Cancelled	C-13	1,763,201.56	
Municipal A/R Excess Ord. 05-03; 07-03	C-2	<u>1,013,443.85</u>	
			<u>4,392,590.96</u>
			19,672,117.68
Decreased By:			
Appropriated to Finance Improvement Authorizations	C-13		<u>8,890,000.00</u>
Balance, December 31, 2008	C		<u><u>\$ 10,782,117.68</u></u>

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY
RECLAMATION CENTER UTILITY FUND

COMPARATIVE BALANCE SHEET

Assets	Reference	December 31,	
		2008	2007
Operating Fund			
Cash and Cash Equivalents	D-5	\$ 64,577,770.36	\$ 70,672,101.17
Change Fund	Unchanged	1,350.00	1,350.00
		<u>64,579,120.36</u>	<u>70,673,451.17</u>
Receivables with Full Reserves:			
Receivable from Haulers	D-7	<u>703,315.84</u>	<u>713,898.63</u>
Prepaid Host Community Benefit Tax	D-10	<u>249,367.25</u>	<u>173,897.77</u>
Total Operating Fund		<u>65,531,803.45</u>	<u>71,561,247.57</u>
Capital Fund:			
Cash and Cash Equivalents	D-5	6,822,113.17	5,242,396.48
Accounts Receivable:			
NJBP - Clean Energy Rebate Program	D-11	-	885,000.00
Fixed Capital	D-12	106,525,454.04	106,525,454.04
Fixed Capital Authorized and Uncompleted	D-13	<u>9,450,000.00</u>	<u>3,450,000.00</u>
Total Capital Fund		<u>122,797,567.21</u>	<u>116,102,850.52</u>
Utility Grant Fund:			
Cash and Cash Equivalents	D-5	1,196,724.29	852,778.19
Grant Receivable	D-24	<u>1,654.04</u>	<u>2,061.86</u>
Total Utility Grant Fund		<u>1,198,378.33</u>	<u>854,840.05</u>
Total Assets		<u>\$ 189,527,748.99</u>	<u>\$ 188,518,938.14</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY
RECLAMATION CENTER UTILITY FUND

D

COMPARATIVE BALANCE SHEET

<u>Liabilities, Reserves and Fund Balances</u>	<u>Reference</u>	<u>December 31,</u>	
		<u>2008</u>	<u>2007</u>
Operating Fund:			
Appropriation Reserves	D-4, D-17	\$ 6,706,115.60	\$ 6,703,994.48
Appropriation Encumbrances	D-4	11,442,748.34	6,498,507.69
Landfill Closure Tax	D-9	6,728,450.15	5,914,843.28
Accrued Interest on Bonds and Notes	D-14	312,703.22	363,195.20
Prepaid Utility Fees	D-16	885,731.36	620,542.76
Reserve for:			
Receivable - Haulers	D-7	703,315.84	713,898.63
Environmental Impairment Liability	D-15	7,000,000.00	7,000,000.00
Accounts Payable	D-18	205,761.69	73,685.05
Fund Balance	D-1	31,546,977.25	43,672,580.48
Total Operating Fund		<u>65,531,803.45</u>	<u>71,561,247.57</u>
Capital Fund:			
Serial Bonds	D-19	16,140,000.00	18,970,000.00
Improvement Authorizations:			
Funded	D-20	2,422,529.69	1,727,813.00
Deferred Reserve for Amortization	D-22	9,450,000.00	-
Reserve for Amortization	D-23	90,385,454.04	91,005,454.04
Fund Balance	D-2	4,399,583.48	4,399,583.48
Total Capital Fund		<u>122,797,567.21</u>	<u>116,102,850.52</u>
Utility Grant Fund:			
Appropriated Reserves Payable Committed	D-25	57,566.83	38,312.76
Appropriated Reserves Payable	D-25	1,140,811.50	816,527.29
Total Utility Grant Fund		<u>1,198,378.33</u>	<u>854,840.05</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 189,527,748.99</u>	<u>\$ 188,518,938.14</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY
RECLAMATION CENTER UTILITY FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

		December 31,	
	<u>Reference</u>	<u>2008</u>	<u>2007</u>
Revenue and Other Income Realized:			
Operating Surplus Anticipated	D-3	\$ 28,000,000.00	\$ 17,500,000.00
Reclamation Center Utility Fees	D-3	28,888,585.12	30,658,261.72
Miscellaneous Revenue Not Anticipated	D-3	3,666,176.12	4,752,620.42
Unexpended Balance of Appropriation Reserves	D-17	7,057,988.44	6,672,856.43
Grant Revenue	D-3	1,129,849.00	
Accounts Payable Cancelled	D-18	29,706.99	272,946.63
Reserve for Receivables - Prepaid			
Closure Taxes	D-8	231,940.10	
		<u>69,004,245.77</u>	<u>59,856,685.20</u>
Expenditures:			
Appropriations	D-4	53,129,849.00	39,000,000.00
Reserve for Receivables - Prepaid			
Closure Taxes			877.00
		<u>53,129,849.00</u>	<u>39,000,877.00</u>
Excess in Revenue		15,874,396.77	20,855,808.20
Fund Balance, January 1	D	<u>43,672,580.48</u>	<u>40,316,772.28</u>
		59,546,977.25	61,172,580.48
Decreased By:			
Utilized as Anticipated Revenue	D-1	<u>28,000,000.00</u>	<u>17,500,000.00</u>
Fund Balance, December 31	D	<u>\$ 31,546,977.25</u>	<u>\$ 43,672,580.48</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY
RECLAMATION CENTER UTILITY FUND

STATEMENT OF CAPITAL FUND BALANCE

	<u>Reference</u>	
Balance, December 31, 2007 and 2008	D	<u>\$ 4,399,583.48</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY
RECLAMATION CENTER UTILITY FUND

STATEMENT OF REVENUES

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 28,000,000.00	\$ 28,000,000.00	\$ -
Miscellaneous Revenues:				
Utility Fees	D-1	29,000,000.00	28,888,585.12	(111,414.88)
Grant Fund:				
NJ Dept. of Environmental Protection	D-24	1,129,849.00	1,129,849.00	
Non-Budget Revenues:				
Unanticipated Revenues	D-1,Below		<u>3,666,176.12</u>	<u>3,666,176.12</u>
Total	D-14	<u>\$ 58,129,849.00</u>	<u>\$ 61,684,610.24</u>	<u>\$ 3,554,761.24</u>

Analysis of Non-Budget Revenue:

Interest on Investments and Deposits		\$ 1,746,223.95
Grass Clippings		50,432.20
Gas Utility Fees		878,222.97
Rentals		4,029.00
Utility Reimbursements		2,373.71
Recycling Commissions		144,573.12
Recycled Glass		210,247.45
Prior Year Grant Reimbursements		543,477.19
Sale of Scrap Metals		40,316.10
Miscellaneous		<u>44,847.68</u>
Cash Receipts	D-5	3,664,743.37
Hauler Deposits Cancelled	D-16	<u>1,432.75</u>
	Above	<u>\$ 3,666,176.12</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY
RECLAMATION CENTER UTILITY FUND

STATEMENT OF EXPENDITURES

	Budget	Budget Modified	Expended		Reserved	Cancelled
			Paid	Encumbered		
Operating:						
Salaries and Wages	\$ 6,400,000.00	\$ 6,400,000.00	\$ 5,758,476.84	\$	\$ 141,523.16	\$ 500,000.00
Other Expenses	39,744,092.98	39,744,092.98	18,278,150.00	11,390,085.34	5,575,857.64	4,500,000.00
NJDEP - Solid Waste Services	1,129,849.00	1,129,849.00	1,129,849.00			
Total Operating	47,273,941.98	47,273,941.98	25,166,475.84	11,390,085.34	5,717,380.80	5,000,000.00
Capital Improvements:						
Capital Improvement Fund	6,000,000.00	6,000,000.00	6,000,000.00			
Capital Outlay	1,216,549.00	1,216,549.00	175,151.20	52,663.00	988,734.80	
Total Capital Improvements	7,216,549.00	7,216,549.00	6,175,151.20	52,663.00	988,734.80	
Debt Service:						
Payment of Bond Principal	2,830,000.00	2,830,000.00	2,830,000.00			
Interest on Bonds	809,358.02	809,358.02	809,358.02			
Total Debt Service	3,639,358.02	3,639,358.02	3,639,358.02			
	\$ 58,129,849.00	\$ 58,129,849.00	\$ 34,980,985.06	\$ 11,442,748.34	\$ 6,706,115.60	\$ 5,000,000.00
Reference	D-3	D-1	Below	D	D	D-1
Cash Disbursements		Ref.				
Transferred to Grant Fund		D-5 D-25	\$ 33,851,136.06 1,129,849.00			
			\$ 34,980,985.06			

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE BALANCE SHEET

<u>Assets</u>	<u>Reference</u>	<u>December 31,</u>	
		<u>2008</u>	<u>2007</u>
Land	E-1	\$ 310,100,978.03	\$ 286,339,953.03
Buildings	E-1	289,645,883.36	286,583,209.36
Furniture, Fixtures and Equipment	E-1	43,471,724.30	41,344,896.67
Vehicles	E-1	<u>67,189,203.76</u>	<u>63,436,327.46</u>
Total Assets		<u>\$ 710,407,789.45</u>	<u>\$ 677,704,386.52</u>
<u>Liabilities & Reserves</u>	<u>Reference</u>		
Investment in General Fixed Assets	E-1	<u>\$ 710,407,789.45</u>	<u>\$ 677,704,386.52</u>
		<u>\$ 710,407,789.45</u>	<u>\$ 677,704,386.52</u>

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY
OFFICE OF THE SURROGATE

COMPARATIVE BALANCE SHEET

<u>Assets</u>	<u>Reference</u>	<u>December 31,</u>		<u>Reference</u>	<u>December 31,</u>	
		<u>2008</u>	<u>2007</u>		<u>2008</u>	<u>2007</u>
General Fund:						
Cash	F-1	\$ 38,196.77	\$ 41,868.10	General Fund:		
				Reserve for Lawyer's Deposits	F-3	\$ 38,196.77
						\$ 41,868.10
Trust Fund:				Trust Fund:		
Cash	F-4	26,336,978.90	26,972,933.19	Reserve for Awards and Legacies		
				To Minors and Incompetents	F-4	26,972,933.19
Total Assets		\$ 26,375,175.67	\$ 27,014,801.29	Total Liabilities and Reserves		\$ 26,375,175.67
						\$ 27,014,801.29

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY
OFFICE OF THE SHERIFF

COMPARATIVE BALANCE SHEET

<u>Assets</u>	<u>Reference</u>	<u>December 31,</u>		<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>December 31,</u>	
		<u>2008</u>	<u>2007</u>			<u>2008</u>	<u>2007</u>
General Account:				General Account:			
Cash	G-1	\$ 2,102,646.03	\$ 1,928,466.33	Deposits on Sheriff's Sales	G-2	\$ 1,954,508.62	\$ 1,745,745.27
Appropriation Account:				Summons and Complaints	G-3	2,806.58	4,073.22
Cash	G-1	7,574.28	4,887.15	Wage Execution Account	G-4	57,994.72	50,123.33
Total Assets		\$ 2,110,220.31	\$ 1,933,353.48	General Writs (Levies)	G-5	87,336.11	128,524.51
						2,102,646.03	1,928,466.33
				Appropriation Account:			
				Reserve for Witness Fees	G-6	7,574.28	4,887.15
				Total Liabilities and Reserves		\$ 2,110,220.31	\$ 1,933,353.48

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY
OFFICE OF THE COUNTY ADJUSTER

COMPARATIVE BALANCE SHEET

Assets	Reference	December 31,		Liabilities and Reserves	Reference	December 31,	
		2008	2007			2008	2007
Cash	H-1	\$ 5,290.07	\$ 5,141.44	Balance Due County Treasurer	H-1	\$ 5,290.07	\$ 5,141.44
Accounts Receivable - Patients	H-2	169,285.72	170,025.72	Reserve for Patients' Receivables	H-2	169,285.72	170,025.72
Total Assets		<u>\$ 174,575.79</u>	<u>\$ 175,167.16</u>	Total Liabilities and Reserves		<u>\$ 174,575.79</u>	<u>\$ 175,167.16</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY
MONMOUTH COUNTY CARE CENTER

JOHN L. MONTGOMERY DIVISION

COMPARATIVE BALANCE SHEET

Assets	Reference	December 31,		Liabilities and Reserves	Reference	December 31,	
		2008	2007			2008	2007
Geriatric Unit:							
Cash - General Account	I-1	\$ 1,096,737.88	\$ 19,947.18				
Accounts Receivable	I-2	2,012,071.65	2,322,992.39	Patient Care Receivables	I-2	\$ 2,012,071.65	\$ 2,322,992.39
				Trust Accounts	I-3	62,081.93	64,870.02
Patients Trust Accounts	I-3	3,108,809.53	2,342,939.57	Due To County Treasurer	I-4	1,096,737.88	19,947.18
		62,081.93	64,870.02				
Total Geriatric Unit		3,170,891.46	2,407,809.59	Total Geriatric Unit		3,170,891.46	2,407,809.59
Young Adult Care:							
Cash - General Account	I-1	298,905.64					
Accounts Receivable	I-2	666,066.96	462,207.70	Young Adult Care:			
				Reserve for:			
Patients Trust Accounts	I-3	964,972.60	462,207.70	Patient Care Receivables	I-2	666,066.96	462,207.70
		3,124.78	2,017.67	Trust Accounts	I-3	3,124.78	2,017.67
Total Young Adult Care		968,097.38	464,225.37	Due To County	I-4	298,905.64	
				Total Young Adult Care		968,097.38	464,225.37
Total:				Total:			
Cash - General Account	I-1	1,395,643.52	19,947.18	Reserve for:			
Accounts Receivable	I-2	2,678,138.61	2,785,200.09	Patient Care Receivables	I-2	2,678,138.61	2,785,200.09
				Trust Accounts	I-3	65,206.71	66,887.69
Patients Trust Accounts	I-3	4,073,782.13	2,805,147.27	Due To:			
		65,206.71	66,887.69	Patients	I-4	298,905.64	
Total Assets		\$ 4,138,988.84	\$ 2,872,034.96	County Treasurer	I-4	1,096,737.88	19,947.18
				Total Liabilities and Reserves		\$ 4,138,988.84	\$ 2,872,034.96

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY
MONMOUTH COUNTY CARE CENTER

GERALDINE L. THOMPSON DIVISION

COMPARATIVE BALANCE SHEET

<u>Assets</u>	<u>Reference</u>	<u>December 31,</u>		<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>December 31,</u>	
		<u>2008</u>	<u>2007</u>			<u>2008</u>	<u>2007</u>
Cash - General Account	J-1	\$ 800,079.61	\$ 3,199.31	Reserve for:			
Accounts Receivable	J-2	2,559,771.26	1,835,418.23	Patients Care	J-2	\$ 2,559,771.26	\$ 1,835,418.23
Patient Trust Account	J-3	36,952.77	39,178.39	Trust Accounts	J-4	36,952.77	39,213.39
				Due To County Treasurer	J-5	800,079.61	3,164.31
Total Assets		<u>\$ 3,396,803.64</u>	<u>\$ 1,877,795.93</u>	Total Liabilities and Reserves		<u>\$ 3,396,803.64</u>	<u>\$ 1,877,795.93</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY
DEPARTMENT OF PARKS AND RECREATION

COMPARATIVE BALANCE SHEET

<u>Assets</u>	<u>Reference</u>	<u>December 31,</u>		<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>December 31,</u>	
		<u>2008</u>	<u>2007</u>			<u>2008</u>	<u>2007</u>
Cash				Reserve for:		\$ 1,500.00	\$ 1,500.00
Change Fund		\$ 310,499.37	\$ 307,774.32	Checking Account		52,875.00	52,875.00
		52,875.00	52,875.00	Change Fund		30.00	
				Lost and Found		9.99	9.99
				Interest - Sales Tax		308,959.38	306,264.33
				Boat Contract Security			
Total Assets	K-1	\$ 363,374.37	\$ 360,649.32	Total Liabilities and Reserves	K-1	\$ 363,374.37	\$ 360,649.32

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY
OFFICE OF THE PROSECUTOR

COMPARATIVE BALANCE SHEET

<u>Assets</u>	<u>Reference</u>	<u>December 31,</u>		<u>Liabilities</u>	<u>Reference</u>	<u>December 31,</u>	
		<u>2008</u>	<u>2007</u>			<u>2008</u>	<u>2007</u>
Cash - Confidential Fund	M-1			Due To County Treasurer	M-1		
Total Assets		\$ 0.00	\$ 0.00	Total Liabilities		\$ 0.00	\$ 0.00

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY
OFFICE OF THE COUNTY CLERK

COMPARATIVE BALANCE SHEET

<u>Assets</u>	<u>Reference</u>	<u>December 31,</u>		<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>December 31,</u>	
		<u>2008</u>	<u>2007</u>			<u>2008</u>	<u>2007</u>
Registry Department:				Registry Department:			
Cash				Reserve for:			
Due From County Treasurer	O-1	\$ 321,516.60	\$ 3,832,477.19	Accounts Receivable - Lawyers	O-3b	\$ 14,038.28	\$ 12,364.28
Cash Drawers	O-2	640.00		Cash Drawers	O	200.00	200.00
Accounts Receivable - Lawyers	O-2	200.00		Due To:			
	O-3	14,038.28	13,204.28	County Treasurer:			
Total Assets		\$ 336,394.88	\$ 3,845,681.47	Current Fund	O-2		3,423,443.15
				Current Fund Interest	O-2a		11,807.02
				Trust Fund	O-2c	16,214.00	20,562.00
				State for Trade Names	O-4	2,050.00	2,275.00
				Reserve for Lawyer's Deposits	O-3a	303,892.60	375,030.02
				Total Liabilities and Reserves		\$ 336,394.88	\$ 3,845,681.47

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY
TUBERCULOSIS CONTROL PROGRAM

COMPARATIVE BALANCE SHEET

<u>Assets</u>	<u>Reference</u>	<u>December 31,</u>		<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>December 31,</u>	
		<u>2008</u>	<u>2007</u>			<u>2008</u>	<u>2007</u>
Cash - General Account	P-1	\$ 2,127.20	\$ 955.60	Due To County - General	P-3	\$ 2,127.20	\$ 955.60
Accounts Receivable	P-2	180.00	540.00	Reserve for Accounts Receivable	P	180.00	540.00
Total Assets		<u>\$ 2,307.20</u>	<u>\$ 1,495.60</u>	Total Liabilities and Reserves		<u>\$ 2,307.20</u>	<u>\$ 1,495.60</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The codification of the Governmental Accounting Standards Board ("GASB") defines those statements of a governmental unit that are to be presented in its general purpose financial statements, and stipulates that the statements are to conform to generally accepted accounting principles ("GAAP"). The financial statements of the County of Monmouth (the "County"), listed in the accompanying table of contents, are those required by the Division of Local Government Services (the "Division") and they differ from the financial statements required by GAAP. In addition, the Division requires the basic financial statements to be referenced to the supplementary schedules accompanying the basic financial statements, and this practice also differs from GAAP.

GASB Statement 14 establishes criteria to be used in determining the component units, which should be included in the financial statements of an oversight entity. The criteria differ from the Division's requirements whereby certain boards, commissions, and agencies of the County, by statute or other directive, report separately on their financial statements.

The basic financial statements of the County include all governmental activities organizations and functions for which the County exercises significant oversight responsibility and for which it has appropriated funds in accordance with statutory requirements (N.J.S. 40A:5-5) except for the following entities:

County College
County Mosquito Commission
County Vocational School County Improvement Authority

B. Description of Funds

GASB is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes seven major fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with GAAP.

The accounting policies of the County conform to the accounting principles applicable to 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. Under this method accounting, the County accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP:

Current Fund - is used to account for all revenues and expenditures applicable to the general operations of County departments.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Description of Funds (Continued)

Trust Funds - are used to account for assets held by the County in a trustee capacity or as an agent for individuals and other governmental agencies. Funds held by the County which have restrictions placed on the use of such funds are recorded in the Trust Fund.

General Capital Fund - is used to account for financial resources to be used for the acquisition of general capital facilities. The major resources are derived from the sale of serial bonds and bond anticipation notes.

Grant Fund - is used to account for resources and expenditures of Federal and State Grant Funds.

Reclamation Utility Operating Fund - is used to account for revenues and expenditures related to the operation of a waste disposal and reclamation utility center, in general supported by user fees.

Reclamation Utility Capital Fund - is used to account for financial resources for the acquisition of major capital reclamation facilities and property primarily financed through the issue of utility debt obligations.

Reclamation Utility Grant Fund - is used to account for resources and expenditures of Federal and State Grant Funds.

General Fixed Assets Account Group - The County has complied with Technical Accounting Directive No. 85-2 issued by the Division of Local Government Services. Technical Accounting Directive No. 85-2 utilizes the following accounting policies:

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for land which is valued at estimated market value.

No depreciation is provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital are not accounted for separately.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Description of Funds (Continued)

Surrogate - The Surrogate collects fees for a variety of services connected with the probate of wills and the administration of estates. Funds are held in trust for minors and invested in certificates of deposits and treasury obligations. Computer systems are utilized to record all transactions to determine what monies are owed, when the minor reaches majority and the amount of funds to be disbursed.

Sheriff - Working with local police, the Sheriff's personnel assist in emergencies, drunken driving roadblocks and undercover investigations. They maintain security at the Hall of Records and County Clerk's office. The Sheriff collects fees for the services rendered for foreclosures, garnishments, summons and complaints, writs and other charges. They utilize a computer system to maintain the necessary records to record all transactions, such as receipts and disbursements and payments due to or from attorneys.

Youth Detention Center - The Monmouth County Youth Detention Center provides a secure environment for those youthful offenders deemed a threat to the physical safety of the community. The facility provides all appropriate services/goods to support their physical, emotional and social developmental needs.

Adjuster - The Adjuster's office is a "referee" for the court. Any individual, who has resided in Monmouth County for a minimum of five years and is institutionalized, the County pays for hospital care. A competency hearing is held to determine if, when and how the funds will be paid back.

Monmouth County Care Centers - The records for the Monmouth County Care Facilities are well kept, but a problem arises due to the fact that they are maintained on an accrual method of accounting and the County maintains their records on a modified accrual system. This is necessary since the record keeping system is unique to the Care Facility to enable them to track their costs, including those paid directly by the County on their behalf, such as vendor bills and payroll, to conform to their cost accounting needs. The general ledger on the other hand, needs to conform to the County's system, which utilizes the modified accrual accounting system. Therefore, the general ledger must be modified from an accrual to a modified accrual method of accounting. Year-end adjusting entries must therefore be made to the general ledger to bring it in compliance with the County. The Monmouth County Finance Department will assist the Care Facilities in achieving this function.

Department of Parks and Recreation - The Parks Department manages the various parks, golf courses, camping grounds, boat marina, annual Freehold fair, etc. These facilities are all open for public use. Fees are charged based on the facility being used. There are free facilities throughout the County as well. The administrative office, located in Lincroft, maintains all the accounting records and coordinates all programs that the Parks Department offers.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Description of Funds (Continued)

County Clerk - The County Clerk collects and remits funds to the County, the State and third parties for a variety of services that are essentially legal in nature. The Clerk uses computers with specifically designed software to record and account for the services rendered in the department. By using the system, the Clerk's staff is able to calculate fees, validate legal documents and issue sequentially numbered receipts for services. Examples of services rendered are recording mortgages, land title deeds, liens, and trade names. They issue passports and state identification cards as well as maintain the Archives System, a huge volume of records open to the public.

Prosecutor - The Prosecutor is the chief law enforcement officer in Monmouth County and has the responsibility to investigate and prosecute violators of criminal laws. They maintain three bank accounts to accommodate the petty cash accounts for the confidential, extradition and emergency funds to supply the funds for investigations and travel.

Department of Corrections - The Department of Corrections operates the County jail. Some prisoners are held on behalf of the State of New Jersey ("NJDOC"), US Marshals Service ("USMS"), Immigration Customs Enforcement ("ICE") and the City of Philadelphia due to overcrowding at their facilities. The City of Philadelphia contract terminated in August 2008. Reimbursements are received from these entities to cover the costs associated with providing secured housing. There is a commissary and account system so that inmates may purchase "comfort" items not normally provided, which include hygiene, clothing and snack foods. The commissary services are contracted out and the Department of Corrections receives a commission at a specified percentage based upon total sales. There is a Work Release program in effect, whereby inmates are temporarily released and are gainfully employed to earn monies to satisfy fines, child support and judgments.

Tuberculosis Clinic - The Tuberculosis Clinic has space in the Health Department facility. They test patients for this disease at a reasonable cost and for free if no funds are available. Two checking accounts are maintained; one for petty cash, the other for general checking.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services differ in certain respects from GAAP applicable to local government units.

Had the County's financial statements been prepared under generally accepted accounting principles, the encumbrance method of accounting would be followed for expenditures presently reflected on a paid or charged basis, appropriation reserves would not be recorded, revenues susceptible to accrual would have been reflected without offsetting reserves and inventories would not be reflected as expenditures at the time of purchase.

Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

The County follows a modified basis of accounting prescribed by the State of New Jersey that differs from GAAP. The more significant differences are as follows:

Property Taxes and Other Revenues - Property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other revenues, which are susceptible to accrual, are recorded with offsetting reserves on the Current Fund balance sheet. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the County's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Expenditures - unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - contractual orders at December 31 are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Deferred Charges - the regulatory basis of accounting utilized by the County requires that certain expenditures, when they occur, be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures 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. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges in the Current Fund balance sheet. GAAP does not recognize expenditure based on the authorization of an appropriation.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Interfunds - advances from the Current Fund are reported as interfund receivables with offsetting reserves created by charges to operations. Revenue is recognized in the year the receivables are liquidated. GAAP does not require the establishment of a compensating reserve for an interfund receivable.

Inventories of Supplies - the costs of inventories of supplies for all funds are recorded as expenditures at the time the individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheet until utilized and expended.

Compensated Absences - expenditures relating to obligations for unused, vested, accumulated sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Capital Leases - The County is obligated under leases with the Monmouth County Improvement Authority. GAAP requires that the leased assets and related obligations be accounted for at their present value in the General Fixed Assets Group, and the General Long-Term Debt Group respectively. GAAP requires that the effective interest method be utilized to determine interest expense. Capital leases have been accounted for in the County's Fixed Asset Account Group at their incremental cost.

General Fixed Assets Group - in accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the County of Monmouth has developed a fixed assets and reporting system based on an original inspection and appraisal of its assets by an independent consulting firm. The fixed assets used in governmental operations are reported in the fixed asset reporting group in the Current Fund with the exception of infrastructure assets which consist of roads, bridges, streets, sidewalks and drainage systems. The fixed assets are recorded at cost, or at appraised values approximating cost, and are adjusted in the accounts for sale, abandonment or other disposition when such events occur. Expenditures for construction in progress for assets that will eventually be recorded in the General Fixed Assets Group are accounted for in the General Capital Fund until construction is completed.

Property and equipment purchased by the Reclamation Utility Fund are not reported in the Fixed Assets Group, but are recorded in the Utility Capital Fund at cost, where they are adjusted for sale, abandonment, or other disposition. The balances in the Reserve for Amortization and Deferred Reserve for Amortization in the Reclamation Utility Capital Fund represent charges to operations for the cost of acquiring property, equipment and improvements.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Financial Statements

The GASB Codification defines the financial statements of a governmental unit to be presented in the general-purpose financial statements to be in accordance with GAAP. The County presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires that financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the County and approved by the State Division of Local Government Services in accordance with N.J.S.A. 40A:4 et seq.

F. Grants

Current Fund - State and federal grants and assistance awards made on the basis of entitlement periods are recorded as revenues when entitlement occurs.

Trust Fund - State and federal grants and assistance awards are dedicated by rider in the Trust Fund. A receivable and corresponding spending reserve are recorded when the grant is awarded.

Capital Fund - State and federal grants and assistance awards are recorded as a funding source for improvement authorizations or are established as receivables with an offsetting reserve.

G. 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 10 of the following year. Upon the filing of certified adopted budgets by the Local Unit, 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 13. 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.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Foreclosed Property

Real property acquired for taxes is recorded in the Current Fund at assessed valuation when such property is acquired and is fully reserved.

I. Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the County establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the County may levy taxes on all taxable property within the local unit to repay the debt. Annually, the County raises the debt requirements for that particular year in the Current Fund budget. As funds are raised, the deferred charges are reduced.

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents

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 insure 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 limit. The collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. The Statutory requirements for the collateral dictate that:

The market value of the collateral must equal five percent (5%) of the average daily balance of public funds; or, if the public funds deposited exceed seventy-five percent (75%) of the capital funds of the depository, the depository must provide collateral having a value equal to one-hundred percent (100%) of the amount exceeding seventy-five percent (75%).

The County considers certain investments permitted by statute to be cash equivalents if they mature within three months or may be withdrawn in cash upon notice from a pool of eligible investments in a participation arrangement with a bank that meets the insurance and collateral requirements of the statute.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 2 – DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits and Cash Equivalents

The carrying amount of the County's cash and cash equivalents at December 31, 2008 was \$473,634,804.01 and the bank balance was \$494,571,946.87.

B. Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the County may use available funds for the purchase of the following types of securities which, is suitable for registry, may be registered in the name of the County:

1. Bonds or other obligations of the United States 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 that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the County.
5. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
6. County Investment Pools.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1977, C. 281; or
8. Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs 1 and 3 of this section.;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in Section 1 of P.L. 1970, c.236 (c.17:9-41);
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued)

b. Any investment instruments in which the security is not physically held by the County shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the County and prevent unauthorized use of such investments.

c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

Other cash equivalents that would otherwise qualify as investments except for their maturity or the withdrawal provision of their deposit, the County had no investments in qualified securities at December 31, 2008.

C. Cash Management Plan

In accordance with N.J.S. 40A:4-14, every county shall adopt a cash management plan and shall deposit and invest its funds pursuant to the plan. The plan shall be approved annually by majority vote of the governing body and may be modified from time to time in order to reflect changes in federal or state law or regulations. The Chief Financial Officer shall be charged with administering the plan. The County has an adopted cash management plan.

As of December 31, 2008, the County did not hold any long-term investments.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the fund invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report and shall include, at a minimum, the specific detailed information as set forth in the statute.

NOTE 3 - FIXED ASSETS

The following is a summary of changes in the General Fund Fixed Assets Account Group for the year 2008:

2008	Balance, December 31, 2007	Additions	Retirements	Balance, December 31, 2008
Land	\$286,339,953.03	\$23,761,025.00	\$ -	\$310,100,978.03
Buildings	286,583,209.36	3,062,674.00	-	289,645,883.36
Furniture, Fixtures & Equipment	41,344,896.67	3,648,647.00	1,521,819.37	43,471,724.30
Vehicles	63,436,327.46	6,664,744.00	2,911,867.70	67,189,203.76
Total	\$677,704,386.52	\$37,137,090.00	\$4,433,687.07	\$710,407,789.45

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 4 - LONG-TERM DEBT

Summary of County Debt

<u>Issued</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General:			
Bonds and Notes	\$338,585,000.00	\$340,700,000.00	\$298,130,000.00
Green Trust Bonds NJDEP	5,845,844.05	7,083,616.44	8,501,731.20
Voc Tech. School District NJDEP	1,358,163.78	1,611,530.65	1,859,420.91
Reclamations Center Utility:			
Capital Fund:			
Bonds and Notes*	16,140,000.00	18,970,000.00	21,830,000.00
Total Debt Issued	<u>\$481,569,007.83</u>	<u>\$435,375,147.09</u>	<u>\$390,681,152.11</u>
Authorized But Not Issued			
General:			
Bonds and Notes	125,879,400.75	\$119,660,000.00	115,790,000.00
Total Authorized But Not Issued	<u>125,879,400.75</u>	<u>119,660,000.00</u>	<u>115,790,000.00</u>
Total Bonds and Notes Issued and Authorized But Not Issued	<u>\$607,448,408.58</u>	<u>\$555,035,147.09</u>	<u>\$506,471,152.11</u>

Summary of Statutory Debt Conditions – Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.3261%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$591,308,408.58	\$175,420,000.00	\$415,888,408.58
Reclamation Center Utility	16,140,000.00	16,140,000.00	-
Total	<u>\$607,448,408.58</u>	<u>\$191,560,000.00</u>	<u>\$415,888,408.58</u>

Net debt \$415,888,408.58 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$123,766,688,201.00 = 0.3360%.

* Guaranteed by County Only – Included in Deduction

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

2.0% of Equalized Valuation Basis	\$2,475,333,764.02
Less: Net Debt	<u>415,888,408.58</u>
Remaining Borrowing Power	<u>\$2,059,445,355.44</u>

New Jersey statutes limit the debt of a County to 2% of the last three preceding years equalized valuations of the taxable real estate and improvements of its constituent communities plus the assessed valuation of Class II Railroad Property. The County's statutory debt at December 31, 2008 was .3360% and its remaining borrowing power in dollars was \$2,059,445,355.44.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 4 – LONG-TERM DEBT (Continued)

Calculation of "Self-Liquidating Purposes" Reclamation Utility per N.J.S.A. 40A:2-45

Cash Receipts From fees, Rents or Other Charges for the Year	\$60,554,761.12
Deductions:	
Operating and Maintenance Costs	42,273,941.98
Debt Service	<u>3,639,358.02</u>
	<u>45,913,300.00</u>
Excess Revenue	<u>\$14,641,461.12</u>

The Local Bond Law governs the issuance of bonds and notes to finance County expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the County are general obligation bonds, backed by the full faith and credit of the County. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note.

The State of New Jersey also requires that, on or before the third anniversary date of the original note, a payment must be made on the note that equals the first installment of the bonds in anticipation of which the note was issued. A second installment must be paid if the note is renewed on its fourth anniversary.

The County may issue tax anticipation notes if its available cash is insufficient to carry on normal operations at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

General Capital Fund

Description	Type	Date of Issue	Date of Maturity	Rate	Balance December 31, 2008
General Improvements	Serial Bonds	07/10/98	08/01/10	4.500%	\$ 4,260,000.00
General Improvements	Serial Bonds	07/15/99	07/15/11	4.800%	5,880,000.00
General Improvements	Serial Bonds	07/15/00	07/15/10	5.000%	4,250,000.00
General Improvements	Serial Bonds	07/15/01	07/15/13	4.100-4.700%	10,525,000.00
General Improvements	Serial Bonds	07/15/02	07/15/17	3.250-4.350%	28,000,000.00
General Improvements	Serial Bonds	03/01/03	03/01/18	2.400-5.000%	27,915,000.00
General Improvements	Serial Bonds	04/27/04	01/15/16	4.000-5.000%	16,825,000.00
Refunding Bonds	Serial Bonds	04/27/04	09/01/12	5.000-5.250%	18,145,000.00
General Improvements	Serial Bonds	04/19/05	01/15/20	3.000-5.000%	21,285,000.00
General Improvements	Serial Bonds	06/06/06	01/15/21	4.000-5.000%	36,970,000.00
General Improvements	Serial Bonds	09/12/07	09/15/22	4.000-5.000%	49,570,000.00
Refunding Bonds	Serial Bonds	03/06/08	01/15/16	3.000-5.000%	29,180,000.00
General Improvements	Serial Bonds	09/23/08	09/01/23	3.000-5.000%	30,000,000.00
Total					<u>\$282,805,000.00</u>

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 4 – LONG-TERM DEBT (Continued)

General Capital Fund (Continued)

Description	Type	Date of Issue	Date of Maturity	Rate	Balance December 31, 2008
County College:					
General Improvements	Serial Bonds	07/15/99	07/15/09	4.75-4.80%	\$ 720,000.00
General Improvements	Serial Bonds	07/15/01	07/15/11	4.00-4/20%	1,810,000.00
General Improvements	Serial Bonds	07/15/02	07/15/12	3.25-4.00%	1,815,000.00
General Improvements	Serial Bonds	04/19/05	01/15/15	3.00-5.00%	3,165,000.00
General Improvements	Serial Bonds	09/12/07	09/15/17	4.00-5.00%	4,025,000.00
Total					\$11,535,000.00

Description	Type	Date of Issue	Date of Maturity	Rate	Balance December 31, 2008
Open Space Preservation	Serial Bonds	06/29/05	12/01/20	3.00-4.00%	\$25,195,000.00
Open Space Preservation	Serial Bonds	09/12/07	09/15/22	4.00-5.00%	19,050,000.00
Total					\$44,245,000.00

*Bonds Refunded in 2008

Description	Type	Date of Issue	Date of Maturity	Rate	Balance December 31, 2008
Green Acres Trust					
Loan Program:					
Valley Stream	Installments	12/20/96	06/20/06	2.00%	\$3,300,901.84
Clayton Park		01/21/00	01/21/13	2.00%	818,075.57
Bayshore Park		11/13/99	05/13/13	2.00%	1,726,866.64
Total					\$5,845,844.05
Economic development:					
Authorities Facilities Loan:					
Assistance Program	Installments	07/01/93	07/15/03	1.500%	\$ 679,081.89
		07/01/93	07/15/03	5.288%	679,081.89
					\$1,358,163.78
Total General Capital Fund Long-Term Debt Issued and Outstanding					\$345,789,007.83

Reclamation Utility Capital Fund

Description	Type	Date of Issue	Date of Maturity	Rate	Balance December 31, 2008
Reclamation Utility Bonds	Serial Bonds	07/15/02	07/15/17	3.25-4.30%	\$ 6,500,000.00
Reclamation Utility Bonds	Serial Bonds	04/27/04	09/01/10	5.00-.25%	3,840,000.00
Reclamation Utility Bonds	Serial Bonds	04/19/05	01/15/17	3.50-5.00%	5,800,000.00
Total Reclamation Utility Fund debt Issued and Outstanding					\$16,140,000.00

**COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008**

NOTE 4 – LONG-TERM DEBT (Continued)

The aggregate debt service requirements for the General Capital Fund and Reclamation Capital Fund is as follows:

General Capital Fund			
Year	Principal	Interest	Total
2009	\$ 34,276,579.00	\$ 14,293,239.09	\$48,569,818.09
2010	32,552,947.99	12,955,542.26	45,508,489.26
2011	33,368,683.00	11,511,333.76	44,880,016.76
2012	35,775,713.00	10,102,411.76	45,878,124.76
2013	33,216,391.00	8,653,521.88	41,869,912.88
2014	30,516,626.00	7,294,051.00	37,810,677.00
2015	28,512,069.00	5,975,573.50	34,487,642.50
2016	25,860,000.00	4,758,321.00	30,618,321.00
2017	20,440,000.00	3,707,802.50	24,147,802.50
2018	18,150,000.00	2,791,927.50	20,941,927.50
2019	15,530,000.00	2,077,790.50	17,607,790.50
2020	15,705,000.00	1,429,519.50	17,134,519.50
2021	11,235,000.00	829,918.50	12,064,918.50
2022	8,470,000.00	433,862.50	8,903,862.50
2023	2,180,000.00	87,200.00	2,267,200.00
Total	\$345,789,008.00	\$86,902,015.25	\$432,691,023.25

Reclamation Capital Fund			
Year	Principal	Interest	Total
2009	\$2,790,000.00	\$ 721,275.00	\$ 3,511,275.00
2010	2,750,000.00	587,125.00	3,337,125.00
2011	1,200,000.00	461,200.00	1,661,200.00
2012	1,550,000.00	406,700.00	1,956,700.00
2013	1,550,000.00	340,950.00	1,890,950.00
2014	1,550,000.00	271,450.00	1,821,450.00
2015	1,550,000.00	201,150.00	1,751,150.00
2016	1,600,000.00	128,800.00	1,728,800.00
2017	1,600,000.00	54,800.00	1,654,800.00
	\$16,140,000.00	\$3,173,450.00	\$19,313,450.00

The Green Acres Trust Loan Program of funds represent disbursements to the County under terms of an agreement in which repayments of the loan begin nine months from the date of the final disbursement of funds or two years from the first disbursement of the funds, whichever comes first. The loan bears an interest rate of 2% and must be repaid in semi-annual installments over a period not to exceed 20 years from the date of the first disbursement of funds to the date of the final payment.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 4 – LONG-TERM DEBT (Continued)

Installment Purchase Agreement – Hofling Easement

The County of Monmouth purchased land in Upper Freehold Township through an Installment Purchase Agreement (IPA) in the sum of \$1,115,380.00.

Funding for the acquisition was as follows:

\$295,436.25	(County Board Ordinance)
100,000.00	(County Trust – Open Space)
<u>267,691.20</u>	(Township of Upper Freehold Grant)
<u>\$663,107.45</u>	

From these sources the County paid \$360,380.00 as a down payment to the sellers of the property. The balance of \$302,747.45 was used to purchase government strips (zero coupon US Treasuries) that will mature on November 15, 2029 in the sum of \$755,000.00. The County, under the IPA, was required to set up a note payable which was done by ordinance #08-IPA.

From the purchase date to the maturity date, the County is required to pay tax-exempt interest to the sellers at a rate of 4.85%. Following is the debt schedule for the IPA:

<u>Year</u>	<u>Interest</u>	<u>Principal</u>
2009	\$38,143.20	\$
2010-2029	36,617.50	
11/15/2029		755,000.00

The interest is being paid through the County Open Space Trust Fund.

Prior Year's Debt Defeasance

In prior years, the County defeased bond issues by creating separate irrevocable trust funds. The County issued new debt and used the proceeds to purchase United States and/or State and Local Governmental Series securities that were placed in the trust funds. The investments and earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the associated debt has been considered defeased and the liabilities have been removed from the financial statements of the General Capital and Reclamation Capital Funds.

Issuing Entity	Purpose	Bond Series	Defeased Balance
Primary Government:			
Reclamation Center	Reclamation Center	07/01/98	\$8,00,000.00
General Obligation	General Capital Improvement	07/01/98	1,445,000.00
General Obligation	General Capital Improvement	10/01/96	12,450,000.00
General Obligation	General Capital Improvement	08/01/97	15,900,000.00
General Obligation	General Capital Improvement	1998	6,370,000.00
		1999	5,880,000.00
		2000	10,625,000.00
		2001	6,315,000.00
Total			<u>\$66,985,000.00</u>

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 5 - BONDS AND NOTE AUTHORIZED BUT NOT ISSUED

At December 31, 2008, the County had authorized but not issued bonds and notes as follows:

<u>General Capital Fund</u>	<u>\$125,879,400.75</u>
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NOTE 6 - FUND BALANCE APPROPRIATED

Current Fund

The fund balance at December 31, 2008 was \$83,648,839.77 of which \$44,850,000.00 was appropriated and included as anticipated revenue for the year ended December 31, 2009.

Reclamation Utility Operating Fund

The fund balance at December 31, 2008 was \$31,546,977.25 of which \$11,500,000.00 was appropriated and included as anticipated revenue for the year ended December 31, 2009.

NOTE 7 - DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS' BUDGET

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2008, there was a deferred charge shown on the Current Fund balance sheet of \$25,000.00 which was raised in the 2009 budget.

NOTE 8 - ACCRUED SICK AND VACATION BENEFITS - UNAUDITED

Any employee of the County who retires under either of the contributory pension systems may be eligible to receive payment for unused sick leave. Payment is limited to one half of the earned but unused sick leave days with a maximum payment of \$15,000.00. The payment is provided as a lump sum subject to federal and state taxes and is computed at one-half of the employee's average annual daily rate of pay for each day of earned and unused accumulated sick leave at the effective date of retirement. Overtime pay, longevity, and any other supplemental compensation are excluded from the computation.

GAAP accounting would require accumulated sick leave to be recognized as a liability in the accounting period the leave is earned. The County, however, does not accrue the accumulated liability. Instead it provides for and charges its accounts the actual cost of sick leave in the year in which lump sum payments or installments fall due.

While the County does not accrue this liability, the unfunded liability at December 31, 2008 is \$4,754,443.00 based on the eligible employees.

The County has also earned unspent vacation and compensatory time pay in the amount of \$19,355.00 and \$771,736.00 respectively, which is also part of the unfunded liability.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 9 – PENSION PLANS

Description of Systems

Substantially all of the County's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: The Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System and Firemen's Retirement System are considered a cost sharing multiple-employer plan.

Public Employees' Retirement System:

The Public Employees' Retirement System (PERS) was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

Police and Firemen's Retirement System:

The Police and Firemen's Retirement System (PFRS) was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full-time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Member may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service.

Chapter 428, Public Laws of 1999, effective January 18, 2000, allows a member, age 55 and older with 20 or more years of service, to retire with a benefit equaling 50% of final compensation, in lieu of the regular retirement allowance available to the member. Final compensation means the compensation received by the member is the last twelve months of creditable service preceding retirement.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 9 – PENSION PLANS (Continued)

Description of Systems (Continued)

Police and Firemen's Retirement System: (Continued)

In addition, a member of the system as of the effective date of this law may retire with 20 or more years of service with a retirement allowance of 50% of final compensation, regardless of age, and, if required to retire because of attaining the mandatory retirement age of 65, an additional 3% of final compensation for every additional year of creditable service up to 25 years.

Contributions Required and Made

Contributions made by employees for PERS and PFRS are currently 5.5% and 8.5% of their base wages, respectively. Employer contributions are actuarially determined on an annual basis by the Division of Pensions. Contributions to the plan for the last year are as follows:

2008	<u>\$7,711,186.40*</u>	<u>\$10,301,473.19</u>	<u>\$8,334,040.00</u>	<u>\$7,054,439.86</u>
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* Chapter 108 P.L. 2003 Phase in Credit of \$1,927,796.60

NOTE 10 - DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 10 - DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

Description of System (Continued)

The law requires that three classes of employees enroll in the DCRP detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employment Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or Certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member Contributions are matched by a 3.0% employer contribution.

During the calendar year 2008 there were three (3) officials or employees enrolled in the DCRP. The County's contributions for the year 2008 was \$4,816.08.

NOTE 11 - DEFERRED COMPENSATION PROGRAM

The County has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and 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.

The County has engaged a private contractor to administer the Plan.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 12 - POST EMPLOYMENT HEALTHCARE PLAN

Plan Description: The County of Monmouth is a single-employee defined benefit healthcare plan administered by Insurance administrator of America, Inc. and Aetna. The County provides medical, prescription drug (for those retirees in the Indemnity Plan), and Medicare Part B reimbursement (for those retirees that receive fully-subsidized benefits) to retirees and their covered dependents. Active employees hired prior to July 1, 1994 who retire from the County and meet the eligibility criteria are eligible to receive these benefits from the County at no cost. Other retirees must pay the full premium to receive these benefits.

Funding Policy: The County's funding policy is pay-as-you-go.

Annual OPEB Cost and Net OPEB Obligation: The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially-determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation (\$ thousands):

January 1, 2008 Net OPEB Obligation	\$15,140.2
Plus:	
Annually Required Contributions	<u>21,999.7</u>
	37,139.9
Less:	
County Contributions (Estimated)	<u>8,703.5</u>
December 31, 2008 Net OPEB Obligations	<u>\$28,436.4</u>

The County's annual OPEB Cost Summary is as follows:

Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2008	\$21,999.7	39.5%	\$28,436.4
12/31/2007	21,999.7	31.1%	15,140.2

Funded Status and Funding Progress: The funded status of the Plan was as follows (\$ Thousands):

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability-Projected Unit Credit	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as % of Covered Payroll
1/1/07	\$ 0	\$403,585.5	\$403,585.5	0%	\$180,536.5	218%

*Required disclosure at adoption of Standard. Covered payroll based on salary provided by the County on the active census.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 12 - POST EMPLOYMENT HEALTHCARE PLAN (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the January 1, 2007 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included an annual medical cost trend rate of 11 % initially, and decreases to a 5% long-term trend rate after 12 years. For prescription drug benefits, the initial trend is 12%, decreasing to a 5% long-term trend rate after 14 years. For Medicare Part B reimbursement, the trend rate is 6.5% for 3 years, with a long-term trend rate of 5% thereafter. These assumptions are consistent with those used for the State Health Benefits Plan. The discount rate as of January 1, 2007 is 3.50%. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at January 1, 2007 was 30 years.

NOTE 13 - CAPITAL LEASES

The County is obligated under agreements with the Monmouth County Improvement Authority, dated January 1, 1990 and October 1, 1997, to pay rentals pursuant to the agreements for the cost of acquisition of certain parcels of real estate for recreational purposes, and for the cost of acquisition and construction of additions and improvements to existing correctional facilities. The agreements are treated as capital leases. The future rental payments are as follows:

Year	Minimum Rental Payments Correctional Facility
2009	\$4,017,250.00
2010	4,018,750.00
2011	4,021,500.00
	12,057,500.00
Less: Interest	1,112,500.00
Total	\$10,945,000.00

The interest rates on the Correctional Institute vary from 4.2% to 5.0%. The Correctional Facility lease expires in 2011.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 14 - CAPITAL EQUIPMENT POOLED LEASE GUARANTEE

The Monmouth County Improvement Authority has issued capital equipment pooled lease revenue bonds for the purpose of financing the acquisition of equipment for lease to certain governmental units located within the County. Payment of interest and principal on the bonds is unconditionally and irrevocably guaranteed by the lessees of the equipment and the County. The bonds mature serially through the year 2017. At December 31, 2008, the bonds included the following issues:

Date of Issue	Amount of Issue	Rate	Balance, December 31, 2008
8/30/99	\$20,590,000.00	5.000%	\$1,420,000.00
10/31/01	16,885,000.00	4.00 to 4.15%	2,300,000.00
08/01/03	16,180,000.00	3.450-5.000%	5,540,000.00
10/01/05	21,905,000.00	3.50-5.000%	14,155,000.00
07/12/07	19,940,000.00	4.000-5.000%	17,335,000.00

NOTE 15 - REFUNDING REVENUE BONDS MONMOUTH COUNTY IMPROVEMENT AUTHORITY

The \$21,670,000 Governmental Loan Refunding Revenue Bonds, Series 2006 (the "Pooled Loan Bonds") are limited obligations of the Authority secured by a pledge of certain property, which includes the Authority's right to receive payments of principal and interest on bonds (the "Borrower Bonds") issued by certain governmental units located within the County (the Borrowers") to refinance various capital improvements of the Borrowers. The principal and interest on each Borrower Bond is a direct and general obligation of each respective Borrower. Payment of principal and interest on the Pooled Loan Bond is unconditionally and irrevocable guaranteed by the County. At December 31, 2008, \$10,965,000.00 of the bonds were outstanding.

Date of Issue	Amount of Issue	Rate	Balance, December 31, 2008
04/03/06	\$21,670,000.00	3.50-5.00%	\$10,965,000.00

NOTE 16 - GOVERNMENTAL LOAN REVENUE BONDS--MONMOUTH COUNTY IMPROVEMENT AUTHORITY (MCIA)

The \$40,075,000 Governmental Loan Revenue Bonds, Series 2008 (the "Pooled Loan Bonds") are limited obligations of the Authority. Ten (10) municipalities are participating in the Pooled Loan Bonds. Each municipal participant will sell a General Obligation Bond to the MCIA. Principal and interest on the individual municipal bonds equal principal and interest on the Authority Bonds. Payment of principal and interest on the Pooled Loan Bond is fully, unconditionally and irrevocably guaranteed by Monmouth County.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

**NOTE 16 - GOVERNMENTAL LOAN REVENUE BONDS—MONMOUTH COUNTY
IMPROVEMENT AUTHORITY (MCIA) (Continued)**

At December 31, 2008, \$40,075,000 of the bonds were outstanding.

Date of Issue	Amount of Issue	Rate	Balance, December 31, 2008
06/01/08	\$40,075,000	3.00-5.00%	\$40,075,000

The above issue consists of \$38,315,000 of Serial Bonds with a last maturity date of December, 2026 and a \$1,760,000 Term Bond due December 1, 2028 at a rate of 5.0%

**NOTE 17 - LEASE REVENUE BONDS SERIES 2008 (BROOKDALE COMMUNITY
COLLEGE)-MONMOUTH COUNTY IMPROVEMENT AUTHORITY (MCIA)**

The MCIA has issues Lease Revenue Bonds ("Bonds") in the sum of \$27,850,000.00. The Bonds are being issued to provide funds to the Authority for various capital to the facilities of Brookdale Community College and to pay certain costs incurred in connection with the issuance of the bonds. The Bonds are direct and special obligations of the Authority payable solely from the Pledged Property of the Authority including without limitation, the rental payments to be made by the College. Additional security for the Bonds, payment of principal and interest on the bonds is fully, unconditionally, and irrevocably guaranteed by the County of Monmouth. At December 31, 2008, \$27,850,000 remains outstanding as detailed below:

Date of Issue	Amount of Issue	Rate	Balance, December 31, 2008
08/01/08	\$27,850,000	3.25-6.00%	\$27,850,000

It is noted that of the Lease Revenue Bonds issued \$9,470,000 were Serial Bonds through 2024 and the balance were Term Bonds in the sum of \$18,380,000 with the following due dates and maturity schedule:

Year	Rate	Amount
2026	5.25%	\$1,810,000.00
2028	5.50%	\$2,015,000.00
2031	5.875%	\$3,495,000.00
2038	6.00%	\$11,060,000.00

NOTE 18 - ARBITRAGE

In general, when a rebate occurs as a result of investment activity in bond proceeds, the liability is payable to the Internal Revenue Service on a computation date in the fifth year subsequent to the date of issue of the bonds. Thus, depending upon continued investment activity in the proceeds, together with expenditures for the purpose of the bonds and interest rates, the ultimate rebate liability on the fifth year computation date may be more or less than the liability computed in any interim.

For its \$60,445,000 bond issue of April 17, 2004, the County has determined that there is an arbitrage rebate liability of \$388,981.49. A reserve has been set-up for \$292,270.07. The balance of the liability has been budgeted for in the Finance Department Reserve Balance.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 19 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. For the foregoing purposes, it has established various trust funds to finance its self-insured retention program. The following is a schedule of the County's present insurance coverage which reflects the amounts of its self-insured retention and excess coverage:

Coverage	Self-Insured Retention	Excess Insurance
General Liability	\$ 200,000.00	\$ 10,000,000.00
Automobile	200,000.00	10,000,000.00
Law Enforcement	200,000.00	10,000,000.00
Public Employee Dishonesty	10,000.00	1,000,000.00
Public Officials	2,000,000.00	10,000,000.00
Helicopter/Aviation	1,000.00/1,000.00	5,000,000.00
Environmental Impairment	15,000.00	3,000,000.00
Property	Various	75,000,000.00/25,000,000.00
Workers Compensation	250,000.00	Statutory
Surety Bonds:		
W. Claire French, County Clerk		50,000.00
Bob Lahey, Superintendent of Buildings and Grounds		5,000.00
Sheriff		50,000.00
Rosemarie D. Peters, Surrogate		50,000.00
Mark E. Acker, Treasurer		1,500,000.00

In respect to the excess insurance, the County's settled claims have not exceeded the commercial coverage in the past three years. At December 31, 2008, the amount on deposit in the Trust Fund was \$6,647,834.40.

NOTE 20 - RESERVE FOR ENVIRONMENTAL IMPAIRMENT LIABILITY

In conjunction with its petition to increase its reclamation utility landfill rates, which was approved by the State of New Jersey in January 1989, the County established a reserve for self insurance for potential losses that might occur as a result of accidents having an environmental impact. At December 31, 2008, the reserve, which management considered to be adequate in terms of its risk, amounted to \$7,000,000.00.

NOTE 21 - DIVISION OF SOCIAL SERVICES

The County Board of Social Services was dissolved by an action of the Board of Chosen Freeholders in 1991, and became a Division ("Division") within the framework of other County departments and divisions in that year. The State of New Jersey is responsible for the imposition of federal eligibility requirements for assistance, and certain other support subsidies that are tested on an ongoing basis by its quality assurance units. Programs governing client files in the State's database are used to categorize and measure terms of client benefits and validate eligibility based upon historical information.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 21 - DIVISION OF SOCIAL SERVICES (Continued)

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

Current Fund Accounts:

Administration Rental Assistance

Trust Fund Accounts:

Reach Omega

Assistance

Child Support

Clearing

Rental Assistance Program

In addition, a record of the Division's Fixed Assets is maintained by the County and reported in the County's General Fixed Assets Account Group for all items in excess of \$1,000 minimum threshold. Based upon this threshold, the Division's Fixed Assets, comprised solely of movable equipment, were reported at the following values:

December 31, 2008	\$1,358,613.78
December 31, 2007	1,357,052.60
December 31, 2006	1,362,716.88
December 31, 2005	1,317,349.60
December 31, 2004	1,269,035.57

NOTE 22 - CONTINGENT LIABILITIES

State and Federal Grants

The County receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2008 the County estimates that no material liabilities will result from such audits.

Litigation

The County has been informed through its counsel that there is no litigation, impending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the County, and which might materially affect the County's financial position or results of operation for the year 2008, and post balance sheet period through June 26, 2009

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 23 - CHANGE ORDERS

Monmouth County approved the following change orders during 2008:

1. Reso. #08-196 for Nursefinders and Stat Pro – Authorizing additional expenditure (over 20%) for temporary/emergency registered nurses, licensed practical nurses, and certified nurses aides for the Department of Health Care Facilities for 2007.
2. Reso. #08-343 for R.J. Health Care Services, LLC – Authorizing additional expenditure (over 20%) for temporary/emergency registered nurses, licensed practical nurses, and certified nurses aides for the Department of Health Care Facilities for 2007.
3. Reso. #08-954 for Freehold Cartage, Inc. – Authorizing additional expenditure (over 20%) for marketing of recyclables for the period of January 1 2007 through December 31, 2008.
4. Reso. #08-1136 for Motors and Drivers, Inc. – Authorizing additional expenditure (over 20%) for electric motor parts and repairs for the Division of Buildings and Grounds during calendar year 2008.
5. Reso. #08-1177 for Green Construction, Inc. – Authorizing change order number 2 and final in excess of 20% of the original contract amount for the intersection improvements at County Route 52, Crawford's Corner Road and Stillwell/Sunnyside Road, in the Township of Middletown and Holmdel.
6. Reso. #08-1199 for Foley, Inc. – Authorizing additional expenditure (over 20%) for maintenance, parts, and repairs on various Caterpillar equipment located at the Monmouth County Reclamation Center during calendar 2008.
7. Reso. 08-1205 for Verizon Select Services, Inc. – Authorizing additional expenditure (over 20%) for intra-state and inter-state telephone services for a two (2) year period.

As per N.J.A.C. 5:30-11, the County must approve change orders which cause the originally awarded contract price to be exceeded by more than 20%.

NOTE 24 - PROPERTY TAXES

The County through local municipal property tax collections assesses property taxes. Municipalities are required to remit taxes collected on the County's behalf on a quarterly basis, on February 15, May 15, August 15, and November 15. Pursuant to the provision of N.J.S.A 54:4-76, interest charges on delinquent payments are 6% per annum.

NOTE 25 - FASB PRONOUNCEMENTS POLICY

The County adheres to all FASB policies unless otherwise indicated.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

NOTE 26 - CORRECTIONAL CENTER INMATE ACCOUNTS RECEIVABLE BALANCES

These are recorded on the financials of the Correctional Center balances for inmate accounts receivable which represent charges to inmates for processing fees. These accounts receivable have been brought forward for many years and the balance increases each year. The collection of these accounts in relation to the overall balance is highly doubtful. The County does not desire to establish a write-off policy as they want to be able to collect any balances they can if the opportunity arises.

NOTE 27 - AUDIT REQUIREMENTS OF OMB CIRCULAR A-133 AND STATE OMB CIRCULAR 04-04

Another auditor audited the compliance requirements of OMB Circular A-133 and State OMB Circular 04-04 for the year ended December 31, 2008. They have issued a separate report, and as such, we do not express an opinion on those compliance requirements.

APPENDIX B

FORM OF SECONDARY MARKET DISCLOSURE UNDERTAKING

SECONDARY MARKET DISCLOSURE UNDERTAKING

This UNDERTAKING is made as of November 3, 2009 by the COUNTY OF MONMOUTH (the "Issuer") New Jersey for the purpose of obligating the Issuer to make secondary market disclosure as contemplated by SEC Rule 15c2-12 (the "SEC Rule"). Defined terms used in the UNDERTAKING shall have the definitions set forth in the SEC Rule unless the context of the UNDERTAKING clearly indicates otherwise.

Section 1. The obligations with respect to which the UNDERTAKING applies are described in as follows (the "Municipal Securities"):

The \$71,175,000 General Obligation Bonds Consisting of \$44,790,000 General Obligation Bonds, Series 2009A ("Series 2009A Bonds") and \$26,385,000 General Obligation Bonds, Series 2009B ("Series 2009B") are dated the date of delivery, mature in the principal amounts on November 1 and bear interest at the rates per annum payable May 1, 2010 and semiannually thereafter on the first days of May and November in each year until maturity as described in Schedules A and B attached hereto.

Section 2. The term of the UNDERTAKING is from the date of delivery of the Municipal Securities by the Issuer to the date of the last payment of principal or redemption price, if any, of, and interest to accrue on, the Municipal Securities.

Section 3. The Issuer is the only Obligated Person with respect to the Municipal Securities.

Section 4. The Issuer undertakes to provide the Annual Financial Information and Operating Data to www.emma.msrb.org ("EMMA") for each fiscal year ending on or after December 31, 2009.

Section 5. The Annual Financial Information and Operating Data shall be filed with EMMA within 240 days after the close of the Issuer's fiscal year, except that audited financial statements will be filed with EMMA within 60 days after receipt by the Issuer. "Annual Financial Information" and "Operating Data" means the financial and statistical information of the Issuer of the type included in the Final Official Statement under the headings "List of Twelve Largest Taxpayers", "Assessed Valuation of Real Property and Equalized Valuations Taxable and Tax Rates", "Distribution of Assessed Valuation", "Statements of Statutory New Debt", "Schedule of Debt Service", "Debt Analysis", "Other County Obligations" and "Comparative County Budgets".

Section 6. The accounting principle followed by the Issuer is the "Modified Cash Basis," as promulgated by the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey. If the Issuer is required by law or regulation to adopt different accounting principles, notice of such change shall be provided as part of the Issuer's next succeeding Annual Financial Information and Operating Data.

Section 7. The Issuer undertakes to disclose to EMMA in a timely manner the occurrence of any of the following events, if any such occurrence is material:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (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 or events affecting the tax-exempt status of the Municipal Securities;
- (7) modifications to the rights of owners of the Municipal Securities;
- (8) bond calls;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the securities; and
- (11) rating changes.

The Issuer from time to time may choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that such other event is material with respect to the Municipal Securities, but the Issuer does not undertake to provide any such notice of the occurrence of any material event except those events listed above.

Section 8. If the Issuer fails to disclose Annual Financial Information and Operating Data as required by the UNDERTAKING, the Issuer shall provide notice of such failure to EMMA in a timely manner.

Section 9. The UNDERTAKING is made for the benefit of the holders or beneficial owners of the Municipal Securities and may be enforced by any such holder or beneficial owner. The sole remedy of any such holder or beneficial owner shall be for specific performance of the UNDERTAKING and not for money damages in any amount.

Section 10. This UNDERTAKING may be amended by the Issuer from time to time if the following conditions are met:

- (a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements;
- (b) The UNDERTAKING, as amended, would have complied with the requirements of the SEC Rule at the time of the primary offering, after taking into account any amendments or interpretations of the rule, as well as any change in circumstances; and
- (c) The amendment does not materially impair the interests of holders or beneficial owners, as determined by the Issuer's bond counsel.

Notice of any amendment shall be filed with EMMA in a timely manner.

IN WITNESS WHEREOF, THE COUNTY OF MONMOUTH has caused this UNDERTAKING to be executed in its name by its Director of Finance and its corporate seal to be affixed hereto and said seal to be attested by the Clerk of the Board of Chosen Freeholders, all as of the 3rd day of November, 2009.

(SEAL)

COUNTY OF MONMOUTH

By: _____
James S. Gray, Clerk of the Board
of Chosen Freeholders

By: _____
Craig R. Marshall
Director of Finance

APPENDIX C

NOTICES OF SALE

NOTICE OF SALE

COUNTY OF MONMOUTH NEW JERSEY

\$44,790,000 GENERAL OBLIGATION BONDS, SERIES 2009A

(Tax-Exempt Bonds or Build America Bonds)

ELECTRONIC BIDS, via BiDCOMP/PARITY Competitive Bidding System (BiDCOMP/Parity) (the "Proposals") only, will be received by the Director of Finance of the Board of Chosen Freeholders of the County of Monmouth, New Jersey (the "County"), on November 3, 2009 until 11:00 a.m., New York City time, at which time they will be announced, for the purchase of all, but not less than all, of the County's \$44,790,000 General Obligation Bonds, Series 2009A (the "Series A Bonds"). Bidders are required to submit their Proposals for the purchase of the Bonds in accordance with the terms of the Notice of Sale.

The County is offering all of the Series A Bonds as either tax-exempt obligations (the "Tax-Exempt Bonds") or taxable obligations designated as Build America Bonds ("BABs") under Section 54AA(g)(2) of the Internal Revenue Code of 1986, as amended (the "Code") pursuant to which the County will select the "direct credit payment to issuer" option as provided in Section 6431 of the Code (the "Taxable Bonds").

A bidder may bid on the Series A Bonds as Tax-Exempt Bonds or bid on the Series A Bonds as Taxable Bonds. If the Series A Bonds are issued as Taxable Bonds, the Series A Bonds will be designated "County of Monmouth, New Jersey General Obligation Bonds, Series 2009A (Federally Taxable - Issuer Subsidy - Build America Bonds)" and the owners of, and the owners of beneficial interests in, such Bonds will not receive any tax credits with respect to such Bonds.

Interest Payment Dates

The Series A Bonds will be dated the date of delivery (which is expected to be November 17, 2009) and will bear interest at the rates per annum specified by the successful bidder therefor in accordance herewith, payable on May 1, 2010 and semi-annually thereafter on the first days of May and November in each year until maturity.

Principal Amortization

Principal of the Series A Bonds will be paid annually (at maturity, unless designated as mandatory sinking fund payments in the manner prescribed herein) on November 1 of each of the following years and in the following aggregate amounts:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2010	\$2,760,000	2015	\$5,395,000
2011	2,760,000	2016	5,395,000
2012	2,760,000	2017	5,395,000
2013	4,135,000	2018	5,395,000
2014	5,400,000	2019	5,395,000

Term Bond Option

Bidders may designate in their proposals two or more consecutive annual principal payments of the Series A Bonds, which matures on the maturity date of the last annual principal payment of the sequence. Any term bond so designated shall be subject to mandatory sinking fund redemption in each year on the principal payment date and in the entire principal amount for each annual principal payment designated for inclusion in such term bond. There is no limitation on the number of term bonds in the Series A Bonds. The Series A Bonds issued as Build America Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and on a pro-rata basis among holders.

Redemption Provisions

The Series A Bonds shall not be subject to redemption at the option of the County prior to their respective maturity dates.

Extraordinary Optional Redemption for Taxable Bonds

The Series A Bonds, if issued as Build America Bonds, are subject to Extraordinary Optional Redemption on any date prior to their maturity at the option of the County, in whole or in part upon the occurrence of an Extraordinary Event, as defined below, at a redemption price equal to the greater of:

- (1) 100% of the principal amount of the Series A Bonds to be redeemed; or
- (2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series A Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series A Bonds are to be redeemed, discounted to the date on which the Series A Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 100 basis points;

plus, in each case, accrued interest on the Series A Bonds to be redeemed to the Extraordinary Optional Redemption Date.

An "Extraordinary Event" will have occurred if the County determines that a material adverse change has occurred to Section 54AA or 6431 of the Code (as such Sections were added by Section 1531 of the Recovery Act, pertaining to "Build America Bonds") or there is any guidance published by the Internal Revenue Service or the United States Department of the Treasury with respect to such Sections or any other determination by the Internal Revenue Service or the United States Department of the Treasury, which determination is not the result of any act or omission by the County to satisfy the requirements to qualify to receive the 35% cash subsidy payment from the United States Department of the Treasury, pursuant to which material adverse change the County's 35% cash subsidy payment from the United States Department of the Treasury is reduced or eliminated.

"Treasury Rate" means, with respect to any Extraordinary Optional Redemption Date for a particular Taxable Bond, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, assuming that the Comparable Treasury Issue is purchased on the Extraordinary Optional Redemption Date for a price equal to the Comparable Treasury Price, as calculated by the Designated Investment Banker.

"Comparable Treasury Issue" means, with respect to any Extraordinary Optional Redemption Date for a particular Taxable Bond, the United States Treasury security or securities selected by the Designated Investment Banker which has an actual or interpolated maturity comparable to the remaining average life of the Taxable Bond to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Taxable Bonds to be redeemed.

"Comparable Treasury Price" means, with respect to any Extraordinary Optional Redemption Date for a particular Taxable Bond, (1) if the Designated Investment Banker receives at least four Reference Treasury Dealer Quotations, the average of such quotations for such Extraordinary Optional Redemption Date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Designated Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.

"Designated Investment Banker" means one of the Reference Treasury Dealers appointed by the County.

"Reference Treasury Dealer" means each of the four firms, specified by the County from time to time, that are primary United States Government securities dealers in the City of New York (each a "Primary Treasury Dealer"); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the County will substitute another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any Extraordinary Optional Redemption Date for a particular Taxable Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the

Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at 3:30 P.M., New York City time, on the third Business Day preceding such Extraordinary Optional Redemption Date.

Notice of Redemption

Notice of Redemption shall be given by publishing such notice once a week for two (2) successive weeks in a newspaper of general circulation that carries financial news, is printed in the English language and is customarily published on each business day in the State of New York, the first of such publications to be at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. A Notice of Redemption shall also be mailed by first class mail in a sealed envelope with postage prepaid to the registered owners of such Series A Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the County. However, so long as DTC (or any successor thereto) acts as Securities Depository for the Series A Bonds, Notices of Redemption shall be sent only to such depository and shall not be sent to the beneficial owners of the Series A Bonds, nor shall the notices be published as provided herein. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the County determines to redeem a portion of the Series A Bonds of a maturity and the Series A Bonds are issued as Tax-Exempt Bonds, such Series A Bonds shall be selected by the County by lot. If Notice of Redemption has been given as described herein, the Series A Bonds, or the portion thereof called for redemption, shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Payment shall be made upon surrender of the Series A Bonds redeemed.

Book-Entry-Only System

As long as DTC or its nominee, Cede & Co., is the registered owner of the Series A Bonds, payments of the principal of and interest on the Series A Bonds will be made directly to Cede & Co., as nominee of DTC, which will credit payments of principal of and interest on the Series A Bonds to the DTC participants as listed in the records of DTC as of each next preceding April 15 and October 15, respectively (the "Record Dates" for payment of interest on the Series A Bonds), which participants will in turn credit such payments to the beneficial owners of the Series A Bonds.

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

Individual purchases of beneficial ownership interests in the Series A Bonds will be made in book-entry form (without certificates) in the denomination of \$5,000 each or any integral multiple thereof. It shall be the obligation of the successful bidder to furnish to DTC an

underwriter's questionnaire not less than seventy-two (72) hours prior to the delivery of the Series A Bonds and to furnish to Bond Counsel, referenced below, the initial public offering prices of the Series A Bonds not less than forty-eight (48) hours prior to delivery of the Series A Bonds.

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

Electronic Bidding Procedures

Bids shall be submitted electronically via PARITY in accordance with this Notice of Sale, until 11:00 a.m. (New York City time) on November 3, 2009, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY, potential bidders may contact PARITY at (212) 849-5021. In the event that a bid for the Series A Bonds is submitted via PARITY, the bidder further agrees that:

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

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

3. The County may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via TM3 News Services, or by other available means, no later than 3:00 p.m. (New York City Time) on November 2, 2009.

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

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

Bid Specifications

Each Proposal submitted for the Series A Bonds must name the rate or rates of interest per annum to be borne by the Series A Bonds bid for and the rate or rates named must be multiples of one-eighth or one-twentieth of one per centum. Not more than one rate may be named for the Series A Bonds of the same maturity. There is no limitation on the rates that may be named. Each Proposal submitted must be for all of the Series A Bonds and the purchase price specified in the proposal must be not less than one hundred percent (100%) of the aggregate par value of the Series A Bonds.

Tax-Exempt Bonds

No interest rate bid may exceed five percent (5.00%).

Taxable Bonds

To comply with the Build America Bond provisions set forth in Section 54AA of the Code, each bid for the Series A Bonds as Taxable Bonds must specify the issue price (reoffering price) of each maturity for the Series A Bonds, and such reoffering price cannot exceed the par amount of such maturity by more than 0.25% multiplied by the number of complete years to the maturity date for the Series A Bonds of that maturity as follows:

Maturity Date <u>November 1</u>	Maximum Reoffering Price	Maturity Date <u>November 1</u>	Maximum Reoffering Price
2010	100.000%	2015	101.250%
2011	100.250	2016	101.500
2012	100.500	2017	101.750
2013	100.750	2018	102.000
2014	101.000	2019	102.250

Award, Delivery and Payment

The Series A Bonds will be awarded to the bidder on whose bid the total loan may be made at the lowest true interest cost. Such true interest cost shall be computed, as to each bid, by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the date of the Series A Bonds and the price bid. The lowest true interest cost for Taxable Bonds will be determined in the same manner as Tax-Exempt Bonds with the exception that the "direct credit payment to issuer" expected to be received by the County if Taxable Bonds are issued will be treated with respect to the Series A Bonds designated by the County as BABs, as a 35% reduction in each interest payment due on such Taxable Bonds. No Proposal shall be considered that offers to pay an amount less than the principal amount of Series A Bonds offered for sale or under which the total loan is made at an interest cost higher than the lowest true interest cost to the County under any legally acceptable proposal. If two or more such bidders offer to pay the lowest true interest cost, then the Series A Bonds will be sold to one of such bidders selected by lot from among all such bidders. The bidder to which the Series A Bonds are awarded (in the manner specified above) each is herein referred to as the "Successful Bidder."

It is expected that delivery of the Series A Bonds to DTC and payment for the Series A Bonds will take place on or about, November 17, 2009 at the offices of Lomurro, Davison, Eastman & Munoz, P.A., Bond Counsel to the County ("Bond Counsel"), in Freehold, New Jersey or at such other place as may be agreed upon with the Successful Bidder. The Series A Bonds will be delivered to DTC in single denominations for each maturity of each type of bond. PAYMENT FOR THE SERIES A BONDS AT THE TIME OF ORIGINAL ISSUANCE AND DELIVERY SHALL BE IN IMMEDIATELY AVAILABLE FUNDS.

Changes of Bid Date and Other Changes

The County reserves the right to postpone, from time to time, the date established for the receipt of bids and will undertake to notify registered prospective bidders via notification published on Thomson Municipal Market Monitor ("TM3") (www.tm3.com). Prospective bidders may request notification by facsimile transmission of any such changes in the date or time for the receipt of bids by so advising, and furnishing their telecopier numbers to Public Resources Advisory Group at (212) 566-7800 by 12:00 Noon, New York City time, on November 2, 2009. In addition, the County reserves the right to make changes to this Notice of Sale. Such changes will be announced on TM3.

A postponement of the bid date will be announced on TM3 not later than 11:00 a.m., New York City time, on the last business day prior to any announced date for receipt of bids, and an alternative sale date and time will be announced on TM3 by Noon (New York City time) not less than forty-eight (48) hours prior to such alternative date for receipt of bids.

On any such alternative date and time for receipt of bids, the County will accept electronic bids for the purchase of the Series A Bonds, such bids to conform in all respects to

the provisions of this Notice of Sale, except for the changes in the date and time for receipt of bids and any other changes announced on TM3 at the time the date and time for receipt of bids are announced.

Right To Reject Bids; Waive Irregularities

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

Good Faith Deposit

A Good Faith Deposit (the "Deposit") in the form of a certified, treasurer's or cashier's check, a Financial Surety Bond or a wire transfer of immediately available funds in the amount of \$895,800, payable to the order of the COUNTY OF MONMOUTH, is required for each bid to be considered. If a check is used, it must be received by the County's Bond Counsel, John L. Kraft, Esq., Lomurro, Davison, Eastman & Munoz, P.A., 100 Willow Brook Road, Freehold, New Jersey 07728 prior to the bond sale. If a Financial Surety Bond is used, it must be issued by Financial Security Assurance Inc., 350 Park Avenue, New York, NY 10022 ("FSA") and notice of such bond must be received by Bond Counsel from FSA prior to the bond sale. The Financial Surety Bond must identify each bidder whose Deposit is guaranteed by the Financial Surety Bond. If the Series A Bonds are awarded to the Successful Bidder utilizing a Financial Surety Bond, then the Successful Bidder is required to submit its Deposit to the County by wire transfer, not later than 1:00 p.m. (the County's local time) on the next business day following the award. Such wire transfer information is available by contacting FSA. If the Deposit is not received by that time, the County may draw upon the Financial Surety Bond to satisfy the Deposit requirement.

If a wire transfer is used for the Deposit it must be received and confirmed received **no later than 4:00 pm on Monday, November 2, 2009** and should be sent to John L. Kraft, Esq., Lomurro, Davison, Eastman & Munoz, P.A., c/o TD Bank, Freehold, NJ 07728, ABA #031201360 to the credit of Lomurro, Davison, Eastman & Munoz, P.A., Account #7859133840.

No interest on the Deposit will accrue to the Successful Bidder. The Deposit will be applied in part payment for the Series A Bonds or to secure the County from any loss resulting from the failure of the Successful Bidder to comply with the terms of its bid. Checks or wire transfers for the Deposit amount will be returned to the unsuccessful bidders, who must advise Lomurro, Davison, Eastman & Munoz, P.A., where to return the checks or to wire transfer the Deposit amount. Neither the County nor Lomurro, Davison, Eastman & Munoz, P.A. shall be responsible for any failure to receive a timely Deposit amount from any bidder or for any delay in the return of the Deposit amount to the unsuccessful bidders.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Series A Bonds, but neither the failure to print such number on any Bond nor any error with respect

thereto shall constitute cause for the failure or refusal of the Successful Bidder to accept delivery of and pay for the Series A Bonds. The CUSIP Service Bureau charges for the assignment of CUSIP numbers on the Series A Bonds shall be the responsibility of and shall be paid for by the Successful Bidder.

Undertakings of the Successful Bidder

THE SUCCESSFUL BIDDER SHALL MAKE A BONA FIDE PUBLIC OFFERING OF THE SERIES A BONDS AT THEIR RESPECTIVE INITIAL REOFFERING PRICES AND SHALL PROVIDE THE RELATED CERTIFICATION DESCRIBED BELOW. THE SUCCESSFUL BIDDER MUST SELL TO THE PUBLIC 10% OR MORE IN PAR AMOUNT OF THE SERIES A BONDS FROM EACH MATURITY THEREOF AT THE INITIAL REOFFERING PRICES.

The Successful Bidder shall within thirty (30) minutes after being notified of the award of the Series A Bonds, advise the County in writing (via facsimile transmission) of the respective Bonds' initial reoffering prices to the public of each maturity of the Series A Bonds (the "Initial Reoffering Prices"). The Successful Bidder must, by facsimile transmission or delivery received by the County within twenty-four (24) hours after notification of the award, furnish the following information to the County to complete the Official Statement in final form, as described below:

- A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Series A Bonds are sold at the prices or yields at which the Successful Bidder advised the County that the Series A Bonds were initially offered to the public).
- B. The identity of the underwriters if the Successful Bidder is part of a group or syndicate.
- C. Any other material information that the County determines is necessary to complete the Official Statement in final form.

After the award of the Series A Bonds, the County will prepare copies of the final Official Statement and will include therein such additional information concerning the reoffering of the Series A Bonds as the Successful Bidder may reasonably request. Each Successful Bidder will be responsible to the County in all aspects for the accuracy and completeness of information provided by it with respect to such reoffering.

SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE SERIES A BONDS, THE SUCCESSFUL BIDDER SHALL FURNISH TO THE COUNTY A CERTIFICATE ACCEPTABLE TO BOND COUNSEL TO THE EFFECT THAT (I) THE SUCCESSFUL BIDDER HAS MADE A BONA FIDE PUBLIC OFFERING OF THE SERIES A BONDS AT THE INITIAL REOFFERING PRICES AND (II) SUBSTANTIAL AMOUNTS OF THE SERIES A BONDS WERE SOLD TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT THEIR RESPECTIVE INITIAL REOFFERING PRICES. Bond Counsel advises that (i) such certificate must be made on the

best knowledge, information and belief of the Successful Bidder, (ii) the sale to the public of 10% or more in par amount of the bonds of each maturity at the initial reoffering prices would be sufficient to certify as to the sale of a substantial amount of the bonds, and (iii) reliance on other facts as a basis for such certification would require evaluation by bond counsel to assure compliance with the statutory requirement to avoid the establishment of an artificial price for the Series A Bonds.

Legal Opinion

The obligations hereunder to pay for and to accept delivery of the Series A Bonds shall be conditioned on the availability and the delivery at the time of delivery of the Series A Bonds of the approving opinion of the law firm of Lomurro, Davison, Eastman & Munoz, P.A., Freehold, New Jersey, Bond Counsel to the County, which will be furnished without cost to the Successful Bidder, substantially in the form set forth in the Official Statement distributed in preliminary form in connection with the sale of the Series A Bonds. Such opinion shall state to the effect that the Series A Bonds are valid and legally binding obligations of the County, and that all the taxable property therein will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, to pay the principal of the Series A Bonds and the interest thereon; and, if the Series A Bonds are issued as Tax-Exempt Bonds, also will state that under existing law, interest on the Series A Bonds is excluded from gross income for purposes of Federal income taxation. Such opinion also shall state that interest and any gain from the sale of the Series A Bonds are not includable as gross income under the New Jersey Gross Income Tax Act.

The obligations hereunder to pay for and to accept delivery of the Series A Bonds shall be further conditioned on the availability and delivery to the Successful Bidder, at the time of delivery of the Series A Bonds, of (i) certificates from the County Director of Finance in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Series A Bonds, the receipt of payment therefor and the fact the Series A Bonds issued as tax-exempt obligations will not be arbitrage obligations within the meaning of the Code; (ii) a certificate from the County Counsel, in form and tenor satisfactory to Bond Counsel and dated as of the date of such delivery, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened affecting the validity of the Series A Bonds; and (iii) a certificate from the County Director of Finance, in form and tenor satisfactory to Bond Counsel and dated as of the date of such delivery, to the effect that to the best of his knowledge of such and belief, and after reasonable investigation: (1) neither the Official Statement relating to the Series A Bonds nor any amendment, or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading; (2) since the date of the Official Statement (or the date of the most recent amendment or supplement thereto) no event has occurred which would make the statements therein untrue or, in the light of the circumstances in which they were made, misleading, and (3) there has not been any material adverse change in the operation or financial affairs of the County since the date of such Official Statement.

Preliminary Official Statement

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

The Preliminary Official Statement may be accessed via the Internet at www.i-dealprospectus.com. A printed version is also available upon request made to Craig R. Marshall, Director of Finance of the County at the Finance Department, Second Floor, 300 Halls Mill Road, Freehold, New Jersey 07728-1256 (telephone (732) 431-7391), or from the County's financial advisor, Public Resources Advisory Group, 40 Rector Street, New York, New York 10006 (telephone (212) 566-7800).

Official Statement

The County agrees to provide the Successful Bidder with up to one hundred (100) copies of the final Official Statement adopted by the County in relation to the sale by the County of the Series A Bonds within the period of time allowed under Rule 15c2-12, at the sole cost and expense of the County, with any additional copies which the Successful Bidder shall reasonably request to be provided at the sole cost and expense of the Successful Bidder who so requests it.

Continuing Disclosure

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

Craig R. Marshall
Director of Finance

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NOTICE OF SALE

COUNTY OF MONMOUTH NEW JERSEY

\$26,385,000 GENERAL OBLIGATION BONDS, SERIES 2009B

(Tax-Exempt Bonds or Build America Bonds)

ELECTRONIC BIDS, via BiDCOMP/PARITY Competitive Bidding System (BiDCOMP/Parity) (the "Proposals") only, will be received by the Director of Finance of the Board of Chosen Freeholders of the County of Monmouth, New Jersey (the "County"), on November 3, 2009 until 11:30 a.m., New York City time, at which time they will be announced, for the purchase of all, but not less than all, of the County's \$26,385,000 General Obligation Bonds, Series 2009B (the "Series B Bonds"). Bidders are required to submit their Proposals for the purchase of the Series B Bonds in accordance with the terms of the Notice of Sale.

The County is offering all of the Series B Bonds as either tax-exempt obligations (the "Tax-Exempt Bonds") or taxable obligations designated as Build America Bonds ("BABs") under Section 54AA(g)(2) of the Internal Revenue Code of 1986, as amended (the "Code") pursuant to which the County will select the "direct credit payment to issuer" option as provided in Section 6431 of the Code (the "Taxable Bonds").

A bidder may bid on the Series B Bonds as Tax-Exempt Bonds or bid on the Series B Bonds as Taxable Bonds. If the Series B Bonds are issued as Taxable Bonds, the Series B Bonds will be designated "County of Monmouth, New Jersey General Obligation Bonds, Series 2009B (Federally Taxable - Issuer Subsidy - Build America Bonds)" and the owners of, and the owners of beneficial interests in, such Bonds will not receive any tax credits with respect to such Bonds.

Interest Payment Dates

The Series B Bonds will be dated the date of delivery (which is expected to be November 17, 2009) and will bear interest at the rates per annum specified by the successful bidder therefor in accordance herewith, payable on May 1, 2010 and semi-annually thereafter on the first days of May and November in each year until maturity.

Principal Amortization

Principal of the Series B Bonds will be paid annually (at maturity, unless designated as mandatory sinking fund payments in the manner prescribed herein) on November 1 of each of the following years and in the following aggregate amounts:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2020	\$5,280,000	2023	\$5,275,000
2021	5,280,000	2024	5,275,000
2022	5,275,000		

Term Bond Option

Bidders may designate in their proposals two or more consecutive annual principal payments of the Series B Bonds, which matures on the maturity date of the last annual principal payment of the sequence. Any term bond so designated shall be subject to mandatory sinking fund redemption in each year on the principal payment date and in the entire principal amount for each annual principal payment designated for inclusion in such term bond. The Series B Bonds issued as Build America Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and on a pro-rata basis. There is no limitation on the number of term bonds in the Series B Bonds.

Redemption Provisions

The Series B Bonds shall be subject to redemption prior to their respective maturity dates, on or after November 1, 2019 at the option of the County, either in whole or in part, at any time in any order of maturity, at par (the "Redemption Price") and accrued interest thereon to the date of redemption.

Extraordinary Optional Redemption for Taxable Bonds

The Series B Bonds issued as Build America Bonds are subject to Extraordinary Optional Redemption on any date prior to their maturity at the option of the County, in whole or in part upon the occurrence of an Extraordinary Event, as defined below, at a redemption price equal to the greater of:

- (1) 100% of the principal amount of the Series B Bonds to be redeemed; or
- (2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series B Bonds are to be redeemed, discounted to the date on which the Series B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 100 basis points;

plus, in each case, accrued interest on the Series B Bonds to be redeemed to the Extraordinary Optional Redemption Date.

An "Extraordinary Event" will have occurred if the County determines that a material adverse change has occurred to Section 54AA or 6431 of the Code (as such Sections were added by Section 1531 of the Recovery Act, pertaining to "Build America Bonds") or there is any guidance published by the Internal Revenue Service or the United States Department of the Treasury with respect to such Sections or any other determination by the Internal Revenue Service or the United States Department of the Treasury, which determination is not the result of any act or omission by the County to satisfy the requirements to qualify to receive the 35% cash subsidy payment from the United States Department of the Treasury, pursuant to which material adverse change the County's 35% cash subsidy payment from the United States Department of the Treasury is reduced or eliminated.

"Treasury Rate" means, with respect to any Extraordinary Optional Redemption Date for a particular Taxable Bond, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, assuming that the Comparable Treasury Issue is purchased on the Extraordinary Optional Redemption Date for a price equal to the Comparable Treasury Price, as calculated by the Designated Investment Banker.

"Comparable Treasury Issue" means, with respect to any Extraordinary Optional Redemption Date for a particular Taxable Bond, the United States Treasury security or securities selected by the Designated Investment Banker which has an actual or interpolated maturity comparable to the remaining average life of the Taxable Bond to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Taxable Bonds to be redeemed.

"Comparable Treasury Price" means, with respect to any Extraordinary Optional Redemption Date for a particular Taxable Bond, (1) if the Designated Investment Banker receives at least four Reference Treasury Dealer Quotations, the average of such quotations for such Extraordinary Optional Redemption Date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Designated Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.

"Designated Investment Banker" means one of the Reference Treasury Dealers appointed by the County.

"Reference Treasury Dealer" means each of the four firms, specified by the County from time to time, that are primary United States Government securities dealers in the City of New York (each a "Primary Treasury Dealer"); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the County will substitute another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any Extraordinary Optional Redemption Date for a particular Taxable Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at

3:30 P.M., New York City time, on the third Business Day preceding such Extraordinary Optional Redemption Date.

Notice of Redemption

Notice of Redemption shall be given by publishing such notice once a week for two (2) successive weeks in a newspaper of general circulation that carries financial news, is printed in the English language and is customarily published on each business day in the State of New York, the first of such publications to be at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. A Notice of Redemption shall also be mailed by first class mail in a sealed envelope with postage prepaid to the registered owners of such Series B Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the County. However, so long as DTC (or any successor thereto) acts as Securities Depository for the Series B Bonds, Notices of Redemption shall be sent only to such depository and shall not be sent to the beneficial owners of the Series B Bonds, nor shall the notices be published as provided herein. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the County determines to redeem a portion of the Series B Bonds of a maturity and the Series B Bonds are issued as Tax-Exempt Bonds, such Series B Bonds shall be selected by the County by lot. If the County determines to redeem a portion of the Series B Bonds of a maturity and the Series B Bonds are issued as Build America Bonds, such Series B Bonds shall be selected by the County on a pro rata basis. If Notice of Redemption has been given as described herein, the Series B Bonds, or the portion thereof called for redemption, shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Payment shall be made upon surrender of the Series B Bonds redeemed.

Book-Entry-Only System

As long as DTC or its nominee, Cede & Co., is the registered owner of the Series B Bonds, payments of the principal of and interest on the Series B Bonds will be made directly to Cede & Co., as nominee of DTC, which will credit payments of principal of and interest on the Series B Bonds to the DTC participants as listed in the records of DTC as of each next preceding April 15 and October 15, respectively (the "Record Dates" for payment of interest on the Series B Bonds), which participants will in turn credit such payments to the beneficial owners of the Series B Bonds.

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

Individual purchases of beneficial ownership interests in the Series B Bonds will be made in book-entry form (without certificates) in the denomination of \$5,000 each or any integral multiple thereof. It shall be the obligation of the successful bidder to furnish to DTC an

underwriter's questionnaire not less than seventy-two (72) hours prior to the delivery of the Series B Bonds and to furnish to Bond Counsel, referenced below, the initial public offering prices of the Series B Bonds not less than forty-eight (48) hours prior to delivery of the Series B Bonds.

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

Electronic Bidding Procedures

Bids shall be submitted electronically via PARITY in accordance with this Notice of Sale, until 11:30 a.m. (New York City time) on November 3, 2009, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY, potential bidders may contact PARITY at (212) 849-5021. In the event that a bid for the Series B Bonds is submitted via PARITY, the bidder further agrees that:

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

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

3. The County may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via TM3 News Services, or by other available means, no later than 3:00 p.m. (New York City Time) on November 2, 2009.

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

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

Bid Specifications

Each Proposal submitted for the Series B Bonds must name the rate or rates of interest per annum to be borne by the Series B Bonds bid for and the rate or rates named must be multiples of one-eighth or one-twentieth of one per centum. Not more than one rate may be named for the Series B Bonds of the same maturity. There is no limitation on the rates that may be named. Each Proposal submitted must be for all of the Series B Bonds and the purchase price specified in the proposal must be not less than one hundred percent (100%) of the aggregate par value of the Series B Bonds.

Tax-Exempt Bonds

No interest rate bid may exceed five percent (5.00%).

Taxable Bonds

To comply with the Build America Bond provisions set forth in Section 54AA of the Code, each bid for the Series B Bonds as Taxable Bonds must specify the issue price (reoffering price) of each maturity for the Series B Bonds, and such reoffering price cannot exceed the par amount of such maturity by more than 0.25% multiplied by the number of complete years to the earlier of the maturity date or the first optional redemption date for the Series B Bonds of that maturity or 102.25%.

Award, Delivery and Payment

The Series B Bonds will be awarded to the bidder naming the lowest true interest cost (TIC) for the Series B Bonds in any legally acceptable proposal and offering to pay not less than par and accrued interest. The lowest true interest cost with respect to Tax-Exempt Bonds will be determined by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the date of the Series B Bonds and to the amount bid. The lowest true interest cost for Taxable Bonds will be determined in the same manner as Tax-Exempt Bonds with the exception that the "direct credit payment to issuer" expected to be received by the County if Taxable Bonds are issued will be treated with respect to

the Series B Bonds designated by the County as BABs, as a 35% reduction in each interest payment due on such Taxable Bonds.

If two or more such bidders offer to pay the lowest true interest cost, then the Series B Bonds will be sold to one of such bidders selected by lot from among all such bidders. The bidder to which the Series B Bonds are awarded (in the manner specified above) each is herein referred to as the "Successful Bidder."

It is expected that delivery of the Series B Bonds to DTC and payment for the Series B Bonds will take place on or about November 17, 2009 at the offices of Lomurro, Davison, Eastman & Munoz, P.A., Bond Counsel to the County ("Bond Counsel"), in Freehold, New Jersey or at such other place as may be agreed upon with the Successful Bidder. The Series B Bonds will be delivered to DTC in single denominations for each maturity of each type of bond. PAYMENT FOR THE SERIES B BONDS AT THE TIME OF ORIGINAL ISSUANCE AND DELIVERY SHALL BE IN IMMEDIATELY AVAILABLE FUNDS.

Changes of Bid Date and Other Changes

The County reserves the right to postpone, from time to time, the date established for the receipt of bids and will undertake to notify registered prospective bidders via notification published on Thomson Municipal Market Monitor ("TM3") (www.tm3.com). Prospective bidders may request notification by facsimile transmission of any such changes in the date or time for the receipt of bids by so advising, and furnishing their telecopier numbers to Public Resources Advisory Group at (212) 566-7800 by 12:00 Noon, New York City time, on November 2, 2009. In addition, the County reserves the right to make changes to this Notice of Sale. Such changes will be announced on TM3.

A postponement of the bid date will be announced on TM3 not later than 11:00 a.m. (New York City time) on the last business day prior to any announced date for receipt of bids, and an alternative sale date and time will be announced on TM3 by Noon (New York City time) not less than forty-eight (48) hours prior to such alternative date for receipt of bids.

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

Right To Reject Bids; Waive Irregularities

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

Good Faith Deposit

A Good Faith Deposit (the "Deposit") in the form of a certified, treasurer's or cashier's check, a Financial Surety Bond or a wire transfer of immediately available funds in the amount of \$527,700, payable to the order of the COUNTY OF MONMOUTH, is required for each bid to be considered. If a check is used, it must be received by the County's Bond Counsel, John L. Kraft, Esq., Lomurro, Davison, Eastman & Munoz, P.A., 100 Willow Brook Road, Freehold, New Jersey 07728 prior to the bond sale. If a Financial Surety Bond is used, it must be issued by Financial Security Assurance Inc., 350 Park Avenue, New York, NY 10022 ("FSA") and notice of such bond must be received by Bond Counsel from FSA prior to the bond sale. The Financial Surety Bond must identify each bidder whose Deposit is guaranteed by the Financial Surety Bond. If the Series B Bonds are awarded to the Successful Bidder utilizing a Financial Surety Bond, then the Successful Bidder is required to submit its Deposit to the County by wire transfer, not later than 1:00 p.m. (the County's local time) on the next business day following the award. Such wire transfer information is available by contacting FSA. If the Deposit is not received by that time, the County may draw upon the Financial Surety Bond to satisfy the Deposit requirement.

If a wire transfer is used for the Deposit it must be received and confirmed received **no later than 4:00 pm on Monday, November 2, 2009** and should be sent to John L. Kraft, Esq., Lomurro, Davison, Eastman & Munoz, P.A., c/o TD Bank, Freehold, NJ 07728, ABA #031201360 to the credit of Lomurro, Davison, Eastman & Munoz, P.A., Account #7859133840.

No interest on the Deposit will accrue to the Successful Bidder. The Deposit will be applied in part payment for the Series B Bonds or to secure the County from any loss resulting from the failure of the Successful Bidder to comply with the terms of its bid. Checks or wire transfers for the Deposit amount will be returned to the unsuccessful bidders, who must advise Lomurro, Davison, Eastman & Munoz, P.A., where to return the checks or to wire transfer the Deposit amount. Neither the County nor Lomurro, Davison, Eastman & Munoz, P.A. shall be responsible for any failure to receive a timely Deposit amount from any bidder or for any delay in the return of the Deposit amount to the unsuccessful bidders.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Series B Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for the failure or refusal of the Successful Bidder to accept delivery of and pay for the Series B Bonds. The CUSIP Service Bureau charges for the assignment of CUSIP numbers on the Series B Bonds shall be the responsibility of and shall be paid for by the Successful Bidder.

Undertakings of the Successful Bidder

THE SUCCESSFUL BIDDER SHALL MAKE A BONA FIDE PUBLIC OFFERING OF THE SERIES B BONDS AT THEIR RESPECTIVE INITIAL REOFFERING PRICES AND SHALL PROVIDE THE RELATED CERTIFICATION DESCRIBED BELOW. THE

SUCCESSFUL BIDDER MUST SELL TO THE PUBLIC 10% OR MORE IN PAR AMOUNT OF THE SERIES B BONDS FROM EACH MATURITY THEREOF AT THE INITIAL REOFFERING PRICES.

The Successful Bidder shall within thirty (30) minutes after being notified of the award of the Series B Bonds, advise the County in writing (via facsimile transmission) of the respective Bonds' initial reoffering prices to the public of each maturity of the Series B Bonds (the "Initial Reoffering Prices"). The Successful Bidder must, by facsimile transmission or delivery received by the County within twenty-four (24) hours after notification of the award, furnish the following information to the County to complete the Official Statement in final form, as described below:

- A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Series B Bonds are sold at the prices or yields at which the Successful Bidder advised the County that the Series B Bonds were initially offered to the public).
- B. The identity of the underwriters if the Successful Bidder is part of a group or syndicate.
- C. Any other material information that the County determines is necessary to complete the Official Statement in final form.

After the award of the Series B Bonds, the County will prepare copies of the final Official Statement and will include therein such additional information concerning the reoffering of the Series B Bonds as the Successful Bidder may reasonably request. Each Successful Bidder will be responsible to the County in all aspects for the accuracy and completeness of information provided by it with respect to such reoffering.

SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE SERIES B BONDS, THE SUCCESSFUL BIDDER SHALL FURNISH TO THE COUNTY A CERTIFICATE ACCEPTABLE TO BOND COUNSEL TO THE EFFECT THAT (I) THE SUCCESSFUL BIDDER HAS MADE A BONA FIDE PUBLIC OFFERING OF THE SERIES B BONDS AT THE INITIAL REOFFERING PRICES AND (II) SUBSTANTIAL AMOUNTS OF THE SERIES B BONDS WERE SOLD TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT THEIR RESPECTIVE INITIAL REOFFERING PRICES. Bond Counsel advises that (i) such certificate must be made on the best knowledge, information and belief of the Successful Bidder, (ii) the sale to the public of 10% or more in par amount of the bonds of each maturity at the initial reoffering prices would be sufficient to certify as to the sale of a substantial amount of the bonds, and (iii) reliance on other facts as a basis for such certification would require evaluation by bond counsel to assure compliance with the statutory requirement to avoid the establishment of an artificial price for the Series B Bonds.

Legal Opinion

The obligations hereunder to pay for and to accept delivery of the Series B Bonds shall be conditioned on the availability and the delivery at the time of delivery of the Series B Bonds of the approving opinion of the law firm of Lomurro, Davison, Eastman & Munoz, P.A., Freehold, New Jersey, Bond Counsel to the County, which will be furnished without cost to the Successful Bidder, substantially in the form set forth in the Official Statement distributed in preliminary form in connection with the sale of the Series B Bonds. Such opinion shall state to the effect that the Series B Bonds are valid and legally binding obligations of the County, and that all the taxable property therein will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, to pay the principal of the Series B Bonds and the interest thereon; and, if the Series B Bonds are issued as Tax-Exempt Bonds, it also will state that under existing law, interest on the Series B Bonds is excluded from gross income for purposes of Federal income taxation. Such opinion also shall state that interest and any gain from the sale of the Series B Bonds are not includable as gross income under the New Jersey Gross Income Tax Act.

The obligations hereunder to pay for and to accept delivery of the Series B Bonds shall be further conditioned on the availability and delivery to the Successful Bidder, at the time of delivery of the Series B Bonds, of (i) certificates from the County Director of Finance in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Series B Bonds, the receipt of payment therefor and the fact the Series B Bonds issued as tax-exempt obligations will not be arbitrage obligations within the meaning of the Code; (ii) a certificate from the County Counsel, in form and tenor satisfactory to Bond Counsel and dated as of the date of such delivery, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened affecting the validity of the Series B Bonds; and (iii) a certificate from the County Director of Finance, in form and tenor satisfactory to Bond Counsel and dated as of the date of such delivery, to the effect that to the best of his knowledge of such and belief, and after reasonable investigation: (1) neither the Official Statement relating to the Series B Bonds nor any amendment, or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading; (2) since the date of the Official Statement (or the date of the most recent amendment or supplement thereto) no event has occurred which would make the statements therein untrue or, in the light of the circumstances in which they were made, misleading, and (3) there has not been any material adverse change in the operation or financial affairs of the County since the date of such Official Statement.

Preliminary Official Statement

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

The Preliminary Official Statement may be accessed via the Internet at www.i-dealprospectus.com. A printed version is also available upon request made to Craig R. Marshall, Director of Finance of the County at the Finance Department, Second Floor, 300 Halls Mill Road, Freehold, New Jersey 07728-1256 (telephone (732) 431-7391), or from the County's financial advisor, Public Resources Advisory Group, 40 Rector Street, New York, New York 10006 (telephone (212) 566-7800).

Official Statement

The County agrees to provide the Successful Bidder with up to one hundred (100) copies of the final Official Statement adopted by the County in relation to the sale by the County of the Series B Bonds within the period of time allowed under Rule 15c2-12, at the sole cost and expense of the County, with any additional copies which the Successful Bidder shall reasonably request to be provided at the sole cost and expense of the Successful Bidder who so requests it.

Continuing Disclosure

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

Craig R. Marshall
Director of Finance

APPENDIX D

**FORM OF OPINIONS OF LOMURRO, DAVISON, EASTMAN & MUNOZ, P.A.,
BOND COUNSEL TO THE COUNTY OF MONMOUTH, NEW JERSEY**

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*CERTIFIED BY THE SUPREME COURT OF N.J. AS A:
* CIVIL TRIAL ATTORNEY
◊ CRIMINAL TRIAL ATTORNEY
◊ MATRIMONIAL LAW ATTORNEY

+FOUNDING FELLOW OF THE AMERICAN
COLLEGE OF BOND COUNSEL

FORM OPINION FOR TAX-EXEMPT BONDS

Board of Chosen Freeholders of the
County of Monmouth, New Jersey

Dear Board Members:

We have examined a record of proceedings relating to the issuance of \$71,175,000 General Obligation Bonds (the "Bonds") consisting of \$44,790,000 General Obligation Bonds, Series 2009A ("Series 2009A Bonds") and \$26,385,000 General Obligation Bonds, Series 2009B ("Series 2009B") of the County of Monmouth, a municipal corporation of the State of New Jersey. The Bonds are dated the date of delivery, mature on November 1 in the principal amounts and bear interest at the rates specified below payable May 1, 2010 and semiannually thereafter on the first days of May and November in each year as follows:

\$44,790,000 General Obligation Bonds, Series 2009A

Year	Principal Amount	Interest Rate
2010	\$2,760,000	%
2011	2,760,000	
2012	2,760,000	
2013	4,135,000	
2014	5,400,000	
2015	5,395,000	
2016	5,395,000	
2017	5,395,000	
2018	5,395,000	
2019	5,395,000	

*The Certified designation by the New Jersey Supreme Court is limited to attorneys who have demonstrated 1) substantial involvement in trial matters in Superior Court, 2) an unblemished reputation as attested to by judges and attorneys, and 3) substantial knowledge and continuing legal education shown by passing a special written examination on trial practice.
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\$26,385,000 General Obligation Bonds, Series 2009B

Year	Principal Amount	Interest Rate
2020	\$5,280,000	%
2021	5,280,000	
2022	5,275,000	
2023	5,275,000	
2024	5,275,000	

The Series 2009A Bonds are issued in the form of one Bond for each maturity, are ten in number, and are numbered GO-1 to GO-10, inclusive, in order of maturity. The Series 2009B Bonds are issued in the form of one Bond for each maturity, are five in number, and are numbered GO-11 to GO-15, inclusive, in order of maturity.

The Bonds are issued pursuant to the Local Bond Law and Title 18A, Education, of the State of New Jersey and by a Resolution adopted by the Board of Chosen Freeholders on October 8, 2009, and in all respects duly approved and published as required by law. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as Securities Depository.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights, the Bonds are valid and legally binding obligations of the County of Monmouth and the County has the power and is obligated to levy ad valorem taxes upon all the taxable real property within the County for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

The County has covenanted to comply with any continuing requirements that may be necessary to preserve the tax exempt status of the Bonds under the Internal Revenue Code of 1986, as amended (the "Code"). In the event that the County continuously complies with its covenant, it is our opinion that interest on the Tax-Exempt Bonds is not includable in gross income for federal income tax purposes under the current law.

In our opinion, the Tax-Exempt Bonds are not "private activity bonds" as defined in the Code and interest on the Tax-Exempt Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals. Interest on the Tax-Exempt Bonds held by a corporate taxpayer is included in the relevant income computation for calculation of the federal alternative minimum tax as a result of the inclusion of interest on the Tax-Exempt Bonds in "adjusted current earnings." We express no opinion regarding other federal tax consequences arising with respect to the Tax-Exempt Bonds.

Further, in our opinion, interest on the Bonds and any gain on the sale of the Bonds are not includable as gross income under the New Jersey Gross Income Tax Act.

Very truly yours,

Lomurro, Davison, Eastman & Munoz, P.A.

By: John L. Kraft, Esq.

LOMURRO, DAVISON, EASTMAN & MUÑOZ, P.A.

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FORM OPINION FOR BUILD-AMERICA BONDS

Board of Chosen Freeholders of the
County of Monmouth, New Jersey

Dear Board Members:

We have examined a record of proceedings relating to the issuance of \$71,175,000 General Obligation Bonds (the "Bonds") consisting of \$44,790,000 General Obligation Bonds, Series 2009A ("Series 2009A Bonds") and \$26,385,000 General Obligation Bonds, Series 2009B ("Series 2009B") of the County of Monmouth, a municipal corporation of the State of New Jersey. The Bonds are dated the date of delivery, mature on November 1 in the principal amounts and bear interest at the rates specified below payable May 1, 2010 and semiannually thereafter on the first days of May and November in each year as follows:

\$44,790,000 General Obligation Bonds, Series 2009A

Year	Principal Amount	Interest Rate
2010	\$2,760,000	%
2011	2,760,000	
2012	2,760,000	
2013	4,135,000	
2014	5,400,000	
2015	5,395,000	
2016	5,395,000	
2017	5,395,000	
2018	5,395,000	
2019	5,395,000	

*The Certified designation by the New Jersey Supreme Court is limited to attorneys who have demonstrated 1) substantial involvement in trial matters in Superior Court, 2) an unblemished reputation as attested to by judges and attorneys, and 3) substantial knowledge and continuing legal education shown by passing a special written examination on trial practice.
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\$26,385,000 General Obligation Bonds, Series 2009B

Year	Principal Amount	Interest Rate
2020	\$5,280,000	%
2021	5,280,000	
2022	5,275,000	
2023	5,275,000	
2024	5,275,000	

The Series 2009A Bonds are issued in the form of one Bond for each maturity, are ten in number, and are numbered GO-1 to GO-10, inclusive, in order of maturity. The Series 2009B Bonds are issued in the form of one Bond for each maturity, are five in number, and are numbered GO-11 to GO-15, inclusive, in order of maturity.

The Bonds are issued pursuant to the Local Bond Law and Title 18A, Education, of the State of New Jersey and by a Resolution adopted by the Board of Chosen Freeholders on October 8, 2009, and in all respects duly approved and published as required by law. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as Securities Depository.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights, the Bonds are valid and legally binding obligations of the County of Monmouth and the County has the power and is obligated to levy ad valorem taxes upon all the taxable real property within the County for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

In our opinion, interest on the Bonds and any gain on the sale of the Bonds are not includable as gross income under the New Jersey Gross Income Tax Act.

Very truly yours,

Lomurro, Davison, Eastman & Munoz, P.A.

By: John L. Kraft, Esq.