

In the opinion of Gibbons P.C., Bond Counsel to the County, assuming continuing compliance by the County with certain tax covenants described herein, under existing law, interest on the Tax-Exempt Bonds (as defined herein) is excluded from the gross income of the owners of the Tax-Exempt Bonds for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Tax-Exempt Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. In the case of certain corporate holders of the Tax-Exempt Bonds that are Series 2010A Bonds, pursuant to the American Recovery and Reinvestment Act of 2009, interest on such Tax-Exempt Bonds will not be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Tax-Exempt Bonds in "adjusted current earnings" of certain corporations. In the case of certain corporate holders of the Tax-Exempt Bonds that are Series 2010C Bonds, interest on such Tax-Exempt Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Tax-Exempt Bonds in "adjusted current earnings" of certain corporations. Under existing law, interest on the Bonds and net gains from the sale of the Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

**\$82,575,000**  
**COUNTY OF MONMOUTH**  
New Jersey  
**\$12,695,000 General Obligation Bonds, Series 2010A (Tax-Exempt)**  
Consisting of  
**\$8,500,000 General Improvement Bonds, Series 2010 (Tax-Exempt)**  
**\$2,400,000 County Vocational School Bonds, Series 2010**  
(New Jersey School Bond Reserve Act, P.L. 1980, c.72) (Tax-Exempt)  
**\$675,000 Reclamation Center Utility Bonds, Series 2010 (Tax-Exempt)**  
**\$1,120,000 County College Bonds, Series 2010 (Tax-Exempt)**  
and  
**\$16,530,000 General Obligation Bonds, Series 2010A (Federally Taxable)**  
Consisting of  
**\$15,325,000 General Improvement Bonds, Series 2010**  
(Federally Taxable - Build America Bonds - Direct Pay to Issuer)  
**\$325,000 Reclamation Center Utility Bonds, Series 2010**  
(Federally Taxable - Build America Bonds - Direct Pay to Issuer)  
**\$880,000 County College Bonds, Series 2010**  
(Federally Taxable - Build America Bonds - Direct Pay to Issuer)  
and  
**\$20,775,000 General Improvement Bonds, Series 2010B**  
(Federally Taxable - Recovery Zone Economic Development Bonds - Direct Pay to Issuer)  
and  
**\$32,575,000 General Obligation Refunding Bonds, Series 2010C**  
Consisting of  
**\$28,610,000 General Improvement Refunding Bonds (Tax-Exempt)**  
**\$3,965,000 Reclamation Center Utility Refunding Bonds (Tax-Exempt)**

**Dated: Date of Delivery****Due: as shown on the inside front cover**

The \$12,695,000 General Obligation Bonds, Series 2010A (Tax-Exempt), consisting of \$8,500,000 General Improvement Bonds, Series 2010 (Tax-Exempt), \$2,400,000 County Vocational School Bonds, Series 2010 (New Jersey School Bond Reserve Act, P.L. 1980, c.72) (Tax-Exempt), \$675,000 Reclamation Center Utility Bonds, Series 2010 (Tax-Exempt), and \$1,120,000 County College Bonds, Series 2010 (Tax-Exempt) (collectively, the "Series 2010A Tax-Exempt Bonds"), the \$16,530,000 General Obligation Bonds, Series 2010A (Federally Taxable), consisting of \$15,325,000 General Improvement Bonds, Series 2010 (Federally Taxable - Build America Bonds - Direct Pay to Issuer), \$325,000 Reclamation Center Utility Bonds, Series 2010 (Federally Taxable - Build America Bonds - Direct Pay to Issuer), and \$880,000 County College Bonds, Series 2010 (Federally Taxable - Build America Bonds - Direct Pay to Issuer) (the "Series 2010A Taxable Bonds", and together with the Series 2010A Tax-Exempt Bonds, the "Series 2010A Bonds"), the \$20,775,000 General Improvement Bonds, Series 2010B (Federally Taxable - Recovery Zone Economic Development Bonds - Direct Pay to Issuer) (the "Series 2010B Bonds") and the \$32,575,000 General Obligation Refunding Bonds, Series 2010C, consisting of \$28,610,000 General Improvement Refunding Bonds (Tax-Exempt) and \$3,965,000 Reclamation Center Utility Refunding Bonds (Tax-Exempt) (collectively, the "Series 2010C Bonds", and together with the Series 2010A Bonds and the Series 2010B Bonds, the "Series 2010 Bonds") will be issued by the County of Monmouth, New Jersey (the "County") in fully registered form.

The Series 2010A Tax-Exempt Bonds and the Series 2010C Bonds are collectively referred to herein as the "Tax-Exempt Bonds". The Series 2010A Taxable Bonds and the Series 2010B Bonds are collectively referred to herein as the "Taxable Bonds". The Tax-Exempt Bonds and the Taxable Bonds shall collectively be referred to herein as the "Series 2010 Bonds".

The Series 2010 Bonds, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house transactions, which will act as securities depository for the Series 2010 Bonds. Individual purchases will be made in book-entry form (without certificates) through DTC Participants, as hereinafter defined, in the principal amount of \$5,000 each or integral multiples of \$1,000 in excess thereof. Provided DTC or its nominee Cede is the registered owner of the Series 2010 Bonds, principal of, redemption premium, if any, and interest (payable semi-annually on June 1, 2011 and on each December 1 and June 1 thereafter until maturity or prior redemption with respect to the Series 2010A Bonds and the Series 2010B Bonds and payable semi-annually on March 1, 2011 and on each September 1 and March 1 thereafter until maturity with respect to the Series 2010C Bonds), on the Series 2010 Bonds will be paid to DTC or its nominee which is obligated to remit such principal, redemption premium, if any, and interest to DTC Participants, as defined herein. DTC Participants and Indirect Participants, as defined herein, will be responsible for remitting such payments to the Beneficial Owners of the Series 2010 Bonds. See "OTHER INFORMATION - The DTC Book-Entry-Only System."

The Series 2010 Bonds are being issued pursuant to the Local Bond Law of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended (the "Local Bond Law"), various ordinances and resolutions of the County, to permanently finance or refinance specified general improvements and to pay the costs of issuance with respect to the Series 2010 Bonds.

The full faith and credit of the County are irrevocably pledged for the payment of the principal of, redemption premium, if any, and interest on the Series 2010 Bonds. The Series 2010 Bonds will be valid and binding general obligations of the County, payable as to principal, redemption premium, if any, and interest from the levy of ad valorem taxes upon all taxable property within the County, without limitation as to rate or amount. The Series 2010 Bonds are subject to redemption prior to maturity as set forth herein.

The issuance of the Series 2010 Bonds is subject to the approving legal opinion of Gibbons P.C., Newark, New Jersey, Bond Counsel to the County, and certain other conditions described herein. It is anticipated that the Series 2010 Bonds will be available for delivery to DTC on or about December 16, 2010, in New York, New York, or at such other place and time as may be agreed to by the County.

**COUNTY OF MONMOUTH  
STATE OF NEW JERSEY**

**\$8,500,000 GENERAL IMPROVEMENT BONDS, SERIES 2010 (TAX-EXEMPT)**

<u>Maturing December 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2012	\$1,165,000	3.00%	0.75%
2013	1,165,000	3.00	1.00
2014	1,165,000	3.00	1.28
2015	1,165,000	3.00	1.52
2016	3,840,000	4.00	1.75

**\$325,000 RECLAMATION CENTER UTILITY BONDS, SERIES 2010  
(FEDERALLY TAXABLE - BUILD AMERICA BONDS- DIRECT PAY TO ISSUER)**

<u>Maturing December 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>
2017	\$85,000	3.30%	100%
2018	80,000	3.55	100
2019	80,000	4.00	100
2020	80,000	4.20	100

**\$2,400,000 COUNTY VOCATIONAL SCHOOL BONDS, SERIES 2010  
(NEW JERSEY SCHOOL BOND RESERVE ACT, P.L. 1980, c.72) (TAX-EXEMPT)**

<u>Maturing December 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2012	\$600,000	3.00%	0.75%
2013	600,000	3.00	1.00
2014	600,000	3.00	1.28
2015	600,000	3.00	1.52

**\$880,000 COUNTY COLLEGE BONDS, SERIES 2010  
(FEDERALLY TAXABLE - BUILD AMERICA BONDS- DIRECT PAY TO ISSUER)**

<u>Maturing December 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>
2017	\$220,000	3.30%	100%
2018	220,000	3.55	100
2019	220,000	4.00	100
2020	220,000	4.20	100

**\$675,000 RECLAMATION CENTER UTILITY BONDS, SERIES 2010  
(TAX-EXEMPT)**

<u>Maturing December 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2011	\$250,000	2.00%	0.55%
2012	85,000	3.00	0.75
2013	85,000	3.00	1.00
2014	85,000	3.00	1.28
2015	85,000	3.00	1.52
2016	85,000	4.00	1.75

**20,775,000 GENERAL IMPROVEMENT BONDS, SERIES 2010B  
(FEDERALLY TAXABLE - RECOVERY ZONE ECONOMIC DEVELOPMENT  
BONDS- DIRECT PAY TO ISSUER)**

<u>Maturing December 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield or Price</u>
2020	\$ 50,000	4.15%	100%
2021	4,145,000	4.30	4.20
2022	4,145,000	4.45	4.35
2023	4,145,000	4.50	100
2024	4,145,000	4.65	100
2025	4,145,000	4.80	100

**\$1,120,000 COUNTY COLLEGE BONDS, SERIES 2010 (TAX-EXEMPT)**

<u>Maturing December 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>
2012	\$225,000	3.00%	0.75%
2013	225,000	3.00	1.00
2014	225,000	3.00	1.28
2015	225,000	3.00	1.52
2016	220,000	4.00	1.75

**\$28,610,000 GENERAL IMPROVEMENT REFUNDING BONDS (TAX-EXEMPT)**

<u>Maturing March 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2013	\$2,705,000	2.50%	0.85%
2014	6,065,000	4.00	1.10
2015	6,085,000	4.00	1.40
2016	6,110,000	4.00	1.65
2017	4,845,000	4.00	1.90
2018	2,800,000	3.00	2.25

**\$15,325,000 GENERAL IMPROVEMENT BONDS, SERIES 2010  
(FEDERALLY TAXABLE - BUILD AMERICA BONDS- DIRECT PAY TO ISSUER)**

<u>Maturing December 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>
2017	\$3,840,000	3.30%	100%
2018	3,845,000	3.55	100
2019	3,845,000	4.00	100
2020	3,795,000	4.20	100

**\$3,965,000 RECLAMATION CENTER UTILITY REFUNDING BONDS  
(TAX-EXEMPT)**

<u>Maturing March 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2013	\$695,000	2.50%	0.85%
2014	820,000	4.00	1.10
2015	820,000	4.00	1.40
2016	815,000	4.00	1.65
2017	815,000	4.00	1.90

**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

BOARD OF CHOSEN FREEHOLDERS

Lillian G. Burry	Director of the Board
Robert D. Clifton	Deputy Director
John D'Amico	Freeholder
Amy A. Mallet	Freeholder
John P. Curley	Freeholder

COUNTY OFFICIALS

Teri O'Connor	County Administrator
Craig R. Marshall	Director of Finance and County Treasurer
Andrea I. Bazer, Esq.	County Counsel
Marion Masnick	Deputy Clerk of the Board of Chosen Freeholders

PROFESSIONALS

Gibbons P.C.	Bond Counsel
McEnerney, Brady & Company, L.L.C.	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 Series 2010 Bonds, other than those contained in this Official Statement, in connection with the offering of the Series 2010 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 Series 2010 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 Series 2010 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 Series 2010 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  
\$12,695,000 General Obligation Bonds, Series 2010A (Tax-Exempt)  
Consisting of  
\$8,500,000 General Improvement Bonds, Series 2010 (Tax-Exempt)  
\$2,400,000 County Vocational School Bonds, Series 2010  
(New Jersey School Bond Reserve Act, P.L. 1980, c.72) (Tax-Exempt)  
\$675,000 Reclamation Center Utility Bonds, Series 2010 (Tax-Exempt)  
\$1,120,000 County College Bonds, Series 2010 (Tax-Exempt)  
and  
\$16,530,000 General Obligation Bonds, Series 2010A (Federally Taxable)  
Consisting of  
\$15,325,000 General Improvement Bonds, Series 2010  
(Federally Taxable - Build America Bonds - Direct Pay to Issuer)  
\$325,000 Reclamation Center Utility Bonds, Series 2010  
(Federally Taxable - Build America Bonds - Direct Pay to Issuer)  
\$880,000 County College Bonds, Series 2010  
(Federally Taxable - Build America Bonds - Direct Pay to Issuer)  
and  
\$20,775,000 General Improvement Bonds, Series 2010B  
(Federally Taxable - Recovery Zone Economic Development Bonds - Direct Pay to Issuer)  
and  
\$32,575,000 General Obligation Refunding Bonds, Series 2010C  
Consisting of  
\$28,610,000 General Improvement Refunding Bonds (Tax-Exempt)  
\$3,965,000 Reclamation Center Utility Refunding Bonds (Tax-Exempt)**

**I. DESCRIPTION OF THE SERIES 2010 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 \$82,575,000 aggregate principal amount of the County’s \$12,695,000 General Obligation Bonds, Series 2010A (Tax-Exempt), consisting of \$8,500,000 General Improvement Bonds, Series 2010 (Tax-Exempt), \$2,400,000 County Vocational School Bonds, Series 2010 (New Jersey School Bond Reserve Act, P.L. 1980, c.72) (Tax-Exempt), \$675,000 Reclamation Center Utility Bonds, Series 2010 (Tax-Exempt), and \$1,120,000 County College Bonds, Series 2010 (Tax-Exempt) (collectively, the “Series 2010A Tax-Exempt Bonds”), \$16,530,000 General Obligation Bonds, Series 2010A (Federally Taxable), consisting of \$15,325,000 General Improvement Bonds, Series 2010 (Federally Taxable - Build America Bonds - Direct Pay to Issuer), \$325,000 Reclamation Center

Utility Bonds, Series 2010 (Federally Taxable - Build America Bonds - Direct Pay to Issuer), and \$880,000 County College Bonds, Series 2010 (Federally Taxable - Build America Bonds - Direct Pay to Issuer) (the "Series 2010A Taxable Bonds", and together with the Series 2010A Tax-Exempt Bonds, the "Series 2010A Bonds"), the \$20,775,000 General Improvement Bonds, Series 2010B (Federally Taxable - Recovery Zone Economic Development Bonds - Direct Pay to Issuer) (the "Series 2010B Bonds") and the \$32,575,000 General Obligation Refunding Bonds, Series 2010C, consisting of \$28,610,000 General Improvement Refunding Bonds (Tax-Exempt) and \$3,965,000 Reclamation Center Utility Refunding Bonds (Tax-Exempt) (collectively, the "Series 2010C Bonds", and together with the Series 2010A Bonds and the Series 2010B Bonds, the "Series 2010 Bonds), dated the date of delivery.

The County has determined to issue the Series 2010A Tax-Exempt Bonds as tax-exempt bonds and the Series 2010A Taxable Bonds as taxable Build America Bonds ("BABs") under Section 54AA of the Internal Revenue Code of 1986, as amended (the "Code"). The County will issue all of the Series 2010B Bonds as taxable Recovery Zone Economic Development Bonds ("RZEDBs") under Section 54AA and 1400U-2 of the Code. The Series 2010A Tax-Exempt Bonds and the Series 2010C Bonds are collectively referred to herein as the "Tax-Exempt Bonds". The Series 2010A Taxable Bonds and the Series 2010B Bonds are collectively referred to herein as the "Taxable Bonds".

The Series 2010 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"). The Series 2010 Bonds have been authorized by various ordinances duly adopted by the County and resolutions of the County adopted at meeting of the Board of Freeholders of the County (the "County Board") on November 23, 2010. The Series 2010 Bonds will be general obligations of the County, whose full faith and credit are pledged to the payment of the principal of, redemption premium, if any, and interest on the Series 2010 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 2010A Bonds and Series 2010B Bonds will be dated the date of delivery, and will mature on December 1 in the years and in the amounts set forth on the inside cover page hereof. The Series 2010A Bonds and the Series 2010B Bonds will bear interest payable semi-annually on June 1, 2011 and on each December 1 and June 1 thereafter until maturity or redemption.

The Series 2010C Bonds will be dated the date of delivery, and will mature on March 1 in the years and in the amounts set forth on the inside cover page hereof. The Series 2010C Bonds will bear interest payable semi-annually on March 1, 2011 and on each September 1 and March 1 thereafter until maturity.



## **Denomination and Place of Payment**

The Series 2010 Bonds will initially be issued in fully registered form, without coupons, in the name of Cede & Co. (“Cede”), as nominee for The Depository Trust Company (“DTC”) which will act as securities depository for the Series 2010 Bonds under its book-entry-only system (the “DTC Book-Entry-Only System”). An individual purchaser (the “Beneficial Owner”) may purchase a Series 2010 Bond in book-entry form (without certificates) in denominations of \$5,000 each or integral multiples of \$1,000 in excess thereof.

Provided Cede is the registered owner of the Series 2010 Bonds, the principal, redemption premium, if any, and interest on, the Series 2010 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 May 15 and November 15 with respect to the Series 2010A Bonds and Series 2010B Bonds and as of each next preceding February 15 and August 15 with respect to the Series 2010C Bonds (the “Record Dates” for the payment of interest on the Series 2010 Bonds). See “OTHER INFORMATION - The DTC Book-Entry-Only System” herein.

## **Series 2010A Bonds and Series 2010B Bonds As “Build America Bonds” and “Recovery Zone Economic Development Bonds”**

The American Recovery and Reinvestment Act of 2009 (the “Recovery Act”) permits the County to issue the Series 2010A Bonds as “Build America Bonds” to finance capital expenditures for which it could issue tax-exempt bonds, and to elect to receive payments from the United States Department of the Treasury (the “Treasury”) equal to 35% of the corresponding interest payable on such Series 2010A Bonds (the “BABs Subsidy Payments”). The County has designated a portion of the Series 2010A Bonds as BABs based upon the interest rates determined on a true interest cost (TIC) basis received from bidders on such Series 2010A Bonds. The County has determined to treat the Series 2010A Taxable Bonds as BABs and receive the BABs Subsidy Payments. The Recovery Act permits the County to issue the Series 2010B Bonds as “Recovery Zone Economic Development Bonds” to finance capital expenditures in certain designated Recovery Zones for which it could issue tax-exempt bonds, and to elect to receive payments from the Treasury equal to 45% of the corresponding interest payable on such Series 2010B Bonds (the “RZEDBs Subsidy Payments”, and together with the BABs Subsidy Payments, the “Subsidy Payments”). Such Subsidy Payments are not pledged to the payment of the Series 2010A Bonds which are BABs or the Series 2010B Bonds. Subsidy Payments for the Series 2010A Bonds which are BABs and the Series 2010B Bonds will be paid to the County and therefor the holders of Series 2010A Bonds which are BABs or Series 2010B Bonds will not be entitled to a tax credit.

## **Redemption Provisions**

### *Optional Redemption for Tax-Exempt Bonds*

The Tax-Exempt Bonds shall not be subject to optional redemption prior to their respective maturity dates.

### *Optional Make-Whole Redemption for Taxable Bonds*

The Taxable Bonds are subject to optional redemption prior to maturity as a whole or in part, at any time, in any order of maturities, at the option of the County, at the Make-Whole Redemption Price. The “Make-Whole Redemption Price” is equal to the greater of (i) 100 percent of the principal amount of the Taxable Bonds to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal of and interest on the Taxable Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Taxable Bonds are to be redeemed, discounted to the date on which the Taxable 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 20 basis points; plus, in each case, accrued interest on the Taxable Bonds to be redeemed to the redemption date.

“Treasury Rate” means, with respect to any redemption date for a particular Taxable Bonds, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least 2 business days, but no more than 45 calendar days, prior to the redemption date (excluding inflation indexed securities )(or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Taxable Bonds to be redeemed; provided, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

### *Extraordinary Optional Redemption for Taxable Bonds*

The Taxable Bonds shall be subject to extraordinary optional redemption prior to their stated maturity dates, in whole or in part on any date, in any order of maturity, at the option of the County, upon the occurrences of an Extraordinary Event, as defined below, at a redemption price (the “Extraordinary Optional Redemption Price”) equal to the greater of:

(1) the issue price set forth on the inside cover page of the Official Statement (but not less than 100%) of the principal amount of such Taxable 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 such Taxable Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Taxable Bonds are to be redeemed, discounted to the date on which such Taxable 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, described above, plus 100 basis points;

plus, in each case, accrued interest on such Taxable Bonds to be redeemed to the date fixed for redemption.

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 with respect BABs) or to Section 1400U-2 of the Code (as such Section was added by Section 1401 of the Recovery Act with respect to RZEDBs) or there is any guidance published by the Internal Revenue Service or the Treasury with respect to such Sections of the Code or any other determination by the Internal Revenue Service or the Treasury, which determination is not the result of any act or omission by the County to satisfy the requirements to qualify to receive (i) in the case of the Series 2010A Bonds, which are BABs, the BABs Subsidy Payments, pursuant to which the BABs Subsidy Payments are reduced or eliminated and (ii) in the case of the Series 2010 B Bonds, the RZEDBs Subsidy Payments, pursuant to which the RZEDBs Subsidy Payments are reduced or eliminated.

### **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 2010 Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the County or a duly appointed bond registrar. However, so long as The Depository Trust Company, New York, New York (“DTC”) (or any successor thereto) acts as Securities Depository for the Series 2010 Bonds, Notices of Redemption shall be sent to such depository and shall not be sent to the beneficial owners of the Series 2010 Bonds, nor shall the notice be published as provided herein and will be done in accordance with DTC procedures. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the County determines to redeem a portion of the Series 2010 Bonds of a maturity, such Series 2010 Bonds shall be selected by the County by lot if Tax-Exempt Bonds and on a pro rata basis if Taxable Bonds. However, in the case of the Taxable Bonds, the County can provide no assurance that DTC, the DTC Participants or any other intermediaries will allocate redemptions among beneficial owners on such a proportional basis. If Notice of Redemption has been given as described herein, the Series 2010 Bonds, or the portion thereof called for redemption, shall be due and payable on the date fixed for redemption at the Make-Whole Redemption Price or Extraordinary Optional Redemption Price, together with accrued interest to the date fixed for redemption. Payment shall be made upon surrender of the Series 2010 Bonds redeemed.

### **Authorization**

The Series 2010 Bonds have been authorized and are to be issued in accordance with the Local Bond Law 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 2010 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 conclusively presumed to be fully authorized and issued by all laws of the State, and any person shall be estopped from questioning the sale, execution or delivery of the Series 2010 Bonds by the County.

### **Security for the Series 2010 Bonds**

The Series 2010 Bonds are general obligations of the County whose full faith and credit are pledged to the payment of the principal of, redemption premium, if any, 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 2010 Bonds.

### **Additional Security for the County Vocational School Bonds, Series 2010 (New Jersey School Bond Reserve Act, P.L. 1980, c.72)**

The County Vocational School Bonds, Series 2010 (New Jersey School Bond Reserve Act, P.L. 1980, c.72) will be secured by the School Bond Reserve (“School Bond Reserve”) established in the Fund for the Support of Free Public Schools of the State of New Jersey (the “Fund”) and in accordance with the New Jersey School Bond Reserve Act, P.L. 1980, c. 72, approved July 16, 1980 (the “School Bond Reserve Act” and codified at N.J.S.A. 18A:56-17 et. seq.). The School Bond Reserve shall consist of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least one and one-half (1 1/2 %) per cent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes for all such indebtedness issued prior to July 1, 2003, exclusive of bonds the debt service for which is provided by the State, provided such amounts do not exceed the moneys available in the old school bond reserve account. The new school bond reserve account shall be funded in an amount equal to at least one (1%) per cent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes for all such indebtedness issued on and after July 1, 2003, exclusive of bonds the debt service for which is provided by State appropriations.

The School Bond Reserve Act provides that the School Bond Reserve shall be composed entirely of direct obligations of the United States Government or obligations guaranteed by the full faith and credit of the United States Government. Securities representing at least one-third of the minimal market value to be held in the School Bond Reserve shall be due to mature within one year of issuance or purchase. The trustees of the Fund are to determine, on or before September 15 of each year the aggregate amount of school purpose bonds issued and outstanding and to maintain the old school bond reserve account and the new school bond reserve account for the ensuing year at appropriate levels based upon market valuation of the obligations invested. The funds that are set aside in the old school bond reserve account constitute a reserve for the prompt payment to holders of bonds issued for school purposes by counties, municipalities or school districts of the principal of and interest of bonds issued prior to July 1, 2003 for school purposes in the event of the inability of the issuer to make payments. The funds that are set aside in the new school bond reserve account constitute a reserve for the prompt payment to holders of

bonds issued for school purposes by counties, municipalities or school districts of the principal of and interest of bonds issued on and after July 1, 2003 for school purposes in the event of the inability of the issuer to make payments. In the event that the amount held in the old school bond reserve account exceeds the amount required to be held pursuant to the School Bond Reserve Act, the excess may be transferred by the State Treasurer to the new school bond reserve account. In the event that the amounts in either the old school bond reserve account or the new school bond reserve account fall below the amount required to make payments on bonds, the amounts in both the old school bond reserve account and new school bond reserve account shall be available to make payments for bonds secured by the reserve.

Beginning with the fiscal year ending on June 30, 2003 and continuing on each June 30 thereafter, the State Treasurer shall calculate the amount necessary to fully fund the old school bond reserve account and the new school bond reserve account as required pursuant to the School Bond Reserve Act. To the extent moneys available under the N.J.S.A. 18A:56-1 *et. seq.* are insufficient to maintain each of the old school bond reserve account and the new school bond reserve account at the required levels, the State Treasurer shall, no later than September 15 of the fiscal year following the June 30 calculation date, pay to the trustees for deposit in the School Bond Reserve such amounts as may be necessary to maintain the old school bond reserve account and the new school bond reserve account at the levels required pursuant to the School Bond Reserve Act. No money may be borrowed from the Fund to provide liquidity to the State unless the one and one-half (1 1/2%) per cent and one (1%) per cent accounts are at the levels certified as full funding on the most recent June 30 calculation date.

If a municipality, county or school district is unable to meet payment of principal of or interest on any of its bonds issued for school purposes, the trustee of the Fund will purchase such bonds at par value or will pay to the bondholders the interest due or to become due within the limit of funds available in the School Bond Reserve in accordance with the provisions of the School Bond Reserve Act.

**Purpose of the Series 2010A Bonds and the Series 2010B Bonds**

The proceeds of the Series 2010 Bonds will be used to finance the acquisition and undertaking of capital improvements authorized by various ordinances of the Board of Chosen Freeholders of the County adopted on the date as set forth in the table below:

<u>Project</u>	<u>Amount of Series 2010A Bonds and Series 2010B Bonds Authorized</u>	<u>Amount of Series 2010A Bonds and Series 2010B Bonds Issued</u>	<u>Adoption Dates</u>
Various Improvements (Ord. No. 98-01)	\$30,900,000	\$ 35,000	March 19, 1998
Various Improvements (Ord. No. 99-01)	24,460,000	910,000	February 25, 1999

Various Improvements (Ord. No. 03-01)	32,880,000	1,030,000	March 27, 2003
Various Improvements (Ord. No. 04-1)	49,200,000	145,000	February 26, 2004
Various Improvements (Ord. No. 05-3)	51,465,000	2,330,000	March 10, 2005
Various Improvements (Ord. No. 06-2)	31,085,000	3,150,000	March 23, 2006
Various Improvements (Ord. No. 08-03)	71,055,000	12,595,000	May 22, 2008
Various Improvements (Ord. No. 09-02)	81,417,000	13,089,000	June 11, 2009
Vocational School Improvements (Ord. No. 10-01)	2,000,000	1,750,000	June 24, 2010
Various Improvements (Ord. No. 10-02)	47,500,000	11,840,000	June 24, 2010
County College Improvements (Ord. No. 10-03)	2,000,000	2,000,000	June 24, 2010
Trunked Radio System (Ord. No. 10-05)	27,343,025	1,876,000	June 24, 2010
Reclamation Center Improvements (Ord. No. 10-06)	4,000,000	1,000,000	June 24, 2010
<b>TOTAL</b>	<u>\$455,305,025</u>	<u>\$50,000,000</u>	

### **Purpose of the Series 2010C Bonds**

The proceeds of the Series 2010C Bonds will be used to refund certain general obligation bonds of the County authorized by an ordinance of the Board of Chosen Freeholders of the County adopted on the date as set forth in the table below. In particular, a portion of the proceeds of the Series 2010C Bonds is anticipated to be used to pay the principal and redemption premium of the County's (a) General Improvement Bonds, Series 2002, dated July 15, 2002, in the aggregate amount of \$15,000,000 maturing on July 15, 2013 to 2017, inclusive, (b) the County's Utility Bonds, Series 2002, dated July 15, 2002, in the aggregate amount of \$4,000,000 maturing on July 15, 2013 to 2017, inclusive, and (c) General Improvement Bonds, Series 2003A, dated May 29, 2003, in the aggregate amount of \$13,965,000 maturing on March 1, 2014 to 2018, inclusive (collectively, the "Refunded Bonds"). A portion of the proceeds of the Series 2010C Bonds will be deposited to the credit of an escrow fund (the "Escrow Fund") created pursuant to an escrow deposit agreement between the County and The Bank of New York Mellon, Woodland Park, New Jersey, as escrow agent (the "Escrow Agent") to purchase direct obligations of the United States of America (the "Escrow Securities") which, together with investment earnings thereon, will be sufficient to pay principal of, premium, if any, and interest on the Refunded Bonds.

<u>Project</u>	<u>Amount of Series 2010C Bonds Authorized</u>	<u>Amount of Series 2010C Bonds Issued</u>	<u>Adoption Date</u>
Refunding of Certain General Obligations of the County (Ord. No. 10-07)	\$37,000,000	\$32,575,000	October 14, 2010

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## 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 70,120 (2010 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>
Lillian G. Burry	Director of the Board	January 2012
Robert D. Clifton	Deputy Director	January 2011
John D’Amico	Freeholder	January 2011
Amy A. Mallet	Freeholder	January 2012
John P. Curley	Freeholder	January 2013

### County Officials

Teri O’Connor	County Administrator
Craig R. Marshall	Director of Finance
Andrea I. Bazer, Esq.	County Counsel
Craig R. Marshall	County Treasurer
Marion Masnick	Deputy Clerk of the Board of Chosen Freeholders

### Reclamation Center Utility

On February 14, 1985, the Board of Chosen Freeholders unanimously approved the creation of the Monmouth County Reclamation Center Utility to operate the County landfill and various recycling and reclamation programs. The Reclamation Center Utility is currently a self-liquidating utility under the Local Bond Law and its activity has been shown as a separate fund



in each year beginning with calendar year 1985. See “Reclamation Center Utility Fund - Statement of Operations and Change in Fund Balance (2005-2009)” 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 419,553 tons during 2009 and, at current monthly deliveries, is expected to accept a similar amount during 2010. 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.

## 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>
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	0.228990766
2010	108,110,362,547	85.98	125,737,957,896	0.241558487

Source: Abstract of Ratables County of Monmouth

**DISTRIBUTION OF ASSESSED VALUATION**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Vacant Land	\$ 1,450,018,215	\$ 1,890,326,965	\$ 1,939,743,990	\$ 2,032,658,100	\$ 1,904,978,160
Residential	57,987,104,041	71,996,304,967	75,608,544,008	87,639,645,250	89,448,262,850
Farm Regular	547,263,000	648,209,100	664,923,650	775,852,100	974,029,200
Farm Qualified	28,365,615	28,791,400	29,084,900	28,127,200	29,521,400
Commercial	8,460,769,015	9,933,979,740	10,347,047,120	12,457,546,650	12,481,857,180
Industrial	993,688,150	1,054,549,300	1,041,586,900	1,127,627,600	1,159,465,800
Apartments	<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>1,884,147,000</u>
	<u>\$70,829,766,536</u>	<u>\$87,161,767,972</u>	<u>\$91,441,995,368</u>	<u>\$106,019,099,80</u>	<u>\$107,882,261,590</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  
DECEMBER 31, 2009**

<u>Owner of Record</u>	<u>Property Location</u>	<u>2009 Total Assessed Value</u>	<u>2009 Tax Rate Per \$100</u>	<u>Total 2009 Taxes</u>
<b>1 Freehold Mall</b>				
Freemall Associates	Freehold Township	\$ 111,000	1.842	\$ 2,044.62
Freemall Associates, LLC	Freehold Township	329,103,900	1.842	6,062,093.84
Galyans Sports & Outdoor –Dick's	Freehold Township	14,089,700	1.842	259,532.27
Freemall Associates	Freehold Township	2,557,200	1.842	47,103.62
Freemall Associates – Bob's	Freehold Township	10,971,200	1.842	202,089.50
American Multi-Cinema, Inc.	Freehold Township	18,101,400	1.842	333,427.79
LT Propco LLC - Lord & Taylor	Freehold Township	15,477,800	1.842	285,101.08
JC Penney Properties, Inc.	Freehold Township	18,679,800	1.842	344,081.92
Trustees of SRC Facilities -Sears	Freehold Township	17,561,400	1.842	323,480.99
Nordstrom, Inc.	Freehold Township	20,537,900	1.842	378,308.12
TRU 2005 RE I LLC, c/o Toys "R" Us	Freehold Township	7,183,800	1.842	132,325.60
Office Depot, Inc.- Office Depot	Freehold Township	3,839,200	1.842	70,718.06
HD Development – Home Depot	Freehold Township	12,120,400	1.842	223,257.77
EF Partners, LLC- Lin & Mar	Freehold Township	9,872,000	1.842	181,842.24
State St. Bank – XMAS/Raymoor	Freehold Township	15,178,700	1.842	279,591.65
Macys East, Inc.	Freehold Township	29,312,700	1.842	539,939.93
Freemall Associates, LLC	Freehold Township	116,600	1.842	2,147.77
Freemall Associates	Freehold Township	258,400	1.842	4,759.73
				\$ 9,671,846.50
<b>2 AT&amp;T Corporate Park</b>				
199 Laurel Assoc. c/o Steiner Equity Group	Middletown	\$ 983,100	1.725	\$ 16,958.48
200 Laurel c/o ATT Lease Adm	Middletown	300,977,800	1.725	5,191,867.05
Four Ponds c/o CB R Ellis Inc.	Middletown	56,482,400	1.725	974,321.40
				\$ 6,183,146.93
<b>3 Monmouth Mall</b>				
Sacco of Monmouth	Eatontown	\$ 26,000,000	1.783	\$ 463,580.00
Eatontown Monmouth Mall LLC	Eatontown	176,500,000	1.783	3,146,995.00
Lord & Taylor May Stores #57	Eatontown	16,000,000	1.783	285,280.00
Macy's East Federated Dept. Stores	Eatontown	25,000,000	1.783	445,750.00
JC Penney 1150-0 Property Tax Office	Eatontown	20,000,000	1.783	356,600.00
				\$ 4,698,205.00
<b>4 Assisted Living Facility</b>				
Tinton Falls Campus, LLC c/o Seabrook	Tinton Falls	\$193,746,400	1.676	\$ 3,189,065.74
Tinton Falls Campus, LLC c/o Seabrook	Tinton Falls	1,009,200	1.676	16,611.43
				\$ 3,205,677.17
<b>5 Seaview Square Mall</b>				
Seaview Square, LLC c/o Investment Int'l	Ocean Township	\$99,000,000	1.824	\$ 1,805,760.00
Sears, Roebuck & Co. D/768Tax, B2107A	Ocean Township	22,517,600	1.824	410,721.02
				2,216,481.02

**LIST OF MONMOUTH COUNTY TWELVE LARGEST TAXPAYERS  
DECEMBER 31, 2009**

<u>Owner of Record</u>	<u>Property Location</u>	<u>2009 Total Assessed Value</u>	<u>2009 Tax Rate Per \$100</u>	<u>Total 2009 Taxes</u>
<b>6 New Jersey Sports &amp; Exposition Auth</b>				
New Jersey Sports & Exposition Auth	Oceanport	\$115,996,200	1.470	\$ 1,705,144.14
<b>7 Premium Outlets</b>				
CPG Tinton Falls Urban Renewal, LLC	Tinton Falls	\$ 86,244,500	1.646	\$ 1,419,584.47
<b>8 Bellcore Research Facility</b>				
One Rvr.Assoc. c/o Mack-Cali Realty Corp.	Middletown	\$ 22,636,100	1.725	390,472.72
One Rvr.Assoc. c/o Mack-Cali Realty Corp.	Middletown	\$ 28,263,000	1.725	487,536.75
One Rvy.Assoc. c/o Mack-Cali Realty Corp.	Middletown	\$ 21,780,300	1.725	375,710.18
				\$ 1,253,719.65
<b>9 Shopping Center</b>				
Caydenzar c/o Denholtz Associates	Holmdel	\$ 8,683,900	1.609	139,723.95
Holmdel Commons, LLC c/o Kimco Rlty	Holmdel	56,178,500	1.609	903,912.07
				\$ 1,043,636.02
<b>10 International Flavors &amp; Fragrances</b>	Union Beach	\$ 32,368,300	3.158	\$ 1,022,190.91
<b>11 Woodshire Apartments</b>	Ocean Township	\$ 52,766,400	1.824	\$ 962,459.14
<b>12 Shopping Center</b>				
Kimco Realty Corporation	Holmdel	\$ 59,385,600	1.609	\$ 955,514.30

Source: Monmouth County Board of Taxation (July 27, 2010).

**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, 2009 appears in Appendix B to this Official Statement.

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues and Other Additions:					
Fund Balance Utilized	\$ 42,000,000	\$ 48,000,000	\$ 48,500,000	\$ 48,500,000	\$ 44,850,000
Miscellaneous Revenue					
Anticipated	162,262,787	159,238,090	170,535,152	167,216,523	181,481,812
Miscellaneous Revenue Not					
Anticipated	19,473,201	20,681,166	21,588,882	26,436,981	18,269,648
Receipts from Current Taxes	269,650,000	278,540,000	286,504,000	286,504,000	294,784,152
Other Credits to Revenue	168,665	33,020	139,088	466,658	377,604
Unexpended Balance of					
Appropriations Lapsed	<u>11,872,567</u>	<u>13,275,303</u>	<u>14,160,639</u>	<u>14,544,598</u>	<u>15,443,964</u>
<b>Total Revenues and Other Additions</b>	<b>\$505,427,220</b>	<b>\$519,767,581</b>	<b>\$541,427,764</b>	<b>\$543,668,760</b>	<b>\$555,207,180</b>
Expenditures:					
Budget Appropriations*	\$457,217,441	\$471,096,694	\$491,497,123	\$498,848,289	\$510,241,780
Other Charges	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Total Expenditures</b>	<b>\$457,217,441</b>	<b>\$471,096,694</b>	<b>\$491,497,123</b>	<b>\$498,848,289</b>	<b>\$510,241,780</b>
Excess in Revenue	48,209,779	48,670,886	49,930,640	44,820,471	44,965,400
Adjustment to Income Before					
Surplus: Emergency	300,000	--	--	25,000	--
Authorization					
Fund Balance, January 1	<u>78,692,063</u>	<u>85,201,841</u>	<u>85,872,728</u>	<u>87,303,368</u>	<u>\$83,648,839</u>
	127,201,842	133,872,728	135,803,368	132,148,839	128,614,239
Decreased by:					
Utilized as Anticipated Revenue	<u>42,000,000</u>	<u>48,000,000</u>	<u>48,500,000</u>	<u>48,500,000</u>	<u>44,850,000</u>
<b>Fund Balance, December 31</b>	<b><u>\$85,201,842</u></b>	<b><u>\$85,872,728</u></b>	<b><u>\$87,303,368</u></b>	<b><u>\$83,648,839</u></b>	<b><u>\$83,764,239</u></b>
Fund Balance, as a percentage					
of Total Expenditures	18.63%	18.23%	17.76%	16.77%	16.42%
* Paid or Charged	\$438,519,331	\$453,427,198	\$473,278,798	\$484,870,147	\$491,805,602
Appropriation Reserves	18,697,692	17,669,495	18,214,953	13,974,235	18,435,267
Current Appropriations Cancelled	<u>418</u>	<u>-</u>	<u>3,371</u>	<u>3,907</u>	<u>911</u>
	<u>\$457,217,441</u>	<u>\$471,096,694</u>	<u>\$491,497,123</u>	<u>\$498,848,289</u>	<u>\$510,241,780</u>

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 16.42% in 2009 to 18.63% in 2005, while the tax levy has remained stable. In fact, since 2005 the average annual property tax increase has been 2.25%, below the corresponding rates of inflation. Revenue growth is expected to continue through 2010, albeit at a slower pace, as a result of the recession.



## FIVE YEAR SUMMARY OF CURRENT FUND BUDGET AND ACTUAL RESULTS

	2005		2006		2007		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>Revenues:</b>										
County Clerk	\$ 19,825,000	\$19,262,801	\$ 18,871,000	\$ 20,399,541	\$ 17,755,000	\$ 16,252,266	\$ 15,700,000	\$14,992,200	\$ 11,500,000	\$10,753,379
Interest on Investments	3,700,000	10,472,163	7,500,00	17,022,147	10,500,000	16,521,581	11,500,000	9,878,267	9,750,000	8,492,624
Parks & Recreation	6,300,000	6,306,851	6,300,000	6,696,673	6,500,000	7,027,329	7,000,000	7,076,760	7,037,586	6,993,015
Medical Homes	22,800,000	23,305,117	22,500,000	25,210,171	23,400,000	24,256,251	23,350,000	23,831,125	23,700,000	26,755,503
Division of Social Services	19,550,000	27,757,804	21,050,000	25,408,548	23,500,000	26,768,972	26,500,000	28,075,031	25,000,000	26,374,976
State of N.J. - Social Service	17,249,056	17,249,056	19,526,031	19,526,031	18,746,227	18,746,227	21,130,952	21,130,952	22,812,837	22,812,837
<b>Reimbursement</b>										
State of N.J. - Inmate Reimbursement	1,800,000	2,006,605	2,000,000	2,477,497	2,450,000	2,337,289	2,300,000	897,201	800,000	1,968,933
State of N.J. - Remaining Aid	3,299,921	3,644,530	3,666,870	4,017,211	3,505,193	3,853,644	3,285,241	3,629,368	3,180,055	3,565,036
State & Federal Grants	30,914,506	30,914,506	23,815,470	23,815,470	30,584,642	30,584,642	28,336,524	28,336,524	34,772,930	34,772,930
Miscellaneous Revenue	19,828,958	40,816,555	19,327,324	35,345,968	19,552,062	45,775,835	24,716,572	55,806,076	32,054,220	57,262,227
Fund Balance Utilized	42,000,000	42,000,000	48,000,000	48,000,000	48,500,000	48,500,000	48,500,000	48,500,000	44,850,000	44,850,000
County Tax Levy	<u>269,650,000</u>	<u>269,650,000</u>	<u>278,540,000</u>	<u>278,540,000</u>	<u>286,504,000</u>	<u>286,504,000</u>	<u>286,504,000</u>	<u>286,504,000</u>	<u>294,784,152</u>	<u>294,784,152</u>
<b>TOTAL REVENUES</b>	<b>\$456,917,441</b>	<b>\$493,385,988</b>	<b>\$471,096,695</b>	<b>\$506,459,257</b>	<b>\$491,497,124</b>	<b>\$527,128,036</b>	<b>\$498,823,289</b>	<b>528,657,504</b>	<b>\$510,241,780</b>	<b>539,385,612</b>
<b>Appropriations:</b>										
General Government	\$ 26,446,021	\$ 25,516,861	\$ 27,070,645	\$ 25,276,690	\$ 28,233,385	\$ 26,558,715	\$ 29,339,837	\$ 27,747,235	\$ 27,215,648	\$ 25,421,336
Public Works & Engineering	30,369,986	28,897,265	30,640,339	29,548,387	32,707,198	31,619,731	33,532,094	32,091,766	33,421,054	30,153,932
Health & Human Services	92,742,015	88,215,166	97,144,461	93,326,878	97,464,230	92,398,083	102,235,679	96,904,251	97,187,221	93,338,383
Education	39,482,971	39,101,736	41,312,423	40,879,829	43,236,284	43,081,350	45,125,696	44,974,986	45,953,658	45,800,239
Parks & Recreation	19,238,294	19,074,508	19,095,842	18,886,613	19,019,919	18,852,243	19,376,519	19,132,523	19,495,627	18,601,108
State & Federal Grants	32,214,506	31,968,505	25,115,470	24,897,888	31,884,642	31,645,980	29,636,524	29,479,291	36,072,930	35,768,902
Capital Improvements	15,492,000	13,021,489	12,957,000	11,458,188	13,046,000	9,994,599	7,679,495	6,890,688	3,100,000	2,455,313
Debt Service	45,882,310	45,881,893	46,396,689	46,396,689	47,976,840	47,973,468	47,569,624	47,565,718	48,095,712	48,094,801
Statutory Expenditures	14,300,000	12,298,643	21,175,000	19,906,965	22,500,000	21,829,599	28,025,000	27,723,180	32,450,000	31,503,798
Unclassified/Contingent	800,000	780,398	957,731	949,239	1,162,641	1,071,923	1,050,525	1,043,839	1,105,010	962,485
Public Safety	83,809,947	82,335,061	86,405,622	85,274,140	89,949,605	88,473,764	92,305,832	91,092,722	94,337,616	91,084,296
Land Use Administration	1,618,115	1,565,742	1,571,318	1,556,691	1,624,869	1,593,017	1,731,971	1,659,455	1,668,905	1,576,040
Code Enforcement	381,276	377,667	393,680	366,193	383,060	351,973	346,660	340,983	351,449	335,094
Insurance	45,365,000	41,458,750	49,985,000	44,768,497	51,189,000	47,374,460	48,310,000	46,196,843	57,336,950	54,891,245
Utility Expenses	9,075,000	8,025,647	10,575,475	9,634,312	11,119,451	10,459,893	12,582,833	12,026,667	12,425,000	11,793,630
Deferred Charges	-0-	-0-	300,000	300,000	-0-	-0-	-0-	-0-	25,000	25,000
<b>TOTAL APPROPRIATIONS</b>	<b>\$457,217,441</b>	<b>\$438,519,331</b>	<b>\$471,096,695</b>	<b>\$453,427,199</b>	<b>\$491,497,124</b>	<b>\$473,278,798</b>	<b>\$498,848,289</b>	<b>\$484,870,147</b>	<b>\$510,241,780</b>	<b>\$491,805,602</b>
<b>Excess in Revenues</b>										
Appropriation Reserve		\$54,866,657		\$53,032,058		\$53,849,238		\$43,787,357		\$47,580,010
Excess in Revenues, Net		<u>18,697,692</u>		<u>17,669,496</u>		<u>18,214,953</u>		<u>13,974,236</u>		<u>18,435,266</u>
		\$36,168,965		\$35,362,562		\$35,634,285		\$29,813,121		\$29,144,744
<b>Other Credits to Income:</b>										
Unexpended Balance of Previous Year										
Appropriation Reserve		11,872,567		13,275,304		14,160,639		\$14,544,598		\$15,443,964
Emergency Authorization		300,000		-0-		-0-		25,000		-0-
Other		<u>168,247</u>		<u>33,020</u>		<u>135,716</u>		<u>462,752</u>		<u>376,692</u>
Total Excess in Revenues, Net + Other Credits to Income		\$48,509,779		\$48,670,886		\$49,930,640		\$44,845,471		\$44,965,400
Fund Balance, Beginning of Year		<u>36,692,063</u>		<u>37,201,842</u>		<u>37,372,728</u>		<u>\$38,803,368</u>		<u>\$38,798,839</u>
Fund Balance, End of Year		\$85,201,842		\$85,872,728		\$87,303,368		\$83,648,839		\$83,764,239

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

	<u>2009<sup>(1)</sup></u>	<u>2010<sup>(2)</sup></u>
Anticipated Revenues:		
Fund Balance Utilized	\$ 44,850,000	\$ 44,850,000
State Aid	48,973,611	50,011,241
State and Federal Grants	12,031,302	11,245,211
Miscellaneous Revenue	86,861,087	84,818,548
County Tax Levy	<u>294,784,152</u>	<u>302,475,000</u>
Total Anticipated Revenues	<u>\$487,500,152</u>	<u>\$493,400,000</u>
Appropriations:		
Operations	\$403,829,440	\$406,182,532
Capital Improvements	3,100,000	2,750,000
Debt Service	48,095,712	49,717,468
Pension Contributions and Social Security Taxes	32,450,000	34,750,000
Deferred Charges	<u>25,000</u>	<u>-</u>
Total Appropriations	<u>\$487,500,152</u>	<u>\$493,400,000</u>

- (1) The 2009 County Budget was adopted by the Board of Chosen Freeholders on March 26, 2009.  
(2) The 2010 County Budget was adopted by the Board of Chosen Freeholders on April 8, 2010.

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b><u>REVENUES</u></b>					
Fund Balance	\$17,100,000	\$17,500,000	\$17,500,000	\$28,000,000	\$22,500,000
Grant	650,948	--	--	1,129,849	--
Utility Fees	30,363,009	31,505,608	30,658,261	28,888,585	27,446,895
Miscellaneous Revenue Not Anticipated	2,851,985	4,166,300	4,752,620	3,666,176	2,818,022
Other Income	11,694,678	3,753,383	272,069	261,647	51,736
Unexpended Appropriations	4,741,091	4,284,270	6,672,856	7,057,989	10,804,154
Total Revenue	<u>\$67,401,711</u>	<u>\$61,209,562</u>	<u>\$59,855,808</u>	<u>\$69,004,246</u>	<u>\$63,620,807</u>
<b><u>EXPENDITURES</u></b>					
Operations with Reserves	\$35,876,128	\$33,676,062	\$35,191,310	\$49,490,491	\$38,038,833
Other Expenditures and Commitments	4,232	1	--	--	--
Total Expenditures	<u>\$35,880,360</u>	<u>\$33,676,063</u>	<u>\$35,191,310</u>	<u>\$49,490,491</u>	<u>\$38,038,833</u>
Net Revenues	<u>\$31,521,351</u>	<u>\$27,533,498</u>	<u>\$24,664,498</u>	<u>\$19,513,755</u>	<u>\$25,581,974</u>
Debt Service	<u>3,274,820</u>	<u>3,823,937</u>	<u>3,808,689</u>	<u>3,639,358</u>	<u>3,461,167</u>
Change in Fund Balance	\$28,246,531	\$23,709,561	\$20,855,808	\$15,874,397	\$22,120,807
Fund Balance, January 1	<u>\$22,960,680</u>	<u>\$34,107,210</u>	<u>\$40,316,772</u>	<u>43,672,580</u>	<u>31,546,977</u>
	\$51,207,211	\$57,816,772	\$61,172,580	59,546,977	53,667,784
Utilized as Revenue	<u>17,100,000</u>	<u>17,500,000</u>	<u>17,500,000</u>	<u>28,000,000</u>	<u>22,500,000</u>
Fund Balance, December 31	<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>	<u><u>\$31,167,784</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 June 10, 2010 calls for expenditures of \$483,285,174 through the year 2015. Of this \$483,285,174 total, \$105,360,174 is anticipated to be paid from cash and Federal and State grants; the remaining \$377,925,000 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 October 15, 2010, is presented in the table below:

<u>Type of Security</u>	<u>Amount</u>	<u>Percent</u>
Bank Money Market Accounts	\$335,016,989	96%
Taxable Bond/Tax Anticipation Notes <sup>(1)</sup>	14,000,000	4

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 \$14,552,605 for 2008, \$18,518,477 for 2009 and \$20,989,617 for 2010 (as of 11/11/10).

### **Debt and Financial Management Policies**

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

1. The County will annually adopt a five year capital improvement program showing the projected capital expenditures and the source of funding for those expenditures. The County will determine the effect of the projected debt issuance on its net tax-supported debt ratios such as debt to full value, debt per capita, debt to personal income and debt service to revenues.
2. The County will maintain a target of net tax-supported debt service to revenues ratio, excluding debt service on Recreational Facilities Revenue Bonds, of 10%. The target is to be achieved over a period of time, but the maximum level will be 12.0%.
3. The County will maintain a minimum rapidity repayment rate of 70% of its net tax-supported debt to be retired in 10 years.
4. The County's ratio of net tax-supported debt to full value will not exceed 0.75%.

5. The ratio of net tax-supported debt to personal income will not exceed 2.0%.
6. The County will plan to have a minimum ratio of year-end Current Fund Balance to revenues of 7%. This Current Fund Balance policy can be violated in times of fiscal stress as long as the County has a plan to restore the Fund Balance to appropriate levels.

## **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 November 11, 2010 is 0.3901% 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.

**COUNTY OF MONMOUTH  
STATEMENT OF STATUTORY NET DEBT AS OF NOVEMBER 11, 2010**

**GROSS DEBT:**

General Bonds Issued and Outstanding	\$297,293,500.00
Open Space Bonds Issued and Outstanding	40,480,000.00
Self-Liquidating Utility	10,745,000.00
County College Bonds Issued and Outstanding	7,971,500.00
County Vocational Bonds Issued and Outstanding	834,320.06
NJDEP-Green Trust Program	3,601,515.50
Installment Purchase Agreement Notes Payable	<u>2,655,000.00</u>
	<b>\$363,580,835.56</b>

**BONDS/NOTES AUTHORIZED:**

<b>General Improvements:</b>		
Notes Issued	-0-	
Authorized but not Issued	\$450,532,500	
<b>Open Space:</b>		
Notes Issued	-0-	
Authorized but not Issued	-0-	
<b>Self-Liquidating Utility:</b>		
Notes Issued	-0-	
Authorized but not Issued	8,350,000	<u>458,882,500.00</u>

**TOTAL GROSS DEBT** **\$822,463,335.56**

**LESS: STATUTORY DEDUCTIONS:**

Guaranty Equipment Lease Program - M.C.I.A.	30,110,000 <sup>(1)</sup>	
Gov't Loan Refunding Revenue Bonds - M.C.I.A.	55,775,000 <sup>(1)</sup>	
Guaranteed Pooled Loan Program - M.C.I.A.	109,180,000 <sup>(1)</sup>	
Guaranty Lease Revenue Bonds - BCC - M.C.I.A.	37,990,000.00 <sup>(1)</sup>	
County College Bonds	7,971,500 <sup>(2)</sup>	
Self-Liquidating Utility	19,095,000 <sup>(3)(6)</sup>	
Open Space Acquisition Bonds	40,480,000 <sup>(4)</sup>	
IPA Cash on Hand (Market Value)	380,598.98 <sup>(5)</sup>	
County Refunding Bonds	28,965,000.00 <sup>(6)</sup>	329,947,098.98

**STATUTORY NET DEBT** **\$492,516,236.58**

Three-Year Average (2007-2009) Equalized Valuation of Real Property (Pursuant to N.J.S.A. 15:1-35.1)	\$126,267,567,407.00
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Net Debt Expressed as a Percentage of  
Average Equalized Valuation of Real  
Property 0.3901%

Debt Limitation Per N.J.S.A. 40A:2-6  
(Counties) 2% of Three-Year Average  
Equalized Valuation \$2,525,351,348.14

**Total Net Debt** **492,516,236.58**

**Remaining Net Debt Capacity** **\$2,032,835,111.52**

(1) The County has unconditionally guaranteed \$30,110,000 M.C.I.A. Capital Equipment Pooled Lease Revenue Bonds, \$55,775,000 M.C.I.A. Governmental Loan Refunding Revenue Bonds, \$109,180,000 M.C.I.A. Governmental Pooled Loan Revenue Bonds, and \$37,990,000 M.C.I.A. Lease Revenue Bonds For Brookdale Community College. 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)).  
(6) County Refunding Bonds are an allowable deduction to the extent of the amount of the refunded bonds pursuant to the Local Bond Law (N.J.S.A. 40A:2-44(f)).



**COUNTY OF MONMOUTH  
SCHEDULE OF DEBT SERVICE**

**DECEMBER 31, 2009**

<u>Year</u>	<u>General</u>	<u>County College</u>	<u>Vocational School</u>	<u>NJDEP Green Trust</u>	<u>Total Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal Reclamation Center</u>	<u>Interest Reclamation Center</u>	<u>Total Including Reclamation Center</u>
2010	\$31,690,000.00	\$2,070,000.00	\$264,916.11	\$1,288,030.94	\$35,312,947.05	\$14,915,532.10	\$50,228,479.15	\$2,750,000.00	\$537,498.96	\$53,515,978.11
2011	32,700,000.00	2,080,000.00	271,214.09	1,007,468.88	36,058,682.97	13,857,053.69	49,915,736.66	1,225,000.00	436,900.00	51,577,636.66
2012	35,955,000.00	1,480,000.00	277,993.62	1,027,719.01	38,740,712.63	12,501,813.79	51,242,526.42	1,575,000.00	381,650.00	53,199,176.42
2013	35,475,000.00	1,015,000.00	285,112.36	751,278.66	37,526,391.02	11,029,141.49	48,555,532.51	1,575,000.00	315,275.00	50,445,807.51
2014	34,655,000.00	1,020,000.00	-	346,625.85	36,021,625.85	9,644,353.93	45,665,979.78	1,575,000.00	245,025.00	47,486,004.78
2015	32,840,000.00	1,015,000.00	-	162,069.11	34,017,069.11	8,161,126.11	42,178,195.22	1,575,000.00	173,975.00	43,927,170.22
2016	30,775,000.00	565,000.00	-	-	31,340,000.00	6,786,426.25	38,126,426.25	1,615,000.00	111,187.50	39,852,613.75
2017	25,330,000.00	565,000.00	-	-	25,895,000.00	5,518,582.50	31,413,582.50	1,605,000.00	50,900.00	33,069,482.50
2018	23,470,000.00	115,000.00	-	-	23,585,000.00	4,411,200.00	27,996,200.00	-	-	27,996,200.00
2019	20,818,500.00	116,500.00	-	-	20,935,000.00	3,543,695.00	24,478,695.00	-	-	24,478,695.00
2020	20,985,000.00	-	-	-	20,985,000.00	2,680,162.50	23,665,162.50	-	-	23,665,162.50
2021	16,515,000.00	-	-	-	16,515,000.00	1,837,681.25	18,352,681.25	-	-	18,352,681.25
2022	13,745,000.00	-	-	-	13,745,000.00	1,190,825.00	14,935,825.00	-	-	14,935,825.00
2023	7,455,000.00	-	-	-	7,455,000.00	593,600.00	8,048,600.00	-	-	8,048,600.00
2024	5,275,000.00	-	-	-	5,275,000.00	253,200.00	5,528,200.00	-	-	5,528,200.00
	<u>\$367,683,500.00</u>	<u>\$10,041,500.00</u>	<u>\$1,099,236.18</u>	<u>\$4,583,192.45</u>	<u>\$383,407,428.63</u>	<u>\$96,924,393.61</u>	<u>\$480,331,822.24</u>	<u>\$13,495,000.00</u>	<u>\$2,252,411.46</u>	<u>\$496,079,233.70</u>

## DEBT ANALYSIS

	<u>December 31,</u> <u>2005<sup>(1)</sup></u>	<u>December 31,</u> <u>2006<sup>(1)</sup></u>	<u>December 31,</u> <u>2007<sup>(1)</sup></u>	<u>December 31,</u> <u>2008<sup>(1)</sup></u>	<u>December 31,</u> <u>2009<sup>(1)</sup></u>
Full Valuation Per Capita	\$146,493.00	\$170,704.00	\$193,985.00	\$207,067.00	\$205,213.00
County Net Debt as a Percentage of Full Value	0.39%	0.35%	0.31%	0.33%	0.37%
County Net Debt Per Capita	\$577.33	\$603.93	\$609.83	\$675.91	\$759.85
Overlapping Net Debt as a Percentage of Full Value	2.05%	1.81%	1.62%	1.57%	1.60%
Overlapping Net Debt Per Capita	\$3,005.86	\$3,085.79	\$3,146.44	\$3,245.74	\$3,282.60

<sup>(1)</sup> Per capita figures for 2005 through 2009 utilizing 2000 Census Data.

**COUNTY OF MONMOUTH**  
**GROSS DEBT AND NET DEBT OF CONSTITUENT MUNICIPALITIES**  
**December 31, 2009**

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Aberdeen Township	\$17,914,431.00	\$13,857,682.00	\$23,325,242.00	\$17,914,431.00	\$13,636,426.00	\$ 0.00	\$23,546,498.00	\$2,198,060,243.00	1.0712%
Allenhurst Borough	0.00	130,325.00	1,921,301.00	0.00	130,325.00	0.00	1,921,301.00	567,196,970.00	0.3387
Allentown Borough	8,332,174.00	4,280,833.00	1,978,042.00	8,332,174.00	4,280,833.00	8,015.00	1,970,027.00	214,972,716.00	0.9164
Asbury Park City	8,741,962.00	44,632,962.00	13,930,241.00	8,741,962.00	42,331,129.00	97.00	16,231,977.00	1,351,340,819.00	1.2012
Atlantic Highlands Borough	8,469,254.00	12,408,485.00	11,818,834.00	8,469,254.00	11,647,497.00	179,833.00	12,399,989.00	867,994,317.00	1.4286
Avon-By-The-Sea Borough	6,825,000.00	3,058,345.00	5,517,685.00	6,825,000.00	0.00	0.00	8,576,030.00	1,038,637,862.00	0.8257
Belmar Borough	3,729,694.00	4,309,710.00	11,411,095.00	3,729,694.00	4,309,710.00	826,692.00	10,584,403.00	1,764,545,878.00	0.5998
Bradley Beach Borough	1,868,000.00	2,246,646.00	7,334,913.00	1,868,000.00	2,246,646.00	151,702.00	7,183,211.00	1,160,418,239.00	0.6190
Brielle Borough	4,780,000.00	1,205,442.00	1,726,806.00	4,780,000.00	0.00	0.00	2,932,248.00	1,577,599,123.00	0.1859
Colts Neck Township	24,986,944.00	0.00	12,580,281.00	24,986,944.00	0.00	4,088,057.00	8,492,224.00	3,391,288,503.00	0.2504
Deal Borough	0.00	915,044.00	5,182,207.00	0.00	915,044.00	0.00	5,182,207.00	2,790,304,160.00	0.1857
Eatontown Borough	29,389,040.00	0.00	11,027,350.00	29,389,040.00	0.00	1,385,500.00	9,641,850.00	2,522,342,666.00	0.3823
Englishtown Borough	2,229,556.00	1,045,000.00	649,993.00	2,229,556.00	1,045,000.00	0.00	649,993.00	241,867,630.00	0.2687
Fair Haven Borough	11,638,651.00	0.00	8,457,283.00	11,638,651.00	0.00	62,551.00	8,394,732.00	1,574,464,168.00	0.5332
Farmingdale Borough	211,350.00	1,197,136.00	318,971.00	211,350.00	1,197,136.00	0.00	318,971.00	153,580,106.00	0.2077
Freehold Borough	7,411,620.00	2,821,400.00	9,038,400.00	7,411,620.00	2,821,400.00	1,695,664.00	7,342,736.00	1,226,328,279.00	0.5988
Freehold Township	64,378,938.00	19,861,079.00	52,176,133.00	64,378,938.00	19,861,079.00	0.00	52,176,133.00	6,557,348,319.00	0.7957
Hazlet Township	7,265,000.00	1,632,442.00	15,247,486.00	7,265,000.00	1,632,442.00	582,444.00	14,665,042.00	2,615,462,931.00	0.5607
Highlands Borough*	4,296,109.00	463,000.00	6,431,944.00	4,296,109.00	463,000.00	151,100.00	6,280,844.00	807,705,663.00	0.7776

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	27,610,000.00	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	50,783,579.00	73,792,353.00	6,155,460.00	709,200.00	54,033,919.00	6,886,548,815.00	0.7846
Interlaken Borough	0.00	0.00	733,031.00	0.00	0.00	0.00	733,031.00	294,123,633.00	0.2492
Keansburg Borough*	4,345,000.00	9,585,000.00	10,387,189.00	4,345,000.00	9,585,000.00	0.00	10,387,189.00	799,455,981.00	1.2993
Keyport Borough	7,180,000.00	3,831,600.00	14,057,301.00	7,180,000.00	2,679,164.00	204,803.00	15,004,934.00	776,794,557.00	1.9316
Lake Como Borough*	0.00	0.00	309,555.00	0.00	0.00	0.00	309,555.00	380,971,888.00	0.0813
Little Silver Borough	11,937,911.00	0.00	5,673,994.00	11,937,911.00	0.00	0.00	5,673,994.00	1,666,043,591.00	0.3406
Loch Arbour Village	787,556.00	0.00	978,562.00	787,556.00	0.00	0.00	978,562.00	184,690,332.00	0.5298
Long Branch City	0.00	0.00	46,671,263.00	0.00	0.00	883,341.00	45,787,922.00	5,183,411,231.00	0.8834
Manalapan Township	58,960,422.00	296,729.00	18,461,271.00	58,960,422.00	296,729.00	1,084,000.00	17,377,271.00	6,396,169,226.00	0.2717
Manasquan Borough	10,512,000.00	8,249,726.00	9,366,787.00	10,512,000.00	6,757,765.00	0.00	10,858,748.00	2,182,034,927.00	0.4976
Marlboro Township	47,429,471.00	24,946,250.00	30,609,839.00	47,429,471.00	24,946,250.00	2,574,982.00	28,034,857.00	7,622,294,465.00	0.3678
Matawan Borough	8,765,569.00	14,532,954.00	11,733,457.00	8,765,569.00	13,427,999.00	0.00	12,838,412.00	1,075,515,464.00	1.1937
Middletown Township	71,835,000.00	1,463,815.00	74,786,829.00	71,835,000.00	1,124,855.00	0.00	75,125,789.00	12,308,982,798.00	0.6103
Millstone Borough	44,055,000.00	0.00	21,543,859.00	44,055,000.00	0.00	294,470.00	21,249,389.00	2,089,790,485.00	1.0168
Monmouth Beach Borough	6,757,212.00	0.00	3,818,998.00	6,757,212.00	0.00	161,748.00	3,657,250.00	1,434,835,056.00	0.2549
Neptune City Borough	8,720,000.00	343,500.00	2,610,486.00	8,720,000.00	343,500.00	0.00	2,610,486.00	574,259,255.00	0.4546
Neptune Township	6,009,000.00	11,427,752.00	24,787,985.00	6,009,000.00	11,427,752.00	319,532.00	24,468,453.00	4,053,877,313.00	0.6036

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Ocean Township	24,119,444.00	0.00	23,634,820.00	24,119,444.00	0.00	300,000.00	23,334,820.00	5,656,264,886.00	0.4125
Oceanport Borough	6,014,312.00	0.00	30,065,967.00	6,014,312.00	0.00	848,794.00	29,217,173.00	1,299,784,236.00	2.2478
Red Bank Borough	7,862,231.00	10,424,849.00	14,829,625.00	7,862,231.00	10,424,849.00	491,717.00	14,337,908.00	2,316,407,888.00	0.6190
Roosevelt Borough	288,000.00	3,238,476.00	237,500.00	288,000.00	3,191,304.00	0.00	284,672.00	93,888,700.00	0.3032
Rumson Borough	13,938,349.00	0.00	18,882,914.00	13,938,349.00	0.00	23,449.00	18,859,465.00	3,631,651,336.00	0.5193
Sea Bright Borough	2,304,209.00	542,500.00	5,246,000.00	2,304,209.00	651.00	121,949.00	5,665,900.00	819,124,419.00	0.6917
Sea Girt Borough	0.00	9,190,260.00	3,669,108.00	0.00	2,554,233.00	602,322.00	9,702,813.00	1,970,300,524.00	0.4925
Shrewsbury Borough	6,075,282.00	0.00	9,371,688.00	6,075,282.00	0.00	0.00	9,371,688.00	1,191,690,993.00	0.7864
Shrewsbury Township	302,287.00	0.00	1,532,597.00	302,287.00	0.00	395,299.00	1,137,298.00	78,053,248.00	1.4571
Spring Lake Borough	1,740,000.00	8,132,691.00	6,532,102.00	1,740,000.00	191,978.00	0.00	14,472,815.00	3,523,069,223.00	0.4108
Spring Lake Heights Borough	5,044,805.00	1,063,883.00	1,323,688.00	5,044,805.00	1,063,883.00	0.00	1,323,688.00	1,175,864,802.00	0.1126
Tinton Falls Borough	12,290,673.00	0.00	28,892,290.00	12,290,673.00	0.00	11,109,825.00	17,782,465.00	3,173,564,556.00	0.5603
Union Beach Borough*	0.00	1,967,496.81	9,071,486.86	0.00	1,967,496.81	0.00	9,071,486.86	677,765,814.00	1.3384
Upper Freehold Township	51,128,826.00	0.00	32,319,168.00	51,128,826.00	0.00	14,191,117.00	18,128,051.00	1,319,139,871.00	1.3742
Wall Township	34,410,000.00	15,120,215.00	41,346,459.00	34,410,000.00	8,468,066.00	0.00	47,998,608.00	6,687,022,133.00	0.7178
West Long Branch Borough	8,185,912.00	0.00	17,732,251.00	8,185,912.00	0.00	4,832,116.00	12,900,135.00	1,422,997,187.00	0.9065
<b>TOTAL</b>	<b>\$774,868,547.00</b>	<b>\$250,003,498.81</b>	<b>\$810,899,483.86</b>	<b>\$774,868,547.00</b>	<b>\$212,589,872.81</b>	<b>\$70,928,923.00</b>	<b>\$777,384,186.86</b>	<b>\$126,131,468,565.00</b>	<b>0.6163</b>

\* Towns with a fiscal year ending 06/30/10

## Other County Obligations

### Monmouth County Improvement Authority Correctional Facilities Revenue Bonds

The \$7,615,000 Correctional Facilities Refunding Revenue Bonds, Series 2009 (the “2009 Correctional Refunding Bonds”) are direct and special obligations of the Monmouth County Improvement Authority (“Authority”) issued to currently refund the Authority’s Correctional Facilities Refunding Revenue Bonds, Series 1997, and are 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 November 11, 2010, \$3,825,000 of the bonds were outstanding.

Maturities of 2009  
Correctional Refunding Bonds  
Outstanding November 11, 2010

<u>Date</u>	<u>Amount</u>
8/1/11	3,825,000

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

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, the \$19,940,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2007, and the \$7,490,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2009 (the “Pooled Lease Bonds”) are limited obligations of the Authority secured by a pledge of certain property, which includes the Authority’s right to receive payments of principal and interest on bonds issued by the Authority (“Local Unit Bond”) to finance the acquisition of equipment for lease to certain governmental units located within the County (the “Local Units”). The principal and interest on each Local Unit Bond is secured by a pledge of lease payments made by the applicable Local Unit pursuant to the terms and provisions of a lease agreement between the Authority and such Local Unit, with respect to the equipment leased by such Local Unit. Payment of principal and interest on each Local Unit Bond is unconditionally and irrevocably guaranteed by each of the Local Units. In addition, payment of principal and interest on each Local Unit Bond is unconditionally and irrevocably guaranteed by the County. As of November 11, 2010, \$30,110,000 of the bonds were outstanding.

**Maturities of Pooled Lease Bonds  
Outstanding November 11, 2010**

<u>Date</u>	<u>Amount</u>
10/1/11	\$7,425,000
10/1/12	6,860,000
10/1/13	5,255,000
10/1/14	3,960,000
10/1/15	3,205,000
10/1/16	1,445,000
10/1/17	1,460,000
10/1/18	245,000
10/1/19	255,000

**Monmouth County Improvement Authority  
Governmental Loan Refunding  
Revenue Bonds**

The \$21,670,000 Governmental Loan Refunding Revenue Bonds, Series 2006 (the “2006 Pooled Loan Refunding Bonds”) are limited obligations of the Authority issued to currently refund the Authority’s Pooled Governmental Loan Program Bonds, 1986 Series, and are secured by a pledge of certain property, which includes the Authority’s right to receive payments of principal and interest on bonds (the “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 Refunding Bond is unconditionally and irrevocably guaranteed by the County. As of November 11, 2010, \$6,655,000 of the bonds were outstanding.

Maturities of 2006  
Pooled Loan Refunding Bonds  
Outstanding November 11, 2010

<u>Date</u>	<u>Amount</u>
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**

The \$40,075,000 Governmental Loan Revenue Bonds, Series 2009, the \$14,180,000 Governmental Loan Revenue Bonds, Series 2010, and the \$9,355,000 Governmental Loan Revenue Bonds, Series 2010 Atlantic Highlands Project (the “Loan Revenue Bonds”) are limited obligations of the Authority secured by a pledge of certain property, which includes the Authority’s right to receive payments of principal and interest on bonds (the “Borrower Bonds”) issued by certain governmental units located within the County (the “Borrowers”) to refinance various capital improvements of the Borrowers. The principal and interest on each Borrower Bond is a direct and general obligation of each respective Borrower. Payment of principal and interest on the Loan Revenue Bonds is unconditionally and irrevocably guaranteed by the County. As of November 11, 2010, \$61,905,000 of the bonds is outstanding.

Maturities of Loan Revenue Bonds  
Outstanding November 11, 2010

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
12/1/10	\$2,350,000	12/1/19	\$ 3,645,000
02/1/11	345,000	02/1/20	430,000
12/1/11	2,355,000	12/1/20	3,820,000
02/1/12	345,000	02/1/21	445,000
12/1/12	2,720,000	12/1/21	3,535,000
02/1/13	345,000	02/1/22	470,000
12/1/13	2,815,000	12/1/22	3,675,000
02/1/14	350,000	02/1/23	500,000
12/1/14	2,930,000	12/1/23	3,285,000
02/1/15	360,000	02/1/24	515,000
12/1/15	3,280,000	12/1/24	2,015,000
02/1/16	375,000	02/1/25	1,205,000
12/1/16	3,345,000	12/1/26	1,110,000
02/1/17	385,000	02/1/26	1,880,000
12/1/17	3,350,000	12/1/28	1,225,000
02/1/18	400,000	02/1/28	1,760,000
12/1/18	3,485,000	12/1/29	1,100,000
02/1/19	415,000	02/1/30	1,340,000

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

The \$27,850,000 Lease Revenue Bonds, Series 2008 (Monmouth County Guaranteed) (Brookdale Community College Project) and the \$11,250,000 Lease Revenue Bonds, Series 2009 (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 November 11, 2010, \$37,990,000 of the bonds were outstanding.

**Maturities of Brookdale Bonds  
Outstanding November 11, 2010**

<u>Date</u>	<u>Amount</u>
08/01/11	\$ 820,000
08/01/12	845,000
08/01/13	880,000
08/01/14	905,000
08/01/15	940,000
08/01/16	985,000
08/01/17	1,025,000
08/01/18	1,080,000
08/01/19	1,120,000
08/01/20	1,175,000
08/01/21	1,225,000
08/01/22	1,285,000
08/01/23	795,000
08/01/24	1,945,000
08/01/26	3,000,000
08/01/28	3,295,000
08/01/31	5,610,000
08/01/38	11,060,000

## 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 8.06% from 2000 to 2009 (664,916 estimate).

### Employment

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

#### MONMOUTH COUNTY PRIVATE EMPLOYMENT

<u>Year</u>	<u>Number of Jobs</u>	<u>Percentage Change</u>
2005	213,425	1.2%
2006	215,590	1.0
2007	214,899	(0.3)
2008	213,088	(0.8)
2009	204,640	(3.9)

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Source: New Jersey Department of Labor.

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 57.9%, with retail trade next at 17.7% and finance, insurance and real estate at 6.8%. A breakdown of the data follows:

**EMPLOYMENT BY INDUSTRIAL SECTOR**

<b><u>Sector</u></b>	<b><u>Number Employed 2008</u></b>	<b><u>Percentage of Total</u></b>	<b><u>Number Employed 2009</u></b>	<b><u>Percentage of Total</u></b>
Services	119,173	55.93%	118,393	57.85%
Retail Trade	38,588	18.11	36,187	17.68
Manufacturing	9,263	4.35	8,785	4.29
Finance, Insurance and Real Estate	14,688	6.89	13,847	6.77
Construction	14,023	6.58	11,412	5.58
Wholesale Trade	9,234	4.33	8,381	4.10
Utilities	1,456	0.68	1,495	0.73
Transportation and Warehousing	5,669	2.66	5,203	2.54
Agriculture	938	0.44	851	0.42
Unclassified Entities	<u>56</u>	<u>0.03</u>	<u>86</u>	<u>0.04</u>
Total	213,088	100.00%	204,640	100.00%

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Source: New Jersey Department of Labor and Workforce Development.

**MAJOR EMPLOYERS - MONMOUTH COUNTY**

The leading industries in the County by number of employees as of July 2010 are as follows:

<b><u>Employer</u></b>	<b><u>Municipality</u></b>	<b><u>Number Of Employees</u></b>
Meridan Health Care <sup>1</sup>	Various Locations	9,700
Fort Monmouth	Eatontown, Oceanport and Tinton Falls	5,572
AT&T	Various Locations	4,100
County of Monmouth	Various Locations	3,319
Centra State Healthcare Systems	Freehold Township	2,524
Foodarama Supermarkets, Inc. <sup>2</sup>	Various Locations	1,900
Monmouth Medical Center	Long Branch	1,800
Bayshore Community Health Services	Holmdel	1,500
Naval Weapons Station Earle	Colts Neck & Middletown	1,333
Monmouth University	West Long Branch	1,325
Vonage	Holmdel	1,211
Visiting Nurse Association of Central NJ	Red Bank	1,200

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Source: Monmouth County Department of Economic Development and Tourism - July 2010

NOTES:

1) Jersey Shore Medical Center, Riverview Medical Center and other facilities in Monmouth County

2) Shop Rite Supermarkets

**COUNTY OF MONMOUTH  
LABOR FORCE DATA**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Labor Force	326,039	331,129	332,600	334,600	335,842
Employment	312,669	317,518	320,200	318,300	307,367
Unemployment	13,370	13,611	12,400	16,200	28,476
Unemployment Rate	4.1%	4.1%	3.7%	4.9%	8.5%
New Jersey					
Unemployment Rate	4.5%	4.7%	4.3%	5.5%	9.2%
United States					
Unemployment Rate	5.1%	4.6%	4.6%	5.8%	9.3%

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Source: New Jersey Department of Labor 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>
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
2008	56,755	141.30	51,473	128.15	40,166

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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>
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
2009	880	10,827	8.1

### 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>
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
2009	171,208	2,070,885	8.3

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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>
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
2009	72,277,166	1,534,279	18,804,292	73,435,087	166,050,824

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Source: Monmouth County Department of Economic Development and Tourism.



## **VI. LEGAL MATTERS**

### **Legality of the Bonds**

The legality of the Series 2010 Bonds will be subject to the final approving opinion of Gibbons P.C., Bond Counsel to the County. Such opinion will be to the effect that the Series 2010 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 Series 2010 Bonds and the interest thereon without limitation as to rate or amount.

### **Tax Matters**

#### **Tax-Exempt Bonds**

##### ***Exclusion of Interest on the Tax-Exempt Bonds from Gross Income for Federal Income Tax Purposes***

The Code imposes certain requirements which must be met on a continuing basis subsequent to the issuance of the Tax-Exempt Bonds in order to assure that interest on the Tax-Exempt Bonds will be excluded from gross income for purposes of Federal income taxation under Section 103 of the Code. Failure of the County to comply with such requirements may cause interest on the Tax-Exempt Bonds to be included in gross income for Federal income tax purposes, retroactive to the date of the issuance of the Tax-Exempt Bonds. The County has covenanted to comply with the provisions of the Code applicable to the Tax-Exempt Bonds and has covenanted not to take any action or permit any action that would cause the interest on the Tax-Exempt Bonds to be included in gross income under Section 103 of the Code or cause interest on the Tax-Exempt Bonds to be treated as an item of tax preference under Section 57 of the Code.

Assuming the County observes its covenants with respect to continuing compliance with the Code, Gibbons P.C., Bond Counsel to the County, is of the opinion that, under existing law, interest on the Tax-Exempt Bonds is excluded from the gross income of the owners of the Tax-Exempt Bonds for Federal income tax purposes pursuant to Section 103 of the Code and interest on the Tax-Exempt Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax.

##### ***Additional Federal Income Tax Consequences***

In the case of certain corporate holders of the Tax-Exempt Bonds that are Series 2010A Bonds, pursuant to the Recovery Act, interest on such Tax-Exempt Bonds will not be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Tax-Exempt Bonds in “adjusted current earnings” of certain corporations. In the case of certain corporate holders of the Tax-Exempt Bonds that are Series 2010C Bonds, interest on such Tax-Exempt Bonds will be included in the calculation of the alternative minimum tax as a result of

the inclusion of interest on the Tax-Exempt Bonds in “adjusted current earnings” of certain corporations.

Prospective purchasers of the Tax-Exempt Bonds should be aware that ownership of, accrual of, receipt of, interest on, or disposition of, tax-exempt obligations, such as the Tax-Exempt Bonds, may have additional Federal income tax consequences for certain taxpayers, including without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any Federal tax consequences other than its opinion with regard to the exclusion of interest on the Tax-Exempt Bonds from gross income pursuant to Section 103 of the Code and interest on the Tax-Exempt Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Tax-Exempt Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Tax-Exempt Bonds.

### *State Taxation*

Bond Counsel is of the opinion that, under existing law, interest on the Tax-Exempt Bonds and net gains from the sale of the Tax-Exempt Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

### *Miscellaneous*

Amendments to federal and state tax laws are proposed from time to time and could be enacted, and court decisions and administrative interpretations may be rendered, in the future. There can be no assurance that any such future amendments or actions will not adversely affect the value of the Tax-Exempt Bonds, the exclusion of interest on the Tax-Exempt Bonds from gross income, alternative minimum taxable income, state taxable income, or any combination from the date of issuance of the Tax-Exempt Bonds or any other date, or that such changes will not result in other adverse federal or state tax consequences.

**THE ABOVE SUMMARY OF POSSIBLE TAX CONSEQUENCES IS NOT EXHAUSTIVE OR COMPLETE. ALL PURCHASERS OF THE TAX-EXEMPT BONDS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE POSSIBLE FEDERAL, STATE AND LOCAL INCOME TAX CONSEQUENCES OF OWNERSHIP OF THE TAX-EXEMPT BONDS .**

## **Taxable Bonds**

### ***Federal Tax Matters***

#### *Build America Bonds Designation*

The County has determined to designate the Series 2010A Taxable Bonds as taxable BABs pursuant to Section 54AA(d) of the Code and opts to receive BABs Subsidy Payments from the Treasury in the amount of 35% of the interest payable on the Series 2010A Taxable Bonds. The interest on the Series 2010A Bonds which are BABs will be includable in gross income for United States federal income tax purposes. The Code imposes certain requirements with respect to the use and investment of proceeds of the Series 2010A Bonds which are BABs, which the County must continue to meet after issuance of such 2010A Bonds which are BABs to continue receiving BABs Subsidy Payments. If the County does not meet these requirements, it is possible that the County may not continue receiving BABs Subsidy Payments from the Treasury. Furthermore, under certain circumstances BABs Subsidy Payments may be reduced (offset) by amounts [otherwise payable by the County, as determined] under the Code and applicable tax regulations. Any failure by the County to qualify for BABs Subsidy Payments or any offset of such payments will not alter the County's obligation to pay the principal and interest on the Series 2010A Bonds which are BABs.

#### *Recovery Zone Economic Development Bonds Designation*

The County intends to designate the Series 2010B Bonds as taxable RZEDBs pursuant to Section 54AA and 1400U-2 of the Code and opt to receive RZEDBs Subsidy Payments from the Treasury in the amount of 45% of the interest payable on the Series 2010B Bonds. The interest on the Series 2010B Bonds will be includable in gross income for United States federal income tax purposes. The Code imposes certain requirements with respect to the use and investment of proceeds of the Series 2010B Bonds, which the County must continue to meet after issuance of the Series 2010B to continue receiving RZEDBs Subsidy Payments. If the County does not meet these requirements, it is possible that the County may not continue receiving RZEDBs Subsidy Payments from the Treasury. Furthermore, under certain circumstances RZEDBs Subsidy Payments may be reduced (offset) by amounts [determined to be applicable] under the Code and applicable tax regulations. Any failure by the County to qualify for RZEDBs Subsidy Payments or any offset of such payments will not alter the County's obligations to pay the principal of and interest on the Series 2010B Bonds.

#### *General*

The following discussion is a summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of the Taxable Bonds by original purchasers of the Taxable Bonds who are U.S. Holders (as defined below). This summary is based on the Code, Treasury regulations, revenue ruling and court decisions, all as now in effect and all subject to change at any time, possibly with retroactive effect. This summary assumes that the Taxable Bonds will be held as "capital assets" under the Code, and it does not discuss all of the United States federal income tax consequences that may be relevant to a holder in light of

its particular circumstances or to holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Taxable Bonds as a position in a “hedge” or “straddle” for United States federal income tax purposes, or holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar. Each prospective purchaser of the Taxable Bonds should consult with its own tax advisor concerning the United States federal income tax and other tax consequences to it of the acquisition, ownership and disposition of the Taxable Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

As used herein, the term “U.S. Holder” means a beneficial owner of a Taxable Bond that is for United States federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

#### *U.S. Holders - Interest Income*

Interest on the Taxable Bonds is not excludable from gross income under Section 103 of the Code for federal income tax purposes.

#### *U.S. Holders - Disposition of Taxable Bonds*

Except as discussed above, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Taxable Bond, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U. S. Holder’s adjusted tax basis in the Taxable Bonds. A U.S. Holder’s adjusted tax basis in a Taxable Bond generally will equal such U.S. Holder’s initial investment in the Taxable Bonds, decreased by the amount of any payments, other than qualified stated interest payments, received. Such gain or loss generally will be long-term capital gain or loss if the Taxable Bonds was held for more than one year.

#### *U.S. Holders - Defeasance*

U.S. Holders of the Taxable Bonds should be aware that, for federal income tax purposes, the deposit of moneys or securities in escrow in such amount and manner as to cause the Taxable Bonds to be deemed to be no longer outstanding under the ordinances (a “defeasance”), could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, for federal income tax purposes, the character and timing of receipt of payments on the Taxable Bonds subsequent to any such defeasance could also be affected. U.S. Holders of the Taxable Bonds are advised to consult with their own tax advisors regarding the consequences of a defeasance for federal income tax purposes, and for state and local tax purposes.

### *U.S. Holders - Backup Withholding and Information Reporting*

In general, information reporting requirements will apply to non-corporate U.S. Holders with respect to payments of principal, payments of interest, and the proceeds of the sale of a Taxable Bond before maturity within the United States. Backup withholding (currently at a rate of 28%) will apply to such payments unless the U.S. Holder (i) is a corporation or other exempt recipient and, when required, demonstrates that fact, or (ii) provides a correct taxpayer identification number, certifies under penalties of perjury, when required, that such U.S. Holder is not subject to backup withholding and has not been notified by the Internal Revenue Service that it has failed to report all interest and dividends required to be shown on its United States federal income tax returns.

Any Amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the Internal Revenue Service.

### *IRS Circular 230 Disclosure*

To ensure compliance with requirements imposed by the Internal Revenue Service, Bond Counsel informs you that (i) any United States federal tax advice related to the Taxable Bonds and contained in this Official Statement (including any attachments) is not intended or written by Bond Counsel to be used, and that it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under the Code; (ii) such advice is written to support the promotion or marketing of the transaction(s) or matter(s) addressed by the written advice; and (iii) the taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

### *State Taxation*

Bond Counsel is of the opinion that, under existing law, interest on the Taxable Bonds and net gains from the sale of the Taxable Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

**EACH PURCHASER OF THE TAXABLE BONDS SHOULD CONSULT HIS OR HER OWN ADVISOR REGARDING ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED FEDERAL OR NEW JERSEY STATE TAX LEGISLATION, ADMINISTRATIVE ACTION TAKEN BY TAX AUTHORITIES, OR COURT DECISIONS.**

### **Legality For Investment**

The State and all public officers, municipalities, counties, political subdivisions and public bodies and agencies thereof, all banks, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies and other persons carrying on banking business, all insurance companies and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds of the County including the Series 2010 Bonds, and such Series 2010 Bonds are authorized security for any and all public deposits.

## **Litigation**

In the opinion of the County Counsel, there is no litigation pending or threatened, restraining or enjoining the issuance or delivery of the Series 2010 Bonds offered for sale or the levy or collection of any taxes to pay interest or principal of the Series 2010 Bonds, or in any manner questioning the authority of proceedings for the issuance of the Series 2010 Bonds or for the levy or collection of said taxes or adversely affecting the financial position of the County.

## **VII. OTHER INFORMATION**

### **Report of Independent Public Accountants**

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

### **Ratings**

Fitch, Moody's Investors Service, Inc., and Standard & Poor's Rating Service, a division of The McGraw-Hill Companies Inc., have assigned the Series 2010 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 2010 Bonds.

### **The DTC Book-Entry-Only System**

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2010 Bonds. The Series 2010 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 2010 Bond certificate will be issued for each issue of the Series 2010 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 3.5 million issues of U.S. and non-U.S. equity issues,

corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Series 2010 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2010 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2010 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 2010 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 2010 Bonds, except in the event that use of the book-entry system for the Series 2010 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2010 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 2010 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 2010 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2010 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 2010 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2010 Bonds, such as redemptions, tenders, defaults, and

proposed amendments to the bond documents. For example, Beneficial Owners of Series 2010 Bonds may wish to ascertain that the nominee holding the Series 2010 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 2010 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 2010 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 2010 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 2010 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 2010 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, redemption price, if any, and interest on the Series 2010 Bonds are payable to DTC by the County.

### **Secondary Market Disclosure**

The Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the “Securities Exchange Act”) has adopted amendments to its Rule 15c2-12 (“Rule 15c2-12”) effective July 3, 1995 which generally prohibits a broker, dealer, or municipal securities dealer (“Participating Underwriter”) from purchasing or selling municipal securities, such as the Series 2010 Bonds, unless the Participating Underwriter has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and event notices to the Municipal Securities Rulemaking Board (the “MSRB”) (the “Continuing Disclosure Requirements”).

On the date of delivery of the Series 2010 Bonds, the County will enter into a Continuing Disclosure Certificate (“the Continuing Disclosure Certificate”) containing the Continuing Disclosure Requirements for the benefit of the beneficial holders of the Series 2010 Bonds pursuant to which the County will agree to comply on a continuing basis with the Continuing Disclosure Requirements of Rule 15c2-12. Specifically, the County will covenant for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the County by not later than September 1 of each Fiscal Year of the County, commencing with the first Fiscal Year of the County ending after January 1, 2010 (which is currently scheduled to end on December 31, 2010) (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report will be filed by the County with the MSRB through the internet facilities of the Electronic Municipal Market Access system (“EMMA”). The notices of material events will be filed by the County with the MSRB through the internet facilities of EMMA. The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in “Appendix B - Form of Continuing Disclosure Certificate”. These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

The County has never failed to comply, in all material respects, with any previous undertakings to provide continuing disclosure compliance with the requirements of Rule 15c2-12.

### **Independent Verification of Mathematical Accuracy**

The arithmetical accuracy of certain computations included in the schedule provided by Public Resources Advisory Group, the financial advisor on behalf of the County (the “Financial Advisor”) relating to (a) computation of anticipated receipts of principal and interest on the Escrow Securities and the anticipated payments of principal and interest to redeem the Refunded Bonds, and (b) computation of the yields on the Series 2010C Bonds and the Escrow Securities was examined by Samuel Klein and Company, Certified Public Accountants, certified public accountants. Such computations were based solely upon assumptions and information supplied by the Financial Advisor on behalf of the County. Samuel Klein and Company, Certified Public

Accountants has restricted its procedures to evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of future events.

### **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 Mill 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 2010 Bonds.

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

THE COUNTY OF MONMOUTH

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

Dated: December 2, 2010

**APPENDIX A**

**COUNTY OF MONMOUTH**

**REPORT ON AUDITS OF FINANCIAL STATEMENTS**

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**COUNTY OF MONMOUTH,  
NEW JERSEY**

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**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY SCHEDULES**

**WITH  
INDEPENDENT AUDITORS' REPORTS**

**YEAR ENDED  
DECEMBER 31, 2009**



*McENERNEY, BRADY & COMPANY, LLC*

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**Certified Public Accountants**  
293 Eisenhower Parkway, Suite 270  
Livingston, New Jersey 07039

60 East Main Street  
Freehold, New Jersey 07728

(973) 535-2880  
Fax - (973) 535-5893

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**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, 2009 and for the year ended December 31, 2009, 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. 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, 2009 and 2008, which were performed pursuant to a contract with Hutchins, Farrell, Meyer & Allison, P.A. for 2009 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.

Honorable Director and Members  
of the Board of Chosen Freeholders  
County of Monmouth  
Page 2 of 3

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, 2009, or the changes in its financial position, or, where applicable, its cash flows for the years then ended. Further, the County has not presented a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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, 2009, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the Statements of Revenues – Regulatory Basis and the Statement of Expenditures – Regulatory Basis of the various funds for the year ended December 31, 2009 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated June 27, 2010 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.



Honorable Director and Members  
of the Board of Chosen Freeholders  
County of Monmouth  
Page 3 of 3

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 & Co. LLC*  
McEnerney, Brady & Company, L.L.C.

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Independent Auditors

*Francis M. McEnerney*  
Francis M. McEnerney  
Registered Municipal Accountant  
(#539)

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June 27, 2010  
Report Date

COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND

COMPARATIVE BALANCE SHEETS

A

REGULATORY BASIS

Assets	Reference	December 31,	
		2009	2008
Cash and Cash Equivalents	A-4	\$ 143,783,421.01	\$ 144,627,239.38
Change Fund	Unchanged	630.00	630.00
		<u>143,784,051.01</u>	<u>144,627,869.38</u>
Receivables with Full Reserves:			
Added and Omitted Taxes Receivable	A-5	1,422,339.72	2,215,022.62
Revenue Accounts Receivable	A-7	2,016,116.48	2,276,777.32
Revenue Accounts Receivable - Unanticipated			
Total Receivables with Full Reserves		<u>3,438,456.20</u>	<u>4,491,799.94</u>
Deferred Charges			
Emergency Appropriations	A-3	-	25,000.00
Total Deferred Charges		<u>-</u>	<u>25,000.00</u>
Total Assets		<u>\$ 147,222,507.21</u>	<u>\$ 149,144,669.32</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3	\$ 18,435,266.55	\$ 13,974,235.29
Appropriation Reserves - PFRS	A-11	-	3,705,000.00
Encumbrances Payable	A-3	32,995,464.96	33,947,770.76
Accounts Payable	A-9	5,511,941.83	6,462,535.96
Due to State of New Jersey- Realty Transfer Fees	A-10	2,958,531.15	2,602,564.83
Reserve for Arbitrage Rebates	A-12	98,954.22	292,270.07
Contractor's Retainage Payable	Unchanged	19,653.00	19,653.00
		<u>60,019,811.71</u>	<u>61,004,029.91</u>
Reserve for Receivables		3,438,456.20	4,491,799.94
Fund Balance	A-1	83,764,239.30	83,648,839.47
		<u>87,202,695.50</u>	<u>88,140,639.41</u>
Total Liabilities and Reserves		<u>\$ 147,222,507.21</u>	<u>\$ 149,144,669.32</u>

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND

A-1

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

REGULATORY BASIS

<u>Revenue and Other Income</u>	<u>Reference</u>	<u>Year Ended December 31,</u>	
		<u>2009</u>	<u>2008</u>
Fund Balance Utilized	A-2	\$ 44,850,000.00	\$ 48,500,000.00
Miscellaneous Revenue Anticipated	A-2	181,481,812.51	167,216,523.34
Receipts from Current Taxes	A-2	294,784,152.00	286,504,000.00
Nonbudget Revenues	A-2	18,269,647.54	26,436,980.56
Other Credits to Income			
Deferred Charge	A-3	-	25,000.00
Unexpended Balance Appropriation Reserves	A-8	15,443,963.76	14,544,597.82
Current Appropriations Cancelled	A-3	911.45	3,906.46
Adjustments to Accounts Payable	A-9	376,692.36	462,751.96
		<u>555,207,179.62</u>	<u>543,693,760.14</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operations:			
Salaries and Wages	A-3	178,260,241.00	179,069,379.02
Other Expenses	A-3	248,310,826.67	236,504,790.85
Capital Improvements	A-3	3,100,000.00	7,679,495.00
Debt Service	A-3	48,095,712.12	47,569,624.14
Deferred Charges and Statutory Expenditures	A-3	32,475,000.00	28,025,000.00
		<u>510,241,779.79</u>	<u>498,848,289.01</u>
Excess in Revenue		44,965,399.83	44,845,471.13
Fund Balance, January 1,	A	83,648,839.47	87,303,368.34
		<u>128,614,239.30</u>	<u>132,148,839.47</u>
Less: Utilized as Revenue	A-1, A-2	<u>44,850,000.00</u>	<u>48,500,000.00</u>
Fund Balance, December 31,		<u>83,764,239.30</u>	<u>83,648,839.47</u>

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND

A-2

STATEMENT OF REVENUES

REGULATORY BASIS

	Reference	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 44,850,000.00	\$ 44,850,000.00	\$ -
<u>Miscellaneous Revenues - Local Revenues</u>				
County Clerk	A-7	9,000,000.00	7,787,271.95	(1,212,728.05)
Surrogate	A-7	300,000.00	554,945.41	254,945.41
Sheriff	A-7	2,000,000.00	1,495,720.56	(504,279.44)
Interest on Investments and Deposits	A-7	9,750,000.00	8,452,624.23	(1,257,375.77)
Parks and Recreation	A-7	7,037,585.40	6,993,015.24	(44,570.16)
M.C. County Care Center - Gerldine L. Thompson Division	A-7	9,600,000.00	11,482,556.92	1,882,556.92
M.C. County Care Center - John L. Montgomery Division	A-7	14,100,000.00	15,272,945.77	1,172,945.77
Data Processing - Board of Social Services	A-7			-
Receipts, Rental of County Owned Property	A-7	300,000.00	573,369.28	273,369.28
Indirect Cost Recovery	A-7	2,800,000.00	5,661,368.69	2,861,368.69
USDA Reimbursement, Youth Detention Center	A-7	30,000.00	51,830.17	21,830.17
Maintenance in Lieu of Rent, Division of Social Services	A-7			-
Recovery of Fringe Benefits	A-7	7,730,000.00	8,004,358.11	274,358.11
Lease, Workers Compensation Court	A-7			-
Intoxicated Driver Resource Center	A-7	125,000.00	317,370.00	192,370.00
Reimbursement - Federal Inmates at Correctional Facility	A-7	7,200,000.00	10,769,032.88	3,569,032.88
Division of Social Services	A-7	<u>2,819,282.00</u>	<u>3,687,819.92</u>	<u>868,537.92</u>
Total Local Revenues		<u>72,791,867.40</u>	<u>81,144,229.13</u>	<u>8,352,361.73</u>
<u>Miscellaneous Revenues - State Aid</u>				
State Aid - County College Bonds (N.J.S.A. 18A:64 A-22-6)	A-7	3,161,017.50	3,161,017.50	-
Reimbursement, Mental Health Administrator's Salary	A-7	12,000.00	12,000.00	-
Reimbursement, State Inmates at Correctional Institution	A-7	800,000.00	1,968,932.72	1,168,932.72
Division of Economic Assistance - Earned Income Credit	A-7	<u>21,200,000.00</u>	<u>21,959,645.00</u>	<u>759,645.00</u>
Total State Aid		<u>25,173,017.50</u>	<u>27,101,595.22</u>	<u>1,928,577.72</u>
<u>Miscellaneous Revenues - State Assumption of Costs of</u>				
<u>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	3,365,447.00	3,365,447.00	-
Supplemental Social Security Income	A-7	980,718.00	727,511.00	(253,207.00)
Psychiatric Facilities (C.73, P.L. 1990)				
Maintenance of Patience in State Institutions				
Mental Diseases	A-7	4,649,847.00	4,649,847.00	-
Mentally Retarded	A-7	14,797,543.00	14,797,543.00	-
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	<u>7,038.00</u>	<u>392,018.77</u>	<u>384,980.77</u>
		<u>23,800,593.00</u>	<u>23,932,366.77</u>	<u>131,773.77</u>
<u>Miscellaneous Revenues - Special Items of Revenue</u>				
<u>Anticipated with Prior Written Consent of the Director of</u>				
<u>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	4,138,993.00	4,138,993.00	-
CAP/NJEH Medicaid Case Management	A-7	925,000.00	925,000.00	-
Alcoholism Services Plan - CY 2009, 09-535-ADA-C-O	A-7	1,105,765.00	1,105,765.00	-
Monmouth County Office of Aging Comprehensive Area Plan Grant -ARRA	A-7	168,859.00	168,859.00	-
State of New Jersey - Governor's Council on Alcohol and Drug Abuse:				
Alliance Prevention Program - CY2009	A-7	684,596.00	684,596.00	-
State of New Jersey - Department of Community Affairs				
Camp Oakhurst Day Recreation Program - CY 2009	A-7	20,000.00	20,000.00	-
Homeless Prevention Program (HPP) (Linkages) - FY 2009	A-7	54,750.00	54,750.00	-
Homeless Prevention Program (HPP) (Linkages) - FY 2010	A-7	54,750.00	54,750.00	-
LIHEAP - CWA, FY 2009	A-7	9,940.50	9,940.50	-
USF - CWA, FY 2010	A-7	9,941.00	9,941.00	-

See Accompanying Notes

COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND

A-2

STATEMENT OF REVENUES

REGULATORY BASIS

	Ref.	Budget	Realized	Excess or (Deficit)
State of New Jersey - New Jersey Transit Corporation:				
FTA - JARC Route 35 Shuttle - FFY2006, Round 8	A-7	29,303.00	29,303.00	-
FTA - JARC Route 35 Shuttle - FFY2007, Round 9	A-7	105,793.00	105,793.00	-
FTA - JARC Route 836 Shuttle - FFY2007, Round 9	A-7	70,000.00	70,000.00	-
FTA - Section 5311 - FY2010	A-7	158,492.00	158,492.00	-
Senior Citizen and Disabled Resident Transportation Grant (CASINO) - CY2009	A-7	1,939,312.00	1,939,312.00	-
Work First New Jersey - CY 2010 & 2009 Project Income	A-7	2,111.00	2,111.00	-
North Jersey Transportation Planning Authority:				
NJIT - Sub-Regional Transportation Planning Program - FY2010	A-7	123,822.00	123,822.00	-
NJIT - MCTASTP Study, FY 2010	A-7	160,000.00	160,000.00	-
NJIT - Bridge S-17 Design, STP - 7202 (101)	A-7	1,500,000.00	1,500,000.00	-
State of New Jersey - Department of Transportation:				
HBPP, Bridge S-31, FY 2008	A-7	135,000.00	135,000.00	-
HBPP, Bridge W-9, FY 2008	A-7	42,000.00	42,000.00	-
Discretionary Funding, Bridge Scoping, Bridge S-31	A-7	175,000.00	175,000.00	-
County Bridge MN-27, FY 2009	A-7	1,000,000.00	1,000,000.00	-
County Bridge Inspection. #BR-WBIS,749/750	A-7	776,000.00	776,000.00	-
County Bridge MA-14/CR-6, FY 2009	A-7	50,000.00	50,000.00	-
FHWA - Bayshore Ferry Parking, STP-BOOS(717)	A-7	118,330.00	118,330.00	-
State of New Jersey - Department of Children and Families:				
DYFS - Youth Detention Center - CY 2009 - 09BFNC	A-7	41,840.00	41,840.00	-
DYFS - Human Services Advisory Council - CY 2009 - 09AVNC	A-7	69,373.00	69,373.00	-
DYFS - Family Court, Grants-In-Aid - CY 2009 - 09CNCC	A-7	7,870.00	7,870.00	-
DCBHS - CIACC - CY 2008, 08CCNS	A-7	4,875.00	4,875.00	-
DCBHS - CIACC - CY 2009, 09CCNS	A-7	44,556.00	44,556.00	-
State of New Jersey - Department of Human Services:				
DFD - Special Initiative and Transportation - FY2010	A-7	242,672.00	242,672.00	-
DFD - ARRA - Food Stamp Administration, FFY 2009 and 2010	A-7	100,737.00	100,737.00	-
DFD - Title IV-D Reimbursement Agreement - FFY 2010	A-7	424,377.00	424,377.00	-
DFD - Social Services for the Homeless - CY2009 - SH09013	A-7	789,104.00	789,104.00	-
DFD - ARRA - Social Services for the Homeless - CY 2009 - SH09013	A-7	275,000.00	275,000.00	-
DMHS - MHANJ - Disaster Liaison - FY2009	A-7	2,500.00	2,500.00	-
DMHS - Mental Health Board - FY 2009	A-7	6,000.00	6,000.00	-
DMHS - Project Transition/Path and NJMAP - CY2009 - S1202039	A-7	461,603.00	461,603.00	-
State of New Jersey - Office of the Attorney General:				
DLPS - DCJ - Victim Assistance, VOCA, SFY2010, V-11-08	A-7	210,059.00	210,059.00	-
DLPS - DCJ - Victim Assistance Advocacy, Supplemental, VWAFPS-13	A-7	78,360.00	78,360.00	-
DLPS - DCJ - SANE, VS-34-09 FFY 2009	A-7	67,655.00	67,655.00	-
DLPS - DCJ - Narcotics Task Force - CY2009, JAG 1-12TF-06	A-7	45,271.00	45,271.00	-
DLPS - DCJ - LLEBG, Megan's Law, FFY 2009, JAG-1-15-LL-07	A-7	15,529.00	15,529.00	-
DLPS - DCJ - LEOTEF - SFY 2008	A-7	45,900.00	45,900.00	-
DLPS - DCJ - Homeland Security Grant Program, (HSGP), FFY 2007	A-7	88,364.74	88,364.74	-
DLPS - DCJ - Homeland Security Grant Program, (HSGP), FFY 2009	A-7	824,010.97	824,010.97	-
DLPS - DCJ - New Jersey Date Exchange, FY 2008	A-7	46,400.00	46,400.00	-
DLPS - DSP - OEM - Emergency Management Preparedness	A-7	34,000.00	34,000.00	-
DLPS - DSP - OEM - Shrewsbury Flood Warning, FFY 2008	A-7	90,000.00	90,000.00	-
DLPS - DHTS - Click It or Ticket, CY 2009, OP08-45-01-115	A-7	4,000.00	4,000.00	-
DLPS - JJC - DWI Task Force, FFY 2009, ALO9-10-04-97	A-7	26,075.00	26,075.00	-
DLPS - JJC - State/Community Partnership - CY - 2009 - SCP- PM/PS-09-13	A-7	482,323.00	482,323.00	-
DLPS - JJC - Juvenile Detention Alternatives Initiative(JDAI), Innovations, CY 2009	A-7	160,000.00	160,000.00	-
DLPS - JJC - Family Court - CY 2009, FC-PS-09-13	A-7	276,683.00	276,683.00	-
DLPS - JJC - Juvenile Accountability Incentive Block Grant, FFY 2008, 08-13	A-7	55,308.00	55,308.00	-
DLPS - JJC - MCYDC - State Facilities Education Act (SFEA), SFY 2010	A-7	126,000.00	126,000.00	-
DLPS - JJC - MCYDC - Juvenile Detention Alternative Initiative,(JDAI), SFY 2009	A-7	184,280.00	184,280.00	-
State of New Jersey - Department of Environmental Protection:				
Clean Communities Program - FY2009	A-7	91,932.61	91,932.61	-
Recycling Program - REC-94-13 - Project Income	A-7	11,570.00	11,570.00	-
DPF - 2008 CSIP Tree Planting	A-7	25,000.00	25,000.00	-
Ramanessin Study, 2007	A-7	852,500.00	852,500.00	-

See Accompanying Notes

COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND

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STATEMENT OF REVENUES

REGULATORY BASIS

	Ref.	Budget	Realized	Excess or (Deficit)
State of New Jersey - Department of Labor and Workforce Development: Clean Energy Program, Local Government Energy Audit Program, P-78-09	A-7	99,520.00	99,520.00	-
State of New Jersey - Department of Labor and Workforce Development: Workforce Investment Act - (WIA) (08A) PY2008	A-7	13,118.50	13,118.50	-
Workforce Investment Act - (WIA) (09A) PY2009	A-7	1,855,640.00	1,855,640.00	-
Workforce Development Partnership Program (WDPP) (09C) - PY2009	A-7	50,142.00	50,142.00	-
Work First New Jersey (WFNJ) (09I) SFY2010	A-7	2,304,554.00	2,304,554.00	-
Workforce Learning Link (WLL) (09K) - SFY2010	A-7	179,844.00	179,844.00	-
ARRA - WIA - Base Realignment and Closure(BRAC)/NEG (09L) - PY 2009	A-7	1,300,000.00	1,300,000.00	-
ARRA- WIA - Adult and Dislocated Worker (08M & O) - PY 2008	A-7	1,331,335.00	1,331,335.00	-
ARRA- WIA - Youth (08N) - PY 2008	A-7	477,163.00	477,163.00	-
ARRA - WIA - Disability Program Navigatyor (DPN) (09P) - PY 2009	A-7	70,125.00	70,125.00	-
State of New Jersey - Division of Archive and Records Management: PARIS Grants Program, 2008-2009	A-7	1,108,895.00	1,108,895.00	-
State of New Jersey - Department of State Help America Vote Act (HAVA) #09ELEC003APA	A-7	13,169.00	13,169.00	-
US Department of Housing and Urban Development: Housing Counseling, FY 2008 HC-08-0398-054	A-7	40,217.54	40,217.54	-
United States - Department of Defense: ARMY - Adult Shelter, Fort Monmouth, 2009	A-7	56,000.00	56,000.00	-
United States - Department of Justice: Office of Justice Programs (OJP) - (BJA) - SCAAP, FFY 2009	A-7	599,923.00	599,923.00	-
Office of Justice Programs (OJP) - SCAAP, FY 2009, Local Solicitation	A-7	749,294.00	749,294.00	-
Office of Justice Programs (OJP) - BVP, FY 2009	A-7	4,077.13	4,077.13	-
United States - Department of Energy ARRA - Energy Efficiency Conservation Block Grant (EECBG), # DE-EE0000676	A-7	4,225,800.00	4,225,800.00	-
Naval Weapons Station Earle: M.C. Mosquito Extermination Comm., ISA, FY 2009	A-7	13,300.00	13,300.00	-
County Clerks - Interlocal Service Agreement DSMS (Document Summary Management System), E- Recording, FY 2006-2009	A-7	372,358.00	372,358.00	-
Donations New Jersey Gas/First Energy Corporation - Sheriff's Office K-9	A-7	125.00	125.00	-
Monmouth County Map Project	A-7	9,000.00	9,000.00	-
Monmouth Cares, Inc. Monmouth 4 -H Cares Program Grant, CY 2009	A-7	29,844.30	29,844.30	-
	A-7			
		<u>34,772,930.29</u>	<u>34,772,930.29</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	2,500,000.00	2,966,106.75	466,106.75
Surrogate	A-7	180,000.00	201,678.00	21,678.00
Sheriff	A-7	160,000.00	133,686.75	(26,313.25)
Pension Reserve	A-11	3,705,000.00	3,705,000.00	-
Maintenance Recoveries - Developmental Disabilities Reserve	A-7, A-11	1,445,121.60	1,445,121.60	-
Motor Vehicle Fines for Roads & Bridges	A-7	4,000,000.00	4,000,000.00	-
Weights & Measures	A-7	400,000.00	400,000.00	-
Open Space Trust Fund	A-7	1,679,098.00	1,679,098.00	-
		<u>14,069,219.60</u>	<u>14,530,691.10</u>	<u>461,471.50</u>
Total Miscellaneous Revenues	A-1	<u>170,607,627.79</u>	<u>181,481,812.51</u>	<u>10,874,184.72</u>
Subtotal General Revenues	A-1	<u>215,457,627.79</u>	<u>226,331,812.51</u>	<u>10,874,184.72</u>
Amount To Be Raised By Taxation	A-1	<u>294,784,152.00</u>	<u>294,784,152.00</u>	<u>-</u>
Total General Revenues		<u>510,241,779.79</u>	<u>521,115,964.51</u>	<u>10,874,184.72</u>

See Accompanying Notes

COUNTY OF MONMOUTH , NEW JERSEY  
CURRENT FUND

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ANALYSIS OF NONBUDGET REVENUE

REGULATORY BASIS

Miscellaneous Revenue Not Anticipated

Collections:

Garnishment Service Charge	11,742.85
Voter Registration - labels and tapes	4,471.30
Construction Board of Appeals	4,200.00
Pay Telephone Station Commissions	484,492.90
Interest Parks Department	1,711.16
Engineers Plans and Specifications	12,575.00
Vending Machine Commissions	27,943.51
Appropriation refunds - agricultural easements	209,668.63
Autopsy Fees	1,565.00
Planning Board Receipts	4,151.35
Interest on Late Payment of Taxes	4,072.19
Miscellaneous Unanticipated revenues	615,965.83
Sale of County Election Maps	118.75
Judgements	2,044.63
Salary and Fringe Benefit Reimbursements	225,183.17
Interest - Sheriff's Account	2,929.28
Damages to County Property	96,214.92
Purchase of Lists, Records, etc.	610.00
Auction Sales	348,477.80
Inmate Transportation	92,460.50
Payment in Lieu of Taxes	4,158.00
Sales of County Merchandise, Property, etc.	242,604.31
Permit Fees	101,000.00
Appropriation Refunds	1,923,519.54
Police Academy Trainee Ammunition	22,302.08
Unanticipated Grant Receipts	103,576.15
Insurance Reimbursements	114,031.88
Telephone Refunds	623.04
MC Police Computer	206,908.74
Copier Receipts	67,077.25
Uniform Fire Code Permit Fees	1,258.50
Planning Board:	
Site Plan Revision Fees	16,725.00
Site Plan Inspection Fees	3,539.22
Subdivision Initial Application Fees	62,799.00
Special Events	9,390.00
MCRRC Equipment Lease Payments	4,531,785.26
Reimbursement for Motor Pool	114,518.77
Shared Services- Salt & Snow	89,978.07
Shared Services- Fleet/Motor Pool, o/s Reimbursement	17,162.25
Shared Services - Various Other Public Works - O/S Reim	46,829.92
Reimbursements for Single Audit Costs	14,683.58
Information Services Cost - Mod IV Tax System	112,000.00
Board of Elections - State Reim	715,483.00
Comm. Reg Elections - Twp Reim (Ch. 278/95)	129,975.60
County Clerk Election - Twp Reim (Ch 278/95)	17,778.17
Board of Elections - Twp Reim (Ch. 278/95)	43,116.49
Probation Fines	16,274.69
Information Services - Print Shop Reimbursements	61,977.50
Bail Bond Forfeitures	35,425.00
Juror Compensation Fund	1,302.00
County Clerk - Archives Day	2,618.50
Interest on County Clerk's Account	35,261.22
Office of Emergency Management - State Reim.	25,000.00
Probation - Sheriff Labor Assistance Prog. (SLAP)	505.00
Voting Machine Rentals	2,910.50
NJOAC - Service Agreeemnts	315,120.52

See accompanying notes

COUNTY OF MONMOUTH , NEW JERSEY  
CURRENT FUND

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ANALYSIS OF NONBUDGET REVENUE

REGULATORY BASIS

Primary Election - Postage Reimbursements	28,690.40	
MCDOT - Agency Receipts	1,112,097.45	
MCDOT - Bets Fare Revenue	23,340.00	
MCDOT Howell Township Transportation	64,000.00	
Police Academy - Tuition	68,110.16	
911 Program,Police Radio - Municipal Receipts	1,227,824.38	
MCPO - USDOJ	21,553.49	
MCPO Restitution Collections	3,548.21	
Employee Fines/ Fees	1,500.00	
MCCI - Inmate Fees	206,832.15	
MCCI - SSA Reimbursement	57,400.00	
MCCI - Donations	150.00	
MCCI - Inmate Medical Co- Pay Program	21,746.38	
MCCI - Western Union Commissions	4,911.00	
MCCI - Sheriff - Attorney ID Cards	525.00	
MCCI - Reim. Inmates US Air Force	43,795.00	
Inmate Commissary	350,062.99	
GIS A/R Munic/ Others - Excess	10,825.00	
MCCI - Reim. Inmates Philadelphia	610,470.00	
MCSO - USDOJ, US Marshal	13,000.00	
License Agreement	71,830.54	
Hess - JPM Grid - Demand Response Program	26,496.09	
MCPO - County Emergency Response	42,000.00	
MCDSS - Fed Parent Locator Fees	24.00	
Bayshore Ferry rent	105,090.38	
Bayshore Ferry Food/ Beveragre Concession	1,815.29	
MCDSS - Jury Duty/ Employee S & W Reim.	18.10	
MCDSS - Revenues Not Anticipated	577,151.39	
		<hr/>
	A-4	16,054,624.92
County Added and Omitted	A-4,A-5	<u>2,215,022.62</u>
	A-1	<u>18,269,647.54</u>

See accompanying notes



COUNTY OF MONMOUTH  
CURRENT FUND

STATEMENT OF APPROPRIATIONS

REGULATORY BASIS

	Appropriations			Expended	
	Budget	Modified Budget	Paid or Charged	Reserved	Cancelled
<b>GENERAL GOVERNMENT</b>					
Office of County Administrator	\$	\$	\$	\$	\$
Salaries and Wages	834,003.00	834,003.00	819,612.48	14,390.52	-
Other Expenses	86,156.00	86,156.00	77,558.56	8,597.44	-
Research, Technical and Consulting Services					
Other Expenses	1,145,000.00	1,145,000.00	856,282.27	288,717.73	-
Purchasing Department					
Salaries and Wages	841,252.00	846,252.00	845,560.66	691.34	-
Other Expenses	28,343.00	28,343.00	26,071.11	2,271.89	-
Public Information					
Salaries and Wages	298,763.00	298,763.00	286,023.24	12,739.76	-
Fixed Asset Accounting System - Other Expenses	89,898.00	89,898.00	28,635.55	61,262.45	-
Personnel Department					
Salaries and Wages	1,121,236.00	1,121,236.00	1,079,086.23	42,149.77	-
Other Expenses	87,040.00	87,040.00	69,575.00	17,465.00	-
Board of Chosen Freeholders					
Salaries and Wages	137,000.00	137,000.00	136,203.42	796.58	-
Other Expenses	3,520.00	3,520.00	218.96	3,301.04	-
Clerk of the Board					
Salaries and Wages	578,241.00	578,241.00	577,003.37	1,237.63	-
Other Expenses	83,550.00	83,550.00	61,406.50	22,143.50	-
County Clerk - Elections					
Salaries and Wages	151,104.00	151,104.00	143,013.91	8,090.09	-
Other Expenses	190,800.00	190,800.00	185,440.54	5,359.46	-
Office of County Clerk					
Salaries and Wages	2,530,594.00	2,530,594.00	2,318,558.98	212,035.02	-
Other Expenses	336,335.00	336,335.00	276,035.27	60,299.73	-
Superintendent of Elections					
Salaries and Wages	1,435,124.00	1,435,124.00	1,405,962.32	29,161.68	-
Other Expenses	497,575.00	497,575.00	391,876.39	105,698.61	-

See accompanying notes

COUNTY OF MONMOUTH  
CURRENT FUND

STATEMENT OF APPROPRIATIONS

REGULATORY BASIS

	Budget	Modified Budget	Paid or Charged	Expended	Reserved	Amend	Cancelled
Board of Elections							
Salaries and Wages		1,093,970.00	1,093,970.00	1,019,124.18		74,845.82	
Other Expenses		182,620.00	182,620.00	129,117.18		53,502.82	
Finance Department							
Salaries and Wages		1,203,623.00	1,151,623.00	1,107,000.15		44,622.85	
Other Expenses		386,400.00	386,400.00	250,211.37		136,188.63	
Office of Records Management							
Salaries and Wages		138,837.00	138,837.00	134,809.72		4,027.28	
Other Expenses		103,310.00	103,310.00	54,914.84		48,395.16	
Audit Services							
Other Expenses		120,000.00	120,000.00	109,600.00		10,500.00	
Department of Information Services							
Salaries and Wages		2,290,082.00	2,290,082.00	2,214,068.55		76,013.45	
Other Expenses		2,412,752.00	2,412,752.00	2,264,519.32		148,232.68	
Board of Taxation							
Salaries and Wages		373,839.00	373,839.00	368,791.49		5,047.51	
Other Expenses		13,021.00	13,021.00	6,134.28		4,886.72	
Office of County Counsel							
Salaries and Wages		290,000.00	336,900.00	336,154.76		745.24	
Other Expenses		1,800,000.00	1,800,000.00	1,682,924.40		117,075.60	
Office of County Adjuster							
Salaries and Wages		117,455.00	117,455.00	117,453.70		1.30	
Other Expenses		6,440.00	6,440.00	1,606.49		4,831.51	
County Surrogate							
Salaries and Wages		817,424.00	817,424.00	800,160.59		17,263.41	
Other Expenses		11,883.00	11,883.00	10,480.79		1,402.21	
County Engineer							
Salaries and Wages		4,446,480.00	4,446,480.00	4,393,577.11		52,902.89	
Other Expenses		252,125.00	252,125.00	205,001.50		47,123.50	
Economic Development and Tourism							
Salaries and Wages		270,599.00	270,599.00	235,180.07		35,418.93	
Other Expenses		60,872.00	60,872.00	49,023.30		11,848.70	

See accompanying notes

COUNTY OF MONMOUTH  
CURRENT FUND

STATEMENT OF APPROPRIATIONS  
REGULATORY BASIS

	Appropriations		Expended	
	Budget	Modified Budget	Paid or Charged	Reserved
Historic Commission				
Salaries and Wages	30,962.00	34,462.00	34,401.12	60.88
Other Expenses	314,020.00	314,020.00	311,054.10	2,965.90
<b>TOTAL - GENERAL GOVERNMENT</b>	<b>27,212,248.00</b>	<b>27,215,648.00</b>	<b>25,421,335.77</b>	<b>1,784,312.23</b>
Land Use Administration				
Planning Board ( N.J.S.A. 40A:27-3)				
Salaries and Wages	1,532,520.00	1,532,520.00	1,518,439.44	14,080.56
Other Expenses	131,785.00	131,785.00	53,000.22	78,784.78
Contributions to Soil Conservation District (N.J.S.A. 4:24(1))				
Other Expenses	4,600.00	4,600.00	4,600.00	-
<b>TOTAL - LAND USE</b>	<b>1,668,905.00</b>	<b>1,668,905.00</b>	<b>1,576,039.66</b>	<b>92,865.34</b>
Code Enforcement and Administration				
Weights and Measures				
Salaries and Wages	349,288.00	349,288.00	333,359.41	15,928.59
Other Expenses	2,161.00	2,161.00	1,734.55	426.45
<b>TOTAL - CODE ENFORCEMENT AND ADMINISTRATION</b>	<b>351,449.00</b>	<b>351,449.00</b>	<b>335,093.96</b>	<b>16,355.04</b>
Insurances				
Other Insurance Premiums				
Other Expenses	3,520,000.00	3,520,000.00	2,725,911.96	794,088.04
Worker's Compensation				
Other Expenses	4,480,000.00	4,480,000.00	4,262,526.06	217,473.94
Group Insurance Plan				
Other Expenses	47,936,950.00	48,686,950.00	47,252,807.43	1,434,142.57
Unemployment Compensation Insurance (N.J.S.A. 43:21-3)				
Other Expenses	250,000.00	650,000.00	650,000.00	-
<b>TOTAL - INSURANCES</b>	<b>56,186,950.00</b>	<b>57,336,950.00</b>	<b>54,891,245.45</b>	<b>2,445,704.55</b>

COUNTY OF MONMOUTH  
CURRENT FUND

STATEMENT OF APPROPRIATIONS

REGULATORY BASIS

	Appropriations		Expended		Cancelled
	Budget	Modified Budget	Paid or Charged	Reserved	
Public Safety Functions					
Sheriff's Office - Police Radio	4,086,762.00	4,116,762.00	4,100,887.75	15,874.25	
Salaries and Wages	321,512.00	321,512.00	226,565.02	94,946.98	
Other Expenses					
Police Computer	342,425.00	342,425.00	306,292.06	36,132.94	
Salaries and Wages	403,404.00	403,404.00	335,906.43	67,497.57	
Other Expenses					
Office of Emergency Management	358,171.00	358,171.00	325,239.54	32,931.46	
Salaries and Wages:	33,125.00	33,125.00	29,940.28	3,184.72	
Other Expenses					
Department of Community Affairs	271,279.00	271,279.00	271,278.28	0.72	
Salaries and Wages:	5,106.00	5,106.00	4,704.21	401.79	
Other Expenses					
Medical Examiner	649,338.00	649,338.00	637,387.71	11,950.29	
Salaries and Wages	361,680.00	361,680.00	307,517.30	54,162.70	
Other Expenses					
Aid to Volunteer Rescue and Ambulance Squads (N.J.S.A. 40:5-2):	14,535.00	14,535.00	13,260.00	1,275.00	
Other Expenses					
Sheriff's Office	11,487,639.00	11,487,639.00	11,425,074.18	62,564.82	
Salaries and Wages	158,436.00	158,436.00	151,690.82	6,745.18	
Other Expenses					
Office of County Prosecutor	21,781,647.00	21,781,647.00	21,249,845.84	531,701.16	
Salaries and Wages	1,420,550.00	1,420,550.00	1,117,058.33	303,491.67	
Other Expenses					
Correctional Institution	35,297,854.00	35,497,854.00	35,325,169.85	172,684.15	
Salaries and Wages	11,696,242.00	11,696,242.00	10,855,047.53	840,194.47	
Other Expenses					

COUNTY OF MONMOUTH  
CURRENT FUND

STATEMENT OF APPROPRIATIONS

REGULATORY BASIS

	Appropriations		Expended		Cancelled
	Budget	Modified Budget	Paid or Charged	Reserved	
<b>Budget</b>					
Public Safety Function (Continued)					
Youth Detention Center					
Salaries and Wages	3,742,346.00	3,742,346.00	3,272,627.13	469,718.87	
Other Expenses	469,000.00	469,000.00	90,278.29	378,721.71	
Fire Marshall (N.J.S.A. 40A:14-1)					
Salaries and Wages	593,686.00	593,686.00	510,989.10	82,696.90	
Other Expenses	51,275.00	51,275.00	28,782.44	22,492.56	
Police Academy and Firing Range					
Salaries and Wages	440,284.00	440,284.00	417,561.40	22,722.60	
Other Expenses	121,420.00	121,420.00	80,192.27	41,227.73	
<b>TOTAL - PUBLIC SAFETY FUNCTIONS</b>	<b>94,107,616.00</b>	<b>94,337,616.00</b>	<b>91,084,295.75</b>	<b>3,253,320.24</b>	
Public Works Functions					
County Road Maintenance					
Salaries and Wages	5,885,535.00	5,885,535.00	5,669,389.99	216,145.01	
Other Expenses	1,746,778.00	1,746,778.00	1,672,361.64	74,416.36	
County Bridge Maintenance					
Salaries and Wages	2,418,342.00	2,501,342.00	2,479,997.05	21,344.95	
Other Expenses	151,348.00	151,348.00	129,760.05	22,587.95	
Director of Public Works and Engineering					
Salaries and Wages	416,118.00	416,118.00	395,461.09	20,656.91	
Other Expenses	410.00	410.00	17.84	392.16	
Shade Tree Commission					
Salaries and Wages	1,385,958.00	1,385,958.00	1,244,444.72	141,513.28	
Other Expenses	221,583.00	221,583.00	185,399.45	36,183.55	
Central Mailroom					
Salaries and Wages	204,070.00	204,070.00	193,081.60	10,988.40	
Other Expenses	1,099,900.00	1,099,900.00	571,258.86	528,641.14	
Buildings and Grounds					
Salaries and Wages	7,215,315.00	7,215,315.00	6,894,443.99	320,871.01	
Other Expenses	7,536,944.00	7,536,944.00	5,749,545.07	1,787,398.93	
Division of Fleet Services					
Salaries and Wages	1,679,092.00	1,693,092.00	1,692,949.21	142.79	
Other Expenses	1,579,716.00	1,579,716.00	1,493,876.65	85,839.35	
Mosquito Extermination Commission					
Other Expenses	1,782,945.00	1,782,945.00	1,782,945.00	-	
<b>TOTAL - PUBLIC WORKS FUNCTIONS</b>	<b>33,324,054.00</b>	<b>33,421,054.00</b>	<b>30,153,932.21</b>	<b>3,267,121.79</b>	

COUNTY OF MONMOUTH  
CURRENT FUND  
STATEMENT OF APPROPRIATIONS  
REGULATORY BASIS

	Appropriations		Expended		Cancelled
	Budget	Modified Budget	Paid or Charged	Reserved	
Human Services and Health Functions					
Division of Social Services Administration					
Salaries and Wages	21,841,407.00	21,126,407.00	20,931,670.34	194,736.66	
Other Expenses	20,245,448.00	20,960,448.00	18,613,602.72	2,346,845.28	
Temporary Assistance for Needy Families					
Other Expenses	276,112.00	276,112.00	250,000.00	26,112.00	
Assistance for Social Security Receipts					
Other Expenses	980,718.00	980,718.00	959,000.00	21,718.00	
Monmouth County Care Centers - Geraldine L. Thompson Division:					
Salaries and Wages	7,733,475.00	7,733,475.00	7,436,841.61	296,633.39	
Other Expenses	1,977,960.00	1,977,960.00	1,890,986.02	86,973.98	
Monmouth County Care Centers - John L. Montgomery Division:					
Salaries and Wages	9,195,359.00	8,863,359.00	8,433,827.27	429,531.73	
Other Expenses	2,884,347.00	2,884,347.00	2,794,614.37	89,732.63	
Division of Mental Health					
Salaries and Wages	191,722.00	191,722.00	186,454.92	5,267.08	
Other Expenses	1,591,010.00	1,591,010.00	1,564,582.12	6,427.88	
Department of Children and Families					
Other Expenses	3,365,447.00	3,365,447.00	3,365,447.00	-	
Department of Human Services					
Salaries and Wages	270,689.00	270,689.00	195,565.78	75,123.22	
Other Expenses	15,150.00	15,150.00	7,023.18	8,126.82	
Department of Transportation Subsidy - Interim Emergency Bus					
Other Expenses	23,000.00	23,000.00	23,000.00	-	
Division of Planning and Contracting:					
Salaries and Wages	155,794.00	155,794.00	121,367.55	34,406.45	
Other Expenses	1,402.00	1,402.00	369.63	1,032.37	
Public Health Service (N.J.S. 40:13-1)					
Salaries and Wages	30,228.00	30,228.00	30,228.00	-	
Other Expenses	1,267,280.00	1,267,280.00	1,229,903.33	37,376.67	
Office of Disabilities					
Salaries and Wages	48,000.00	48,100.00	48,000.68	99.32	
Other Expenses	3,677.00	3,677.00	1,338.47	2,338.53	
Aid to Disabilities					
Other Expenses	283,719.00	283,719.00	281,719.00	2,000.00	
Division of Alcohol and Drug Abuse Services(N.J.S. 40:9B-4)					
Salaries and Wages	129,265.00	129,265.00	126,659.50	2,605.50	
Other Expenses	614,242.00	614,242.00	582,878.19	31,363.81	
Intoxicated Driver Resource					
Salaries and Wages	135,442.00	135,442.00	120,024.67	15,417.33	
Other Expenses	21,837.00	21,837.00	19,127.62	2,709.38	

See accompanying notes

COUNTY OF MONMOUTH  
CURRENT FUND

STATEMENT OF APPROPRIATIONS

REGULATORY BASIS

	Appropriations		Expended		Reserved	Cancelled
	Budget	Modified Budget	Paid or Charged			
Maintenance of Patients in State Institutions for Mental Diseases (N.J.S. 30:4-79) County Share	1,462,253.00	1,462,253.00	1,462,253.00	-	-	-
Other Expenses						
Maintenance of Patients in State Institutions for Mental Diseases (N.J.S. 30:4-79) State Share	4,643,301.00	4,643,301.00	4,643,301.00	-	-	-
Other Expenses						
Maintenance of Patients in State Institutions for Developmental Disabilities (N.J.S. 30:4-79)	14,797,543.00	14,797,543.00	14,797,543.00	-	-	-
Other Expenses						
War Veterans and Grave Decorations					87.36	
Salaries and Wages	12,172.00	13,572.00	13,484.64		2,705.29	
Other Expenses	23,205.00	23,205.00	20,499.71			
Office of Aging						
Salaries and Wages	191,027.00	191,027.00	93,643.14		97,383.86	
Other Expenses	12,659.00	12,659.00	11,894.45		764.55	
Division of Transportation						
Salaries and Wages	496,657.00	417,257.00	408,666.75		8,390.25	
Other Expenses	1,091,651.00	1,171,051.00	1,148,622.81		22,428.19	
Environmental Health Act - Contractual (N.J.S.A. 26:3A2-21) Monmouth County Health Department	1,400,000.00	1,400,000.00	1,400,000.00			
Other Expenses						
Aid to Legal Aid Society						
Other Expenses	14,875.00	14,875.00	14,875.00			
Youth, Education, Recreation and Welfare						
Other Expenses	89,648.00	89,648.00	89,148.00		500.00	
<b>TOTAL - HUMAN SERVICES AND HEALTH FUNCTIONS</b>	<b>97,517,721.00</b>	<b>97,187,221.00</b>	<b>93,338,363.47</b>		<b>3,848,837.53</b>	
Parks and Recreation Functions						
Department of Parks and Recreation	17,816,529.00	17,816,529.00	17,348,967.25		467,561.75	
Salaries and Wages	1,679,098.00	1,679,098.00	1,252,140.67		426,957.33	
Other Expenses						
<b>TOTAL - PARKS AND RECREATION FUNCTIONS</b>	<b>19,495,627.00</b>	<b>19,495,627.00</b>	<b>18,601,107.92</b>		<b>894,519.08</b>	
Education						
Aid to Monmouth County Audio and Visual Aids Commission						
Other Expenses	5,713.00	5,713.00	5,713.00			
Monmouth County Community College Brookdale						
Other Expenses	28,787,228.00	28,787,228.00	28,787,228.00			
Reimbursements for Residents Attending Out of County Two Year Colleges (N.J.S. 18A-64A)						
Other Expenses	170,000.00	170,000.00	69,179.05		100,820.95	

See accompanying notes

COUNTY OF MONMOUTH  
CURRENT FUND

STATEMENT OF APPROPRIATIONS  
REGULATORY BASIS

	Appropriations		Expended	
	Budget	Modified Budget	Paid or Charged	Reserved
Cooperative Extension Program				
Salaries and Wages	378,400.00	378,400.00	346,293.62	32,106.38
Other Expenses	131,450.00	131,450.00	122,322.80	9,127.20
Vocational Schools				
Other Expenses	16,021,325.00	16,021,325.00	16,021,325.00	-
Superintendent of Schools				
Salaries and Wages	440,318.00	440,318.06	440,318.06	99.94
Other Expenses	19,124.00	19,124.00	7,859.64	11,264.36
<b>TOTAL - EDUCATION FUNCTIONS</b>	<b>45,953,558.00</b>	<b>45,953,658.00</b>	<b>45,800,239.17</b>	<b>153,418.83</b>
Other Common Operating Functions (Unclassified)				
Prior Years Bills				
Other Expenses	85,079.60	85,079.60	85,079.60	-
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				
<b>TOTAL - OTHER COMMON OPERATING FUNCTIONS (UNCLASSIFIED)</b>	<b>935,079.60</b>	<b>935,079.60</b>	<b>935,079.60</b>	<b>-</b>
Utility Expenses and Bulk Purchases				
Utilities	13,575,000.00	12,425,000.00	11,793,629.63	631,370.37
Other Expenses				
<b>TOTAL - UTILITY EXPENSES AND BULK PURCHASES</b>	<b>13,575,000.00</b>	<b>12,425,000.00</b>	<b>11,793,629.63</b>	<b>631,370.37</b>
Public and Private Programs Offset by Revenues				
State of New Jersey-Department of Health and Senior Services:				
Monmouth County Office on Aging Comprehensive Area Plan Grant	4,531,945.00	4,531,945.00	4,531,945.00	
Monmouth County Office on Aging Comprehensive Area Plan ARRA	168,859.00	168,859.00	168,859.00	
CAPINJEH Medicaid Case Management	925,000.00	925,000.00	925,000.00	
Alcoholism Services Plan - CY 2009, 09-535-ADA-C-O	1,105,765.00	1,105,765.00	1,105,765.00	
State of New Jersey - Governor's Council on Alcohol and Drug Abuse:				
Alliance Prevention - CY 2009	684,596.00	684,596.00	684,596.00	

See accompanying notes



COUNTY OF MONMOUTH  
CURRENT FUND

STATEMENT OF APPROPRIATIONS

REGULATORY BASIS

	Appropriations		Expended		Cancelled
	Budget	Modified Budget	Paid or Charged	Reserved	
<b>State of New Jersey - Department of Community Affairs:</b>					
Camp Oakhurst Day Recreation Program - CY 2009	24,000.00	24,000.00	24,000.00		
Homeless Prevention Program (HPP) (Linkages) - FY 2009	54,750.00	54,750.00	54,750.00		
Homeless Prevention Program (HPP) (Linkages) - FY 2010	54,750.00	54,750.00	54,750.00		
LHEAP - CWA, FY 2009, 2009-05139-0415-00	9,940.50	9,940.50	9,940.50		
USF - CWA, FY 2010, 2010-0129-00	9,941.00	9,941.00	9,941.00		
<b>State of New Jersey - New Jersey Transit Corporation:</b>					
FTA - JARC Route 35 Shuttle - FFY 2006, Round 8	58,606.00	58,606.00	58,606.00		
FTA - JARC Route 35 Shuttle - FFY 2007, Round 9	211,586.00	211,586.00	211,586.00		
FTA - JARC Route 836 Shuttle - FFY 2007, Round 9	140,000.00	140,000.00	140,000.00		
FTA - Section 5311 - FY 2010	211,323.00	211,323.00	211,323.00		
Senior Citizen and Disabled Resident Transportation Program - (CASINO) - CY 2009	1,939,312.00	1,939,312.00	1,939,312.00		
Work First New Jersey - CY 2010 and 2009 Project Income	2,111.00	2,111.00	2,111.00		
<b>North Jersey Transportation Planning Authority:</b>					
NJIT - Sub-Regional Transportation Planning Program - FY 2010	154,777.00	154,777.00	154,777.00		
NJIT - MCTASTP Study, FY 2010	200,000.00	200,000.00	200,000.00		
NJIT - Bridge S-17 Design, STP-7202 (101)	1,500,000.00	1,500,000.00	1,500,000.00		
<b>State of New Jersey - Department of Transportation:</b>					
HBPP, Bridge S-31, FY 2008	135,000.00	135,000.00	135,000.00		
HBPP, Bridge W-9, FY 2008	42,000.00	42,000.00	42,000.00		
Discretionary Funding, Bridge Scoping, Bridge S-31, FY 2009	175,000.00	175,000.00	175,000.00		
County Bridge MN-27, FY 2009	1,000,000.00	1,000,000.00	1,000,000.00		
County Bridge Inspection: #BR-WBIS: 749/750	776,000.00	776,000.00	776,000.00		
County Bridge MA-14/CR-6, FY 2009	50,000.00	50,000.00	50,000.00		
FHWA - Bayshore Ferry Parking, STP-B00S(717)	118,330.00	118,330.00	118,330.00		
<b>State of New Jersey - Department of Children &amp; Families:</b>					
DYFS - Youth Detention Center - CY 2009 - 09BFNC	64,589.00	64,589.00	64,589.00		
DYFS - Human Services Advisory Council - CY 2009-09AVNC	85,249.00	85,249.00	85,249.00		
DYFS - Family Court, Grants-In-Aid - CY 2009 - 09CNNC	7,870.00	7,870.00	7,870.00		
DCBHS - CIACC - CY 2008, 08CCNS	4,875.00	4,875.00	4,875.00		
DCBHS - CIACC - CY 2009, 09CCNS	44,556.00	44,556.00	44,556.00		
<b>State of New Jersey - Department of Human Services:</b>					
DFD - Special Initiative and Transportation - FY 2010	242,672.00	242,672.00	242,672.00		
DFD - ARRA - Food Stamp Administration, FFY 2009 & 2010	100,737.00	100,737.00	100,737.00		
DFD - Title IV-D Reimbursement Agreement - FFY 2010	450,227.00	450,227.00	450,227.00		
DFD - Social Services for the Homeless - CY 2009 - SH09013	789,104.00	789,104.00	789,104.00		
DFD - ARRA - Social Services for the Homeless - CY 2009	275,000.00	275,000.00	275,000.00		
DMMS - MHANJ - Disaster Liaison - FY 2009	2,500.00	2,500.00	2,500.00		
DMHS - Mental Health Board - FY 2009	6,000.00	6,000.00	6,000.00		
DMHS - Project Transition/Path & NJMAP - CY 2009 - S1202039	493,325.00	493,325.00	493,325.00		
<b>State of New Jersey - Office of the Attorney General:</b>					
DLPS - DCJ - Victim Assistance, VOCA, SFY 2010, V-11-08	210,059.00	210,059.00	210,059.00		
DLPS - DCJ - Victim Witness Advocacy, Supplement, VWAFPS-13	78,360.00	78,360.00	78,360.00		
DLPS - DCJ - SANE, VS-34-09, FFY 2009	67,655.00	67,655.00	67,655.00		
DLPS - DCJ - JAG Task Force - CY 2009, JAG-12TF-06	90,542.00	90,542.00	90,542.00		
DLPS - DCJ - LLEBG, Megan's Law, FFY 2009, JAG-1-15LL-07	20,705.00	20,705.00	20,705.00		
DLPS - DCJ - LEOTEF - SFY 2008	45,900.00	45,900.00	45,900.00		
DLPS - OHSP - Homeland Security Grant Program, FFY 2007	88,364.74	88,364.74	88,364.74		

See accompanying notes

COUNTY OF MONMOUTH  
CURRENT FUND

STATEMENT OF APPROPRIATIONS

REGULATORY BASIS

	Appropriations		Expended	
	Budget	Modified Budget	Paid or Charged	Reserved / Cancelled
DLPS - OHSP - Homeland Security Grant Program, FFY 2009	824,010.97	824,010.97	824,010.97	
DLPS - OHSP - New Jersey Data Exchange, FY 2008	46,400.00	46,400.00	46,400.00	
DLPS - DSP - Hazardous Materials Emergency Preparedness	34,000.00	34,000.00	34,000.00	
DLPS - DSP - OEM, Shrewsbury Flood Warning, FFY 2008	90,000.00	90,000.00	90,000.00	
DLPS - DHTS - Click It or Ticket, CY 2009, OP09-45-01-115	4,000.00	4,000.00	4,000.00	
DLPS - DHTS - DWI Task Force, FFY 2009, AL09-10-04-97	26,075.00	26,075.00	26,075.00	
DLPS - JJC - State/Community Partnership - CY 2009	599,672.00	599,672.00	599,672.00	
DLPS - JJC - YSC, JDAI Innovations, CY 2009	160,000.00	160,000.00	160,000.00	
DLPS - JJC - Family Court - CY 2009, FC-PS-09-13	276,683.00	276,683.00	276,683.00	
DLPS - JJC - JAIBG, FFY 2008, 08-13	61,453.00	61,453.00	61,453.00	
DLPS - JJC - MCYDC, State Facilities Education Act, SFY 2010	126,000.00	126,000.00	126,000.00	
DLPS - JJC - MCYDC, Juvenile Detention Alternative Initiative (JDAI), FY 2009	184,280.00	184,280.00	184,280.00	
State of New Jersey - Department of Environmental Protection:				
Clean Communities Program - FY 2009	91,932.61	91,932.61	91,932.61	
Recycling Program - REC-94-13 - Project Income	11,570.00	11,570.00	11,570.00	
DPF - 2008 CSIP Tree Planting	25,000.00	25,000.00	25,000.00	
Ramanessin Study, 2007	852,500.00	852,500.00	852,500.00	
State of New Jersey - Board of Public Utilities:				
Clean Energy Program, Local Government Energy Audit	99,520.00	99,520.00	99,520.00	
State of New Jersey - Department of Labor and Workforce Development:				
Workforce Investment Act - (WIA) (08A, B, D, & F) - PY 2008	13,118.50	13,118.50	13,118.50	
Workforce Investment Act - (WIA) (09A, B, D, & F) - PY 2009	1,855,640.00	1,855,640.00	1,855,640.00	
Workforce Development Partnership Program (WDPP) (09C) - PY 2009	50,142.00	50,142.00	50,142.00	
Work First New Jersey (WFNJ) (091) - SFY 2010	2,304,554.00	2,304,554.00	2,304,554.00	
Workforce Learning Link (WLL) (09K) - SFY 2010	179,844.00	179,844.00	179,844.00	
Base Realignment and Closure (BRAC)/NEG (09L) - PY 2009	1,300,000.00	1,300,000.00	1,300,000.00	
ARRA - WIA, Adult and Dislocated Worker (08M & O) - PY 2008	1,331,335.00	1,331,335.00	1,331,335.00	
ARRA - WIA, Youth (08N) - PY 2008	477,163.00	477,163.00	477,163.00	
ARRA - WIA, Disability Prog. Navigator (DPN) (09P) - PY 2009	70,125.00	70,125.00	70,125.00	
State of New Jersey - Division of Archive and Records Management:				
PARIS Grants Program, 2009-2010, Year 5	1,108,895.00	1,108,895.00	1,108,895.00	
State of New Jersey - Department of State:				
Help America Vote Act (HAVA), #09ELECO03APA	13,169.00	13,169.00	13,169.00	
US Department of Housing and Urban Development:				
Housing Counseling, FY 08 HC-08-0398-054	40,217.54	40,217.54	40,217.54	
United States - Department of Defense:				
ARMY - Adult Shelter, Fort Monmouth, 2009	56,000.00	56,000.00	56,000.00	
United States - Department of Justice:				
BJA - SCAAP, FFY 2009	599,923.00	599,923.00	599,923.00	
OJP - ARRA - JAG, Local Solicitation, FY 2009	749,294.00	749,294.00	749,294.00	
OJP - BVP, FY 2009	4,077.13	4,077.13	4,077.13	
United States - Department of Energy:				
ARRA - Energy Efficiency Conservation Block Grant (EECBG)	4,225,800.00	4,225,800.00	4,225,800.00	
Naval Weapons Station Earle:				
M.C. Mosquito Extermination Commission, ISA, FY 2009	13,300.00	13,300.00	13,300.00	
County Clerks - Interlocal Service Agreements (ISA's):				
Document Summary Mgmt. System, E-Recording 2006-2009	372,358.00	372,358.00	372,358.00	

See accompanying notes

COUNTY OF MONMOUTH  
CURRENT FUND

STATEMENT OF APPROPRIATIONS

REGULATORY BASIS

	Appropriations		Expended		Cancelled
	Budget	Modified Budget	Paid or Charged	Reserved	
Donations:					
NJNG/FEC - Sheriff's Office K-9	125.00	125.00	125.00		
Monmouth County Map Project	9,000.00	9,000.00	9,000.00		
Monmouth Cares, Inc:					
Monmouth 4-H Cares Program Grant, CY 2009	29,844.30	29,844.30	29,844.30		
Monmouth County Matching Funds for Grants:	304,028.00	304,028.00		304,028.00	
TOTAL - PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES	<u>36,072,930.29</u>	<u>36,072,930.29</u>	<u>35,766,902.29</u>	<u>304,028.00</u>	<u>-</u>
TOTAL OPERATIONS	426,401,137.89	426,401,137.89	409,699,284.89	16,701,853.00	-
CONTINGEMENT	169,929.78	169,929.78	27,405.03	142,524.75	
TOTAL OPERATIONS INCLUDING CONTINGEMENT	<u>426,571,067.67</u>	<u>426,571,067.67</u>	<u>409,726,689.92</u>	<u>16,844,377.75</u>	<u>-</u>
Detail:					
Salaries and Wages	179,054,641.00	178,260,241.00	173,767,899.17	4,492,341.83	
Other Expenses (Including Contingent)	247,516,426.67	248,310,826.67	235,958,790.75	12,352,035.92	
Capital Improvements:					
Capital Improvement Fund	2,000,000.00	2,000,000.00	2,000,000.00		
Capital Improvements:					
Road Overlay	1,100,000.00	1,100,000.00	455,312.85	644,687.15	
Buildings and Grounds					
TOTAL - CAPITAL IMPROVEMENTS	<u>3,100,000.00</u>	<u>3,100,000.00</u>	<u>2,455,312.85</u>	<u>644,687.15</u>	<u>-</u>
County Debt Service					
Payment of Bond Principal:					
State Aid - County College Bonds (N.J.S. 18A:54A-22.6)	2,670,000.00	2,670,000.00	2,670,000.00		
Vocational School Bonds	258,927.61	258,927.61	258,927.61		
Other Bonds	27,360,000.00	27,360,000.00	27,360,000.00		

See accompanying notes

COUNTY OF MONMOUTH  
CURRENT FUND

STATEMENT OF APPROPRIATIONS  
REGULATORY BASIS

	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)	491,017.50	491,017.50	491,017.50	-	
Vocational School Bonds	49,390.76	49,390.76	49,390.76	-	
Other Bonds	11,875,839.59	11,875,839.59	11,875,839.59	-	
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	4,017,250.00	4,017,250.00	4,016,338.55	-	911.45
<b>TOTAL COUNTY DEBT SERVICE</b>	<b>48,095,712.12</b>	<b>48,095,712.12</b>	<b>48,094,800.67</b>		<b>911.45</b>
Deferred Charges and Statutory Expenditures					
Emergency Authorizations Defined Contribution Plan	25,000.00	25,000.00	25,000.00	-	
Statutory Expenditures					
Public Employees' Retirement System	8,600,000.00	8,600,000.00	8,494,494.62	105,505.38	
Social Security System (O.A.S.I.)	13,500,000.00	13,500,000.00	12,912,338.65	587,661.35	
Police and Fireman's Retirement System	10,250,000.00	10,250,000.00	10,005,664.00	244,336.00	
County Pension and Retirement Fund	75,000.00	75,000.00	75,000.00	-	
Defined Contribution Retirement Plan	25,000.00	25,000.00	16,301.08	8,698.92	
Total Deferred Charges and Statutory Expenditures	32,475,000.00	32,475,000.00	31,528,798.35	946,201.65	
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 510,241,779.79</b>	<b>\$ 510,241,779.79</b>	<b>\$ 491,805,601.79</b>	<b>\$ 18,435,266.55</b>	<b>\$ 911.45</b>

A

Reference

A-3	496,910,477.29
A-3	13,331,302.50
	<u>510,241,779.79</u>

Analysis of Paid or Charged

Cash Disbursements	424,037,206.54
Encumbrance Payable	32,995,464.96
Federal and State Grants	34,772,930.29
	<u>\$ 491,805,601.79</u>

COUNTY OF MONMOUTH, NEW JERSEY  
TRUST FUND

COMPARATIVE BALANCE SHEET

REGULATORY BASIS

<u>Assets</u>	Reference	December 31	
		2009	2008
Cash and Cash Equivalents	B-1	\$ 120,332,476.45	\$ 123,348,598.95
Grant Receivables			
Relocation Assistance Program	B-2	5,307,219.42	2,213,303.82
Community Development Block Grants	B-3	4,517,229.51	4,578,088.41
Home Investment Grant	B-4	5,002,556.38	4,558,106.91
Shelter Plus Care Grant	B-5	1,305,424.00	1,585,783.00
Health Grants	B-6	1,737,398.92	-
Homeward Bound Grant	B-7	552,753.00	729,854.00
Emergency Shelter Grants	B-8	122,305.68	113,131.60
ARRA Grants	B-9	2,004,879.71	-
Taxes Receivable for Library, Health and Open Space Funds	B-10	166,056.84	256,216.43
		20,715,823.46	14,034,484.17
Total Receivables and Other Assets		\$ 141,048,299.91	\$ 137,383,083.12
<u>Reserves</u>			
Reserve for Taxes Receivable for Library, Health and Open Space	B-10	\$ 166,056.84	\$ 256,216.43
Reserve for U.S. HUD Grants:			
Relocation Assistance Program	B-11	10,343,629.28	6,057,765.73
Community Development Block Grants	B-12	4,791,930.04	5,025,693.20
ARRA Grant Reserves	B-13	2,026,179.71	-
Home Investment Grants	B-14	5,681,632.39	5,015,934.86
Shelter Plus Care	B-15	1,268,237.00	1,548,573.00
Homeward Bound	B-16	515,858.00	724,629.00
Reserve for:			
Contractors' 2% Retainage	B-1	-	18,616.72
Temporary Assistance To Needy Families	B-17	196,366.91	466,009.15
Other Trust Funds	B-18	116,040,603.19	118,233,253.35
Retirees Health Benefits	B-19	17,806.55	36,391.68
Total Reserves		\$ 141,048,299.91	\$ 137,383,083.12

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET

REGULATORY BASIS

<u>Assets and Deferred Charges</u>	<u>Reference</u>	<u>Balance, December 31,</u>	
		<u>2009</u>	<u>2008</u>
Cash and Cash Equivalents	C-2	\$ 107,424,823.92	\$ 86,370,473.69
Accounts Receivable			
Municipal Easements	C-4	6,450,773.92	2,429,662.44
Open Space Trust Fund	C-5	1,900,000.00	-
Insurance Reimbursements	C-17	-	2,340,383.18
State of New Jersey - State Agencies	C-6	12,768,464.36	9,439,552.56
State of New Jersey - Capital Projects Chapter 12, P.L. 1971	C-10	10,041,500.00	11,535,000.00
		<u>31,160,738.28</u>	<u>25,744,598.18</u>
Deferred Charges to Future Taxation:			
Funded	C-7	376,020,928.61	334,644,607.08
Unfunded	C-8	133,327,500.00	125,879,400.75
		<u>509,348,428.61</u>	<u>460,524,007.83</u>
		<u>\$ 647,933,990.81</u>	<u>\$ 572,639,079.70</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-9	\$ 367,683,500.00	\$ 327,050,000.00
County College Serial Bonds - State Share	C-10	10,041,500.00	11,535,000.00
New Jersey Economic Development Authority			
Public Schools Facilities Loan Program	C-11	1,099,236.17	1,358,163.78
Green Trust Loan Program	C-12	4,583,192.44	5,845,844.05
IPA Note Payable	C-13	2,655,000.00	390,599.25
Reserve for Scrip Program	Unchanged	1,508.63	1,508.63
Due Escrow Agent	C-1, C-2	-	9,219.95
Improvement Authorizations:			
Funded	C-14	115,295,846.14	87,106,810.99
Unfunded	C-14	133,327,500.00	125,879,400.75
Contractors Retainage	C-1	-	73,191.61
Interest Due State of New Jersey	C-15	1,798.00	106,362.04
Capital Improvement Fund	C-16	27,261.72	2,110,261.72
Reserve for Installment Purchase Agreement	C-18	284,816.20	390,599.25
Reserve for Open Space Fund	C-19	1,900,000.00	-
Fund Balance	C-1	11,032,831.51	10,782,117.68
		<u>\$ 647,933,990.81</u>	<u>\$ 572,639,079.70</u>
Bonds and Notes Authorized But Not Issued	C-20	<u>\$ 133,327,500.00</u>	<u>\$ 125,879,400.75</u>

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND

## STATEMENT OF FUND BALANCE

## REGULATORY BASIS

	<u>Reference</u>		
Balance, December 31, 2008	C		\$ 10,782,117.68
Increased by:			
Premium on Bond Sale	C-2	\$ 35,496.21	
Funded Improvement Authorizations Cancelled	C-14	6,125,432.97	
2% Retainage Cancelled	C	73,191.61	
Due to Escrow Agent (Cancelled)	C	<u>7,719.95</u>	
			<u>6,241,840.74</u>
			17,023,958.42
Decreased By:			
Appropriated to Finance Improvement Authorizations	C-14	5,156,000.00	
Cancellation of Account Receivables	C-4, C-6, C-17	<u>835,126.91</u>	
			<u>5,991,126.91</u>
Balance, December 31, 2009	C		<u>\$ 11,032,831.51</u>

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND

STATEMENT OF CASH AND CASH EQUIVALENTS

REGULATORY BASIS

	<u>Reference</u>		
Balance, December 31, 2008	C		\$ 86,370,473.69
Increased by Receipts:			
Premium on Bond Sale	C-1	35,496.21	
Accounts Receivable State Agencies	C-6	3,597,847.20	
Insurance Reimbursements	C-17	1,597,959.87	
Municipal Easements Receivable	C-4	959,425.92	
Capital Improvement Fund	C-16	2,000,000.00	
Due State of New Jersey - County College	C-15	52,469.93	
Due from Open Space Trust Fund	C-8	1,000,000.00	
Serial Bonds	C-9	69,998,500.00	
College Bonds	C-10	1,176,500.00	
Contra:			
Due Trust Fund		48,594.17	
Due Current Fund - Interest Earned		1,739,180.05	
Good Faith Deposits on Refunding Bonds		5,400,000.00	
Due Reclamation Center		<u>252,916.16</u>	
			<u>87,858,889.51</u>
			174,229,363.20
Decreased by Disbursements			
Due State of New Jersey - County College	C-15	157,033.97	
Due Escrow Agent	C	1,500.00	
Improvement Authorizations	C-14	59,099,531.87	
Adjustment to IPA Investment	C-18	105,783.05	
Contra	Above	<u>7,440,690.38</u>	
			<u>66,804,539.27</u>
Balance December 31, 2009	C		<u>\$ 107,424,823.93</u>



COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND

C-3

ANALYSIS OF CASH AND INVESTMENTS

REGULATORY BASIS

	Balance, December 31,	
	2009	2008
Fund Balance	\$ 11,032,831.51	\$ 10,782,117.68
Capital Improvement Fund	27,261.72	2,110,261.72
Contractors Retainage		73,191.61
Reserve for Script Redemption	1,508.63	1,508.63
Due to Escrow Agent	-	9,219.95
Interest due State of New Jersey	1,798.00	106,362.04
IPA Notes Payable		390,599.25
Reserve for IPA	2,184,816.20	
Accounts Receivable:		
Municipal	(6,450,773.92)	(2,429,662.44)
State Agencies	(14,668,464.36)	(11,779,935.74)
<u>Ordinances</u>		
89-01 Various Capital Improvements and Land Acquisitions	-	956,485.76
91-01 Various Capital Improvements		-
94-01 Various Capital Improvements	114,425.84	136,148.31
96-02 Various Capital Improvements		4,628.00
97-03 Various Capital Improvements	522,619.55	581,318.11
98-01 Various Capital Improvements	2,711,251.06	3,611,193.87
98-101 Various Capital Improvements- Buildings and Grounds		16,030.76
99-01 Various Capital Improvements	378,733.15	1,569,973.98
99-101 Various Capital Improvements- Buildings and Grounds		-
00-01 Various Capital Improvements	279,146.97	330,954.66
01-01 Various Capital Improvements	9,765.08	226,477.62
01-101 Various Capital Improvements- Buildings and Grounds		-
02-02 Various Capital Improvements	1,460,198.91	2,651,591.90
02-101 Various Capital Improvements	13,842.77	219,744.86
03-01 Various Capital Improvements	1,717,947.71	1,298,176.65
04-01 Various Capital Improvements ( Includes 05-02, BCC)	6,182,092.75	7,823,860.37
05-03 Various Capital Improvements	3,490,822.60	6,272,557.29
05-04 Various Capital Improvements		-
05-101 Various Capital Improvements- Buildings and Grounds	62,317.50	1,787,421.55
06-01 Improv/Constr/Renov - Brookdale Community College		-
06-02 Various Capital Improvements	4,735,578.10	4,556,727.79
06-03 Various Capital Improvements	34,851.34	1,453,511.82
07-01 Reconstruction of Thompson Park - Vistors Center	129,090.87	3,547,416.65
07-03 Various Capital Improvements	9,858,218.79	4,564,106.81
07-04 Acquisitions of Lands - Open Space		5,639,473.40
07-06 Acquisition of Real Property- Freehold Township	10,651,344.83	13,196,560.00
07-07 Various Capital Improvements	232,636.06	2,334,027.75
08-02 Various Capital Improvements	1,878,510.87	6,908,481.65
08-03 Various Capital Improvements	28,186,606.31	17,419,941.43
09-02 Various Capital Improvements	36,182,188.93	-
09-04 Various Capital Improvements	4,110,656.15	-
6-Sep Improv/Constr/Renov - Brookdale Community College	2,353,000.00	-
	<u>\$ 107,424,823.92</u>	<u>\$ 86,370,473.69</u>
	Reference C	C

See accompanying notes

COUNTY OF MONMOUTH, NEW JERSEY  
RECLAMATION CENTER UTILITY FUND

COMPARATIVE BALANCE SHEET

REGULATORY BASIS

<u>Assets</u>	<u>Reference</u>	December 31,	
		<u>2009</u>	<u>2008</u>
Operating Fund			
Cash and Cash Equivalents	D-5	\$ 65,151,398.46	\$ 64,577,770.36
Change Fund		1,350.00	1,350.00
		<u>65,152,748.46</u>	<u>64,579,120.36</u>
Receivables with Full Reserves:			
Receivable from Haulers	D-7	701,101.74	703,315.84
Prepaid Host Community Benefit Tax	D-10		249,367.25
Total Operating Fund		<u>65,853,850.20</u>	<u>65,531,803.45</u>
Capital Fund:			
Cash and Cash Equivalents	D-5	6,569,197.01	6,822,113.17
Fixed Capital	D-11	106,525,454.04	106,525,454.04
Fixed Capital Authorized and Uncompleted	D-12	9,450,000.00	9,450,000.00
Total Capital Fund		<u>122,544,651.05</u>	<u>122,797,567.21</u>
Utility Grant Fund:			
Cash and Cash Equivalents	D-5	1,007,657.49	1,196,724.29
Grant Receivable	D-22	1,654.04	1,654.04
Total Utility Grant Fund		<u>1,009,311.53</u>	<u>1,198,378.33</u>
Total Assets		<u>\$ 189,407,812.78</u>	<u>\$ 189,527,748.99</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY  
RECLAMATION CENTER UTILITY FUND

COMPARATIVE BALANCE SHEET

REGULATORY BASIS

<u>Liabilities, Reserves and Fund Balances</u>	<u>Reference</u>	<u>December 31,</u>	
		<u>2009</u>	<u>2008</u>
<b>Operating Fund:</b>			
Appropriation Reserves	D-4, D-16	\$ 4,470,453.06	\$ 6,706,115.60
Appropriation Reserves Committed	D-4, D-16	12,899,988.35	11,442,748.34
Landfill Closure Tax	D-9	7,605,097.28	6,728,450.15
Accrued Interest on Bonds and Notes	D-13	225,858.27	312,703.22
Prepaid Utility Fees	D-15	843,455.88	885,731.36
Host Community Benefit Tax Payable	D-10	484,171.68	-
Reserve for:			
Environmental Impairment Liability	D-14	7,000,000.00	7,000,000.00
Accounts Payable	D-17	94,490.66	205,761.69
Landfill Closure and Recycling Tax Payable	D-23	361,448.76	
		<u>33,984,963.94</u>	<u>33,281,510.36</u>
Reserve for Receivables		701,101.74	703,315.84
Fund Balance	D-1	<u>31,167,784.52</u>	<u>31,546,977.25</u>
<b>Total Operating Fund</b>		<u>65,853,850.20</u>	<u>65,531,803.45</u>
<b>Capital Fund:</b>			
Serial Bonds	D-18	13,495,000.00	16,140,000.00
Improvement Authorizations:			
Funded	D-19	2,169,613.53	2,422,529.69
Deferred Reserve for Amortization	D-20	9,450,000.00	9,450,000.00
Reserve for Amortization	D-21	93,030,454.04	90,385,454.04
Fund Balance	D-2	<u>4,399,583.48</u>	<u>4,399,583.48</u>
<b>Total Capital Fund</b>		<u>122,544,651.05</u>	<u>122,797,567.21</u>
<b>Utility Grant Fund:</b>			
Appropriated Reserves Payable Committed	D-24	83,137.47	57,566.83
Appropriated Reserves Payable	D-24	<u>926,174.06</u>	<u>1,140,811.50</u>
<b>Total Utility Grant Fund</b>		<u>1,009,311.53</u>	<u>1,198,378.33</u>
<b>Total Liabilities, Reserves and Fund Balances</b>		<u>\$ 189,407,812.78</u>	<u>\$ 189,527,748.99</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY  
RECLAMATION CENTER UTILITY FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Revenue and Other Income Realized:			
Operating Surplus Anticipated	D-3	\$ 22,500,000.00	\$ 28,000,000.00
Reclamation Center Utility Fees	D-3	27,446,894.62	28,888,585.12
Miscellaneous Revenue Not Anticipated	D-3	2,818,022.18	3,666,176.12
Unexpended Balance of Appropriation Reserves	D-16	10,804,153.87	7,057,988.44
Grant Revenue		-	1,129,849.00
Accounts Payable Cancelled	D-17	15,000.00	29,706.99
Reserve for Accrued Interest on Refunding Bonds	D-13	36,736.60	
Reserve for Receivables- Prepaid Closure Tax	D-13		231,940.10
		<u>63,620,807.27</u>	<u>69,004,245.77</u>
Expenditures:			
Appropriations	D-4	<u>41,500,000.00</u>	<u>53,129,849.00</u>
Excess in Revenue		22,120,807.27	15,874,396.77
Fund Balance, January 1	D	<u>31,546,977.25</u>	<u>43,672,580.48</u>
		53,667,784.52	59,546,977.25
Decreased By:			
Utilized as Anticipated Revenue	D-1	<u>22,500,000.00</u>	<u>28,000,000.00</u>
Fund Balance, December 31	D	<u>\$ 31,167,784.52</u>	<u>\$ 31,546,977.25</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY  
RECLAMATION CENTER UTILITY FUND  
STATEMENT OF CAPITAL FUND BALANCE  
REGULATORY BASIS

	<u>Reference</u>	
Balance, December 31, 2008 and 2009	D	<u>\$ 4,399,583.48</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY  
RECLAMATION CENTER UTILITY FUND

## STATEMENT OF REVENUES

## REGULATORY BASIS

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 22,500,000.00	\$22,500,000.00	\$ -
Miscellaneous Revenues:				
Utility Fees	D-1	26,000,000.00	27,446,894.62	1,446,894.62
Non-Budget Revenues:				
Unanticipated Revenues	D-1,Below		<u>2,818,022.18</u>	<u>2,818,022.18</u>
Total		<u>\$ 48,500,000.00</u>	<u>\$52,764,916.80</u>	<u>\$ 4,264,916.80</u>

## Analysis of Non-Budget Revenue:

Interest on Investments and Deposits	\$1,512,594.52
Grass Clippings	54,539.23
Gas Utility Fees	705,277.70
Rentals	4,392.00
Utility Reimbursements	2,146.87
Recycling Commissions	116,169.67
Recycled Glass	296,796.75
Cover Materials	13,814.04
Renewable Energy Credits	<u>112,291.40</u>
Cash Receipts	<u>\$ 2,818,022.18</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY  
RECLAMATION CENTER UTILITY FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS

	Budget	Budget Modified	Expended			Reserved	Cancelled
			Paid	Encumbered			
Operating:							
Salaries and Wages	\$ 6,100,000.00	\$ 6,100,000.00	\$ 5,452,485.85	\$ 12,899,988.35	\$ 147,514.15	\$ 500,000.00	
Other Expenses	35,660,833.35	35,660,833.35	14,152,946.46		3,107,898.54	5,500,000.00	
NJDEP- Solid Waste Services							
Total Operating	<u>41,760,833.35</u>	<u>41,760,833.35</u>	<u>19,605,432.31</u>	<u>12,899,988.35</u>	<u>3,255,412.69</u>	<u>6,000,000.00</u>	
Capital Improvements:							
Capital Improvement Fund							
Capital Outlay	3,278,000.00	3,278,000.00	1,062,959.63		1,215,040.37	1,000,000.00	
Total Capital Improvements	<u>3,278,000.00</u>	<u>3,278,000.00</u>	<u>1,062,959.63</u>	<u>-</u>	<u>1,215,040.37</u>	<u>1,000,000.00</u>	
Debt Service:							
Payment of Bond Principal	2,790,000.00	2,790,000.00	2,790,000.00				
Interest on Bonds	671,166.65	671,166.65	671,166.65				
Total Debt Service	<u>3,461,166.65</u>	<u>3,461,166.65</u>	<u>3,461,166.65</u>	<u>-</u>	<u>-</u>	<u>-</u>	
	<u>\$ 48,500,000.00</u>	<u>\$ 48,500,000.00</u>	<u>\$ 24,129,558.59</u>	<u>\$ 12,899,988.35</u>	<u>\$ 4,470,453.06</u>	<u>\$ 7,000,000.00</u>	
Reference	D-4	D-1	Below	D	D	D	D-1
Ref.							
Cash Disbursements			\$ 23,757,471.68				
Adjustment for Prepaid Haulers Escrow			10,638.15				
Recycling and Landfill Taxes Payable			361,448.76				
			<u>\$ 24,129,558.59</u>				

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE BALANCE SHEET

REGULATORY BASIS

<u>Assets</u>	<u>Reference</u>	<u>December 31,</u>	
		<u>2009</u>	<u>2008</u>
Land	E-1	\$ 326,921,233.03	\$ 310,100,978.03
Buildings	E-1	291,295,017.36	289,645,883.36
Furniture, Fixtures and Equipment	E-1	45,752,956.53	43,471,724.30
Vehicles	E-1	70,431,224.11	67,189,203.76
Total Assets		<u>\$ 734,400,431.03</u>	<u>\$ 710,407,789.45</u>
<u>Liabilities &amp; Reserves</u>	<u>Reference</u>		
Investment in General Fixed Assets	E-1	<u>\$ 734,400,431.03</u>	<u>\$ 710,407,789.45</u>
		<u>\$ 734,400,431.03</u>	<u>\$ 710,407,789.45</u>

See accompanying notes





COUNTY OF MONMOUTH, NEW JERSEY  
OFFICE OF THE SHERIFF

COMPARATIVE BALANCE SHEET

REGULATORY BASIS

Assets	Reference	December 31,		Reference	December 31,	
		2009	2008		2009	2008
Liabilities and Reserves						
General Account:						
Cash	G-1	\$ 1,608,931.85	\$ 2,102,646.03			
Appropriation Account:						
Cash	G-1	5,078.35	7,574.28			
Total Assets		\$ 1,614,010.20	\$ 2,110,220.31			
General Account:						
		\$ 1,456,216.44	\$ 1,954,508.62	G-2		
		4,953.37	2,806.58	G-3		
		46,289.78	57,994.72	G-4		
		101,472.26	87,336.11	G-5		
		1,608,931.85	2,102,646.03			
Appropriation Account:						
		5,078.35	7,574.28	G-6		
Total Liabilities and Reserves		\$ 1,614,010.20	\$ 2,110,220.31			

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY  
OFFICE OF THE COUNTY ADJUSTER

COMPARATIVE BALANCE SHEET

REGULATORY BASIS

Assets	Reference	December 31,		Reference	December 31,		
		2009	2008		2009	2008	
Cash	H-1	\$ 128.20	\$ 5,290.07	Balance Due County Treasurer	H-1	\$ 128.20	\$ 5,290.07
Accounts Receivable - Patients	H-2	168,550.72	169,285.72	Reserve for Patients' Receivables	H-2	168,550.72	169,285.72
Total Assets		<u>\$ 168,678.92</u>	<u>\$ 174,575.79</u>	Total Liabilities and Reserves		<u>\$ 168,678.92</u>	<u>\$ 174,575.79</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY  
MONMOUTH COUNTY CARE CENTER

JOHN L. MONTGOMERY DIVISION

COMPARATIVE BALANCE SHEET

REGULATORY BASIS

Assets	Reference	December 31,		Liabilities and Reserves	Reference	December 31,	
		2009	2008			2009	2008
Geriatric Unit:							
Cash - General Account	I-1	\$ 142,719.17	\$ 1,096,737.88				
Accounts Receivable	I-2	2,557,511.45	2,012,071.65	Patient Care Receivables	I-2	\$ 2,557,511.45	\$ 2,012,071.65
Patients Trust Accounts	I-3	71,560.79	62,081.93	Trust Accounts	I-3	71,560.79	62,081.93
Total Geriatric Unit		2,771,791.41	3,170,891.46	Due To County Treasurer	I-4	142,719.17	1,096,737.88
				Total Geriatric Unit		2,771,791.41	3,170,891.46
Young Adult Care:							
Cash - General Account	I-1	13,604.85	298,905.64	Young Adult Care:			
Accounts Receivable	I-2	629,654.03	666,066.96	Reserve for:			
Patients Trust Accounts	I-3	3,662.96	3,124.78	Patient Care Receivables	I-2	629,654.03	666,066.96
Total Young Adult Care		646,921.84	968,097.38	Trust Accounts	I-3	3,662.96	3,124.78
				Due To County Treasurer	I-4	13,604.85	298,905.64
				Total Young Adult Care		646,921.84	968,097.38
Total:				Total:			
Cash - General Account	I-1	156,324.02	1,395,643.52	Reserve for:			
Accounts Receivable	I-2	3,187,165.48	2,678,138.61	Patient Care Receivables	I-2	3,187,165.48	2,678,138.61
Patients Trust Accounts	I-3	75,223.75	65,206.71	Trust Accounts	I-3	75,223.75	65,206.71
Total Assets		\$ 3,418,713.25	\$ 4,138,988.84	Due To:			
				County Treasurer	I-4	156,324.02	1,395,643.52
				Total Liabilities and Reserves		\$ 3,418,713.25	\$ 4,138,988.84

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY  
 MONMOUTH COUNTY CARE CENTER

GERALDINE L. THOMPSON DIVISION

COMPARATIVE BALANCE SHEET

REGULATORY BASIS

<u>Assets</u>	<u>Reference</u>	<u>December 31,</u>		<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>December 31,</u>	
		<u>2009</u>	<u>2008</u>			<u>2009</u>	<u>2008</u>
Cash - General Account	J-1	\$ 95,650.70	\$ 800,079.61	Reserve for:		\$ 3,057,582.67	\$ 2,559,771.26
Accounts Receivable	J-2	3,057,582.67	2,559,771.26	Patients Care	J-6	42,251.53	36,952.77
Patient Trust Account	J-3	42,251.53	36,952.77	Trust Accounts	J-4	95,650.70	800,079.61
				Due To County Treasurer	J-5		
<b>Total Assets</b>		<b>\$ 3,195,484.90</b>	<b>\$ 3,396,803.64</b>	<b>Total Liabilities and Reserves</b>		<b>\$ 3,195,484.90</b>	<b>\$ 3,396,803.64</b>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY  
DEPARTMENT OF PARKS AND RECREATION

COMPARATIVE BALANCE SHEET

REGULATORY BASIS

Assets	Reference	December 31,		Reference	December 31,	
		2009	2008		2009	2008
Cash		\$ 310,499.37	\$ 307,774.32		\$ 1,500.00	\$ 1,500.00
Change Fund		52,875.00	52,875.00		52,875.00	52,875.00
Total Assets	K-1	\$ 363,374.37	\$ 360,649.32		30.00	
					9.99	9.99
					308,959.38	306,264.33
					\$ 363,374.37	\$ 360,649.32

Reserve for:

Checking Account						
Change Fund						
Lost and Found						
Interest - Sales Tax						
Boat Contract Security						
Total Liabilities and Reserves	K-1					

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY  
 YOUTH DETENTION CENTER

COMPARATIVE BALANCE SHEET

REGULATORY BASIS

Assets	Reference	December 31,		Reference	December 31,	
		2009	2008		2009	2008
			Liabilities			
			Due To:			
			Residents Inmates			
Cash		\$ 3,201.99	County - Interest		\$ 2,775.72	\$ 2,799.30
					426.27	410.18
Total Assets	L	\$ 3,201.99	Total Liabilities	L	\$ 3,201.99	\$ 3,209.48

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY  
OFFICE OF THE PROSECUTOR

COMPARATIVE BALANCE SHEET

REGULATORY BASIS

Assets	December 31,		Reference	December 31,	
	2009	2008		2009	2008
Cash - Confidential Fund	-	-	M-1	-	-
Total Assets	\$ 0.00	\$ 0.00		\$ 0.00	\$ 0.00
				Liabilities	
				Due To County Treasurer	
				Total Liabilities	

See accompanying notes.





COUNTY OF MONMOUTH, NEW JERSEY  
OFFICE OF THE COUNTY CLERK

COMPARATIVE BALANCE SHEET

REGULATORY BASIS

Assets	December 31,		Reference	December 31,	
	2009	2008		2009	2008
Registry Department:					
Cash	\$ 349,231.07	\$ 321,516.60			
Due From County Treasurer	-	640.00			
Cash Drawers	200.00	200.00			
Accounts Receivable - Lawyers	17,399.28	14,038.28	O-3	O-3b	\$ 17,399.28 \$ 14,038.28
Total Assets	\$ 366,830.35	\$ 336,394.88			\$ 366,830.35 \$ 336,394.88
Registry Department:					
Reserve for:					
Accounts Receivable - Lawyers			O-3b	O-3b	\$ 17,399.28 \$ 14,038.28
Cash Drawers			O	O	200.00 200.00
Due To:					
County Treasurer			2c-O	2c-O	16,214.00 16,214.00
State for Trade Names			4-O	4-O	2,050.00 2,050.00
Reserve for Lawyer's Deposits			O-3a	O-3a	349,231.07 303,892.60
Total Liabilities and Reserves	\$ 366,830.35	\$ 336,394.88			\$ 366,830.35 \$ 336,394.88

COUNTY OF MONMOUTH, NEW JERSEY  
TUBERCULOSIS CONTROL PROGRAM

COMPARATIVE BALANCE SHEET

REGULATORY BASIS

	Reference	December 31,		Liabilities and Reserves	Reference	December 31,	
		2009	2008			2009	2008
<u>Assets</u>							
Cash - General Account	P-1	\$ 600.72	\$ 2,127.20	Due To County - General	P-3	\$ 600.72	\$ 2,127.20
Accounts Receivable	P-2	672.00	180.00	Reserve for Accounts Receivable	P	672.00	180.00
Total Assets		<u>\$ 1,272.72</u>	<u>\$ 2,307.20</u>	Total Liabilities and Reserves		<u>\$ 1,272.72</u>	<u>\$ 2,307.20</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009

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, 2009

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, 2009

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, 2009

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") and the Immigration Customs Enforcement ("ICE") due to overcrowding at their facilities. 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, 2009

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, 2009

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, 2009

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, 2009

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, 2009

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, 2009 was \$456,954,853 and the bank balance was \$466,133,504.

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, if 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, 2009

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, 2009.

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, 2009, 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 2009:

	Balance, December 31, 2008	Additions	Retirements	Balance, December 31, 2009
Land	\$310,100,978.03	\$16,820,255.00	\$ -	\$326,921,233.03
Buildings	289,645,883.36	1,649,134.00	-	291,295,017.36
Furniture, Fixtures & Equipment	43,471,724.30	3,391,277.15	1,110,044.92	45,752,956.53
Vehicles	67,189,203.76	5,438,463.00	2,196,442.65	70,431,224.11
Total	\$710,407,789.45	\$27,299,129.15	\$3,306,487.57	\$734,400,431.03

COUNTY OF MONMOUTH, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009

NOTE 4 - LONG-TERM DEBT

Summary of County Debt

Issued	2009	2008	2007
<b>General:</b>			
Bonds and Notes	\$377,725,000.00	\$338,585,000.00	\$340,700,000.00
Green Trust Bonds NJDEP	4,583,192.44	5,845,844.05	7,083,616.44
Voc Tech. School District NJDEP	1,099,236.17	1,358,163.78	1,611,530.65
Installment Purchase Agreements	2,655,000.00	-	-
Bonds Guaranteed by County – M.C.I.A.	138,770,000.00	-	-
Reclamations Center Utility:			
Capital Fund:			
Bonds and Notes*	13,495,000.00	16,140,000.00	18,970,000.00
<b>Total Debt Issued</b>	<b>\$538,327,428.61</b>	<b>\$481,569,007.83</b>	<b>\$435,375,147.09</b>
<b>Authorized But Not Issued</b>			
<b>General:</b>			
Bonds and Notes	133,327,500.00	125,879,400.75	119,660,000.00
Guaranteed by County – M.C.I.A.	9,955,000.00	-	-
<b>Total Authorized But Not Issued</b>	<b>143,282,500.00</b>	<b>125,879,400.75</b>	<b>119,660,000.00</b>
<b>Total Bonds and Notes Issued and Authorized But Not Issued</b>	<b>\$681,609,928.61</b>	<b>\$607,448,408.58</b>	<b>\$555,035,147.09</b>

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 0.3703%.

	Gross Debt	Deductions	Net Debt
General Debt	\$668,114,928.61	\$200,581,316.20	\$467,533,612.41
Reclamation Center Utility	13,495,000.00	13,495,000.00	-
<b>Total</b>	<b>\$681,609,928.61</b>	<b>\$214,076,316.20</b>	<b>\$467,533,612.41</b>

Net debt \$467,533,612.41 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$126,267,567,407.00 = 0.3703%.

\* Guaranteed by County Only – Included in Deduction

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

2.0% of Equalized Valuation Basis	\$2,525,351,348.14
Less: Net Debt	<u>467,533,612.41</u>
<b>Remaining Borrowing Power</b>	<b><u>\$2,057,817,735.73</u></b>

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, 2009 was .3703% and its remaining borrowing power in dollars was \$2,057,817,735.73.

COUNTY OF MONMOUTH, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009

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	\$52,764,916.80
Deductions:	
Operating and Maintenance Costs	35,760,833.35
Debt Service	<u>3,461,166.65</u>
	<u>39,222,000.00</u>
 Excess Revenue	 <u>\$13,542,916.80</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, 2009
General Improvements	Serial Bonds	07/10/98	08/01/10	4.500%	\$ 2,130,000.00
General Improvements	Serial Bonds	07/15/99	07/15/10	4.800%	1,960,000.00
General Improvements	Serial Bonds	07/15/00	07/15/10	5.000%	2,125,000.00
General Improvements	Serial Bonds	07/15/01	07/15/10	4.100-4.700%	2,105,000.00
General Improvements	Serial Bonds	07/15/02	07/15/17	3.250-4.350%	24,750,000.00
General Improvements	Serial Bonds	03/01/03	03/01/18	2.400-5.000%	25,125,000.00
General Improvements	Serial Bonds	04/27/04	01/15/16	4.000-5.000%	15,415,000.00
Refunding Bonds	Serial Bonds	04/27/04	09/01/12	5.000-5.250%	13,150,000.00
General Improvements	Serial Bonds	04/19/05	01/15/20	3.000-5.000%	13,285,000.00
General Improvements	Serial Bonds	06/06/06	01/15/21	4.000-5.000%	31,285,000.00
General Improvements	Serial Bonds	09/12/07	09/15/22	4.000-5.000%	49,460,000.00
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%	28,355,000.00
General Improvements	Serial Bonds	11/17/09	11/01/19	.700-4.25%	43,613,500.00
General Improvements	Serial Bonds	11/17/09	11/01/24	4.60-4.80%	26,385,000.00
Refunding Bonds	Serial Bonds	12/30/09	01/15/19	2.00-4.00%	<u>17,830,000.00</u>
Total					<u>\$326,153,500.00</u>

COUNTY OF MONMOUTH, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009

NOTE 4 – LONG-TERM DEBT (Continued)

General Capital Fund (Continued)

It is noted that the General Improvement Bonds issued in 2009 was a taxable issue. The County is receiving reimbursements through the Build America Bonds (BAB's) issued by the Federal Government. The following is a breakdown by issue of the reimbursement from the BAB's:

<u>Issue</u>	<u>Amount of Issue</u>	<u>BAB's Reimbursement</u>
General Improvement Series A	\$43,613,500.00	\$3,360,179.88
General Improvement Series B	26,385,000.00	5,679,033.00
General Improvement – College Series A	1,176,500.00	76,699.86

The aggregate debt schedules presented above are after the BAB's reimbursement is applied.

Description	Type	Date of Issue	Date of Maturity	Rate	Balance December 31, 2009
County College:					
General Improvements	Serial Bonds	07/15/01	07/15/11	4.00-4/20%	1,210,000.00
General Improvements	Serial Bonds	07/15/02	07/15/12	3.25-4.00%	1,365,000.00
General Improvements	Serial Bonds	04/19/05	01/15/15	3.00-5.00%	2,710,000.00
General Improvements	Serial Bonds	09/12/07	09/15/17	4.00-5.00%	3,580,000.00
General Improvements	Serial Bonds	11/15/09	11/01/19	.70-4.25%	1,176,500.00
<b>Total</b>					<b>\$10,041,500.00</b>

Description	Type	Date of Issue	Date of Maturity	Rate	Balance December 31, 2009
Open Space:					
General Improvements	Serial Bonds	06/29/05	12/01/20	3.00-4.00%	\$18,840,000.00
General Improvements	Serial Bonds	09/12/07	09/15/22	4.00-5.00%	18,040,000.00
Refunding Bond	Serial Bonds	12/30/09	01/15/18	4.00-4.00%	4,650,000.00
<b>Total</b>					<b>\$41,530,000.00</b>

Description	Type	Date of Issue	Date of Maturity	Rate	Balance December 31, 2009
Green Acres Trust					
Loan Program:					
Valley Stream	Installments	12/20/96	06/20/16	2.00%	\$2,584,262.82
Clayton Park	Installments	01/21/00	01/21/20	2.00%	642,558.99
Bayshore Park	Installments	11/13/99	05/13/19	2.00%	1,356,370.63
<b>Total</b>					<b>\$4,583,192.44</b>
Economic Development:					
Authorities Facilities Loan:					
Assistance Program	Installments	07/01/93	07/15/13	1.500%	\$ 549,618.09
Assistance Program	Installments	07/01/93	07/15/13	5.288%	549,618.08
					<b>\$1,099,236.17</b>
<b>Total General Capital Fund Debt Issued and Outstanding</b>					<b>\$383,407,429.00</b>



COUNTY OF MONMOUTH, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009

NOTE 4 – LONG-TERM DEBT (Continued)

Reclamation Utility Capital Fund

Description	Type	Date of Issue	Date of Maturity	Rate	Balance December 31, 2009
Reclamation Utility Bonds	Serial Bonds	07/15/02	07/15/17	3.25-4.30%	\$ 6,050,000.00
Reclamation Utility Bonds	Serial Bonds	04/27/04	09/01/10	5.00-.25%	1,900,000.00
Reclamation Utility Bonds	Serial Bonds	04/19/05	01/15/17	3.50-5.00%	3,800,000.00
Refunding Bonds	Serial Bonds	12/31/09	01/15/17	2.00-4.00%	1,745,000.00
Total Reclamation Utility Fund Debt					\$13,495,000.00

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

General Capital Fund			
Year	Principal	Interest	Total
2010	\$ 35,312,947.00	\$ 14,020,960.40	\$ 49,333,907.40
2011	36,058,683.00	12,927,970.48	48,986,653.48
2012	38,740,713.00	11,585,415.48	50,326,128.48
2013	37,526,391.00	10,131,916.62	47,658,307.62
2014	36,021,626.00	8,779,691.36	44,801,317.36
2015	34,017,069.00	7,354,468.86	41,371,537.86
2016	31,340,000.00	6,044,331.12	37,384,331.12
2017	25,895,000.00	4,849,546.98	30,744,546.98
2018	23,585,000.00	3,814,862.12	27,399,862.12
2019	20,935,000.00	3,025,719.98	23,960,719.98
2020	20,985,000.00	2,242,437.12	23,227,437.12
2021	16,515,000.00	1,484,964.12	17,999,964.12
2022	13,745,000.00	925,888.12	14,670,888.12
2023	7,455,000.00	416,360.00	7,871,360.00
2024	5,275,000.00	164,580.00	5,439,580.00
Total	\$383,407,429.00	\$87,769,112.76	\$471,176,541.76

Reclamation Capital Fund			
Year	Principal	Interest	Total
2010	\$2,750,000.00	\$ 537,498.96	\$ 3,287,498.96
2011	1,225,000.00	436,900.00	1,661,900.00
2012	1,575,000.00	381,650.00	1,956,650.00
2013	1,575,000.00	315,525.00	1,890,525.00
2014	1,575,000.00	245,025.00	1,820,025.00
2015	1,575,000.00	173,975.00	1,748,975.00
2016	1,615,000.00	111,187.50	1,726,187.50
2017	1,605,000.00	50,900.00	1,655,900.00
	\$13,495,000.00	\$2,252,661.46	\$15,747,661.46

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, 2009

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	36,6617.50	-
11/15/2029		<u>755,000.00</u>

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

Scheuing Easement:

The County of Monmouth purchased land in Middletown Township through an Installment Purchase Agreement. Cost of the property was \$2,900,000.00 with an installment purchase agreement (IPA) for \$1,900,000.00. Term of the IPA is fifteen (15) years at 3.8%. The County paid the seller \$1,000,000.00 in 2009 as a down payment. The County has received \$200,000.00 from the Monmouth Conservation Foundation in May 2010 as part of reimbursement to the County for the down payments.

The County will make annual sinking fund payments over the fifteen (15) years along with semi-annual interest payments. The sinking fund will invest in State and Local Government Securities (SLGS). Payments to the sinking fund along with semi-annual interest payments will come from the Open Space Trust Fund. Following is the debt schedule:

<u>Year</u>	<u>Interest</u>	<u>Principal</u>
2010-2024	\$72,200.00	\$ -
2024		<u>1,900,000.00</u>

COUNTY OF MONMOUTH, NEW JERSEY  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2009

NOTE 4 – LONG-TERM DEBT (Continued)

Debt Guaranteed by the County:

The County of Monmouth guarantees all debt issued by the Monmouth County Improvement Authority (MCIA). At December 31, 2009 the MCIA had serial bonds outstanding of \$138,770,000.00 and authorized but not issued of \$9,955,000.00 for a total of \$148,725,000.00. This full amount is shown as both gross debt and a deduction from gross debt on the annual debt statement of the County.

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 Amount
<u>Primary Government:</u>			
Reclamation Center	Reclamation Center	07/01/98	\$8,000,000.00
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
General Obligation	General Capital Improvement	1999	5,880,000.00
General Obligation	General Capital Improvement	2000	10,625,000.00
General Obligation	General Capital Improvement	2001	6,315,000.00
Reclamation Center	Reclamation Center	2009	1,600,000.00
General Obligation	General Capital Improvement	2009	21,760,000.00
Total			<u>\$90,345,000.00</u>

NOTE 5 - BONDS AND NOTE AUTHORIZED BUT NOT ISSUED

At December 31, 2009, the County had authorized but not issued bonds and notes as follows:

General Capital Fund \$133,327,500.00

NOTE 6 - FUND BALANCE APPROPRIATED

Current Fund

The fund balance at December 31, 2009 was \$83,764,239.30 of which \$44,850,000.00 was appropriated and included as anticipated revenue for the year ended December 31, 2010.

Reclamation Utility Operating Fund

The fund balance at December 31, 2009 was \$31,167,784.52 of which \$19,700,000.00 was appropriated and included as anticipated revenue for the year ended December 31, 2010.

COUNTY OF MONMOUTH, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS  
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, 2009, there were no deferred charges.

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, 2009 is \$4,730,388.13 based on the eligible employees.

The County has also earned unspent vacation and compensatory time pay in the amount of \$52,015.11 and \$896,178.66 respectively, which is also part of the unfunded liability.

The County has established an accumulated absence reserve in the Trust Fund. Balance at December 31, 2009 was \$1,051,482.44.

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.

COUNTY OF MONMOUTH, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009

NOTE 9 – PENSION PLANS (Continued)

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<sup>th</sup> 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.

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.

COUNTY OF MONMOUTH, NEW JERSEY  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2009

NOTE 9 – PENSION PLANS (Continued)

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 two years are as follows:

	<u>PERS</u>		<u>PFRS</u>	
	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>
2009	\$8,392,353.00	\$10,098,571.72	\$10,005,664.00	\$6,422,010.57
2008	7,711,186.40*	10,301,473.19	8,334,040.00	7,054,439.86

\* 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.

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.

COUNTY OF MONMOUTH, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009

NOTE 10 - DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

Description of System (Continued)

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 2009 there were six (6) officials or employees enrolled in the DCRP. The County's contributions for the year 2008 was \$4,816.08 and for 2009 was \$16,301.08.

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.

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):

COUNTY OF MONMOUTH, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009

NOTE 12 - POST EMPLOYMENT HEALTHCARE PLAN (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

January 1, 2009 Net OPEB Obligation	\$28,436.40
Plus:	
Annually Required Contributions	23,395.20
	51,831.60
Less:	
County Contributions	7,875.20
December 31, 2009 Net OPEB Obligations	\$43,956.40

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

Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2009	\$23,395.20	33.7%	\$43,956.40
12/31/2008	21,999.70	39.5%	28,436.40
12/31/2007	21,999.70	31.1%	15,140.20

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	\$403,585.50	\$403,585.50	0%	\$180,536.50	218%
1/1/09	\$ 0	\$416,714.50	\$416,714.50	0%	\$187,023.50	223%

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

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.



COUNTY OF MONMOUTH, NEW JERSEY  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2009

NOTE 12 - POST EMPLOYMENT HEALTHCARE PLAN (Continued)

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 County refunded the remaining capital leases on August 1, 2009. The future rental payments are as follows:

Year	Minimum Rental Payments Correctional Facility
2010	\$3,790,000.00
2011	3,825,000.00
Total	\$7,615,000.00

The interest rate on the Correctional Institute is 2.0%. The Correctional Facility lease expires in 2011.

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, 2009, the bonds included the following issues:

Date of Issue	Amount of Issue	Rate	Balance, December 31, 2009
10/31/01	16,885,000.00	4.00 to 4.15%	1,565,000.00
08/01/03	16,180,000.00	3.450-5.000%	4,000,000.00
10/01/05	21,905,000.00	3.50-5.000%	11,405,000.00
07/12/07	19,940,000.00	4.000-5.000%	14,590,000.00

COUNTY OF MONMOUTH, NEW JERSEY  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2009

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, 2009, \$8,380,000.00 of the bonds were outstanding.

Date of Issue	Amount of Issue	Rate	Balance, December 31, 2009
04/03/06	\$21,670,000.00	3.50-5.00%	\$8,380,000.00

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.

At December 31, 2009, \$38,370,000 of the bonds were outstanding.

Date of Issue	Amount of Issue	Rate	Balance, December 31, 2009
06/01/08	\$40,075,000	3.00-5.00%	\$38,370,000

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, 2009, \$27,450,000 remains outstanding as detailed below:

Date of Issue	Amount of Issue	Rate	Balance, December 31, 2009
08/01/09	\$27,850,000	3.25-6.00%	\$27,540,000

COUNTY OF MONMOUTH, NEW JERSEY  
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 YEAR ENDED DECEMBER 31, 2009

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

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 – CAPITAL EQUIPMENT POOLED LEASE REVENUE BONDS – SERIES 2009 – MONMOUTH COUNTY IMPROVEMENT AUTHORITY (MCIA)

The MCIA has issued Capital Lease revenue bonds in the sum of \$7,490,000. The “Pooled Loan Bonds” are limited obligations of the Authority. Twelve (12) governmental units are participating in the Pooled Loan Bonds. Eight are municipalities, three are school districts and one is a fire commission. Each governmental unit’s obligation under its respective Lease Agreement is a direct and general obligation of the Municipality or Local Unit Guarantor. Payment of principal and interest on the Pooled Lease Bond is unconditionally and irrevocably guaranteed by the County.

At December 31, 2009, \$7,490,000 of the bonds were outstanding.

Date of Issue	Amount of Issue	Rate	Balance, December 31, 2009
10/01/09	\$7,490,000	2.00-4.25%	\$7,490,000

The bonds are payable over ten (10) years.

NOTE 19 - 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 bond issues from 2004, 2005 and 2006 the County has determined that there is an arbitrage rebate liability of \$158,989.69. The County has refunded to the IRS \$60,035.47 of this amount. A reserve has been set up for the balance of \$98,954.22.

COUNTY OF MONMOUTH, NEW JERSEY  
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NOTE 20 - 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
Craig Marshall, Treasurer		1,500,000.00

In respect to the excess insurance, the County's settled claims have not exceeded the commercial coverage in the past three years. At December 31, 2009, the amount on deposit in the Trust Fund was \$5,876,557.17.

NOTE 21 - 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, 2009, the reserve, which management considered to be adequate in terms of its risk, amounted to \$7,000,000.00.

NOTE 22 - 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  
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NOTE 22 - 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, 2009	\$1,402,744.36
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

NOTE 23 - 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, 2009 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 2009, and post balance sheet period through June 27, 2010.

COUNTY OF MONMOUTH, NEW JERSEY  
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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.

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, 2009. They have issued a separate report, and as such, we do not express an opinion on those compliance requirements.

**APPENDIX B**

**FORMS OF CONTINUING DISCLOSURE CERTIFICATES**

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## CONTINUING DISCLOSURE CERTIFICATE

**THIS CONTINUING DISCLOSURE CERTIFICATE** is made as of December 16, 2010 by the County of Monmouth, New Jersey, a political subdivision duly organized under the laws of the State of New Jersey (the “Issuer”).

### WITNESSETH:

**WHEREAS**, the Issuer is issuing its \$12,695,000 General Obligation Bonds, Series 2010A (Tax-Exempt), consisting of \$8,500,000 General Improvement Bonds, Series 2010 (Tax-Exempt), \$2,400,000 County Vocational School Bonds, Series 2010 (New Jersey School Bond Reserve Act, P.L. 1980, c.72) (Tax-Exempt), \$675,000 Reclamation Center Utility Bonds, Series 2010 (Tax-Exempt), and \$1,120,000 County College Bonds, Series 2010 (Tax-Exempt) (collectively, the “Series 2010A Tax-Exempt Bonds”), \$16,530,000 General Obligation Bonds, Series 2010A (Federally Taxable), consisting of \$15,325,000 General Improvement Bonds, Series 2010 (Federally Taxable - Build America Bonds - Direct Pay to Issuer), \$325,000 Reclamation Center Utility Bonds, Series 2010 (Federally Taxable - Build America Bonds - Direct Pay to Issuer), and \$880,000 County College Bonds, Series 2010 (Federally Taxable - Build America Bonds - Direct Pay to Issuer) (the “Series 2010A Taxable Bonds”, and together with the Series 2010A Tax-Exempt Bonds, the “Series 2010A Bonds”), the \$20,775,000 General Improvement Bonds, Series 2010B (Federally Taxable - Recovery Zone Economic Development Bonds - Direct Pay to Issuer) (the “Series 2010B Bonds”) and the \$32,575,000 General Obligation Refunding Bonds, Series 2010C, consisting of \$28,610,000 General Improvement Refunding Bonds (Tax-Exempt) and \$3,965,000 Reclamation Center Utility Refunding Bonds (Tax-Exempt) (collectively, the “Series 2010C Bonds”, and together with the Series 2010A Bonds and the Series 2010B Bonds, the “Bonds”) on the date hereof; and

**WHEREAS**, the Bonds are being issued pursuant to bond ordinances adopted by the Issuer and a certificate signed by the Issuer on December 2, 2010; and

**WHEREAS**, the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended and supplemented (codified on the date hereof at 15 U.S.C. 77 et seq.) (the “Securities Exchange Act”) has adopted amendments to its Rule 15c2-12 (codified at 17 C.F.R. § 240.15c2-12) (“Rule 15c2-12”) effective July 3, 1995 which generally prohibit a broker, dealer, or municipal securities dealer from purchasing or selling municipal securities, such as the Bonds, unless such broker, dealer or municipal securities dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and event notices to the Municipal Securities Rulemaking Board; and

**WHEREAS**, the Issuer represented in its Notice of Sale dated November 24, 2010 (the “Notice of Sale”) that it would deliver on the closing date for the Bonds a “Continuing Disclosure Certificate” pursuant to which the Issuer will agree to provide at the times and to the persons described in Rule 15c2-12 the annual financial information and event notices to the

Municipal Securities Rulemaking Board required to be disclosed on a continual basis pursuant to Rule 15c2-12; and

**WHEREAS**, on December 2, 2010, the Issuer accepted the bid of UBS Financial Services Inc., with respect to the Bonds on behalf of themselves and each of the original underwriters for the Bonds (each, a “Participating Underwriter”) for the purchase of the Bonds; and

**WHEREAS**, the execution and delivery of this Certificate has been duly authorized by the Issuer and all conditions, acts and things necessary and required to exist, to have happened, or to have been performed precedent to and in the execution and delivery of this Certificate, do exist, have happened and have been performed in regular form, time and manner; and

**WHEREAS**, the Issuer is executing this Certificate for the benefit of the Holders of the Bonds.

**NOW, THEREFORE**, for and in consideration of the premises and of the mutual representations, covenants and agreements herein set forth, the Issuer, its successors and assigns, do mutually promise, covenant and agree as follows:

## **ARTICLE I**

### **DEFINITIONS**

Section 1.1 Terms Defined in Recitals. The following terms shall have the meanings set forth in the recitals hereto:

Bonds	Participating Underwriter
Issuer	Rule 15c2-12
Notice of Sale	SEC
	Securities and Exchange Act

Section 1.2 Additional Definitions. The following additional terms shall have the meanings specified below:

“Annual Report” means Financial Statements and Operating Data provided at least annually.

“Bondholder” or “holder” or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any outstanding Bond, including holders of beneficial interests in the Bonds.

“Business Day” means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York or in West Paterson, New Jersey are authorized or required by law to close or (c) a day on which the New York Stock Exchange is closed.

“Disclosure Event” means any event described in subsection 2.1(d) of this Certificate.

“Disclosure Event Notice” means the notice to the MSRB as provided in subsection 2.4(a).

“Disclosure Representative” means the Chief Financial Officer of the Issuer or his or her designee, or such other officer or employee as the Issuer shall designate from time to time.

“Dissemination Agent” means an entity acting in such capacity under this Certificate or any other successor entity designated in writing by the Issuer and which has filed a written acceptance of such designation.

“Final Official Statement” means the final Official Statement of the Issuer dated December 2, 2010 pertaining to the Bonds.

“Financial Statements” means the audited financial statements of the Issuer for each Fiscal Year and includes balance sheets, statements of changes in fund balances and statements of current funds, revenues, expenditures and other charges or statements which convey similar information.

“Fiscal Year” means the fiscal year of the Issuer. As of the date of this Certificate, the Fiscal Year of the Issuer begins on January 1 and closes on December 31 of each calendar year.

“GAAS” means generally accepted auditing standards as in effect from time to time, consistently applied.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>

“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, “ “Statement of Statutory Net Debt,” “Schedule of Debt Service,” “Debt Analyses, “Other County Obligations” and “Comparative County Budgets”.

“State” means the State of New Jersey.

Section 1.3 Interpretation. Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Certificate. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Certificate, refer to this Certificate as a whole unless otherwise expressly stated.

As the context shall require, the disjunctive term “or” shall be interpreted conjunctively as required to insure that the Issuer performs any obligations, mentioned in the passage in which such term appears.

The headings of this Certificate are for convenience only and shall not defined or limit the provisions hereof.

## ARTICLE II

### CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

Section 2.1 Continuing Disclosure Covenants of the Issuer. The Issuer agrees that it will provide, or shall cause the Dissemination Agent to provide:

(a) Not later than September 1 of each year, commencing with the first Fiscal Year of the Issuer ending after January 1, 2010, an Annual Report to the MSRB;

(b) Not later than fifteen (15) days prior to the date of each year specified in subsection 2.1(a), a copy of the Annual Report to the Dissemination Agent, if the Issuer has appointed or engaged a Dissemination Agent;

(c) If audited Financial Statements are not submitted as part of the filing as set forth in subsection 2.1(a), the Issuer will submit unaudited financial statements with such filing, and will subsequently submit audited Financial Statements when and if available, to the MSRB;

(d) In a timely manner not in excess of ten business days following the occurrence of any of the Disclosure Events (hereinafter defined), to the MSRB, notice of any of the following events with respect to the Bonds (each, a “Disclosure Event”);

- (i) principal and interest delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders; if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;

- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Authority;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(e) In a timely manner, to the MSRB, notice of a failure by the Issuer to provide the Annual Report within the period described in subsection 2.1(a) hereof.

Section 2.2 Continuing Disclosure Representations. The Issuer represents and warrants that:

(a) Financial Statements shall be prepared according to principles prescribed by the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey pursuant to chapter 5 of Title 40A of the New Jersey Statutes as in effect from time to time.

(b) Financial Statements prepared annually shall be audited in accordance with GAAS.

Section 2.3 Form of Annual Report.

(a) The Annual Report may be submitted as a single document or as separate documents comprising a package.

(b) Any or all of the items which must be included in the Annual Report may be incorporated by reference from other documents, including official statements of the Issuer or related public entities which have been filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(c) The audited Financial Statements of the Issuer, if any, may be submitted separately from the balance of the Annual Report.

Section 2.4 Responsibilities, Duties, Immunities and Liabilities of the Dissemination Agent.

(a) If the Issuer or the Dissemination Agent (if one has been appointed or engaged by the Issuer) has determined it necessary to report the occurrence of a Disclosure Event, the Issuer or Dissemination Agent (if one has been appointed or engaged by the Issuer) shall file a notice of

such occurrence with the MSRB (the “Disclosure Event Notice”) in the form provided by the Issuer.

(b) The Issuer and/or the Dissemination Agent (if one has been appointed or engaged by the Issuer) shall file a written report with the Issuer certifying that the Annual Report has been provided pursuant to this Certificate, stating the date it was provided to the MSRB.

#### Section 2.5 Appointment, Removal and Resignation of the Dissemination Agent.

(a) The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carry out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent.

(b) The Dissemination Agent shall have only such duties as are specifically set forth in this Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents harmless against any loss, expense and liability which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s negligence or willful misconduct. The obligations of the Issuer under this subsection shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(c) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the Issuer. Such resignation shall take effect on the date specified in such notice.

### **ARTICLE III**

#### **DISCLOSURE DEFAULT AND REMEDIES**

Section 3.1 Disclosure Default. The occurrence and continuation of a failure or refusal by the Issuer to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Certificate and such failure or refusal shall remain uncured for a period of thirty (30) days shall constitute a Disclosure Default hereunder.

#### Section 3.2 Remedies on Default.

(a) Any Bondholder, for the equal benefit and protection of all Bondholders similarly situated, may take whatever action at law or in equity against the Issuer and of the officers, agents and employees of the Issuer which is necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the Issuer under this Certificate and may compel the Issuer or any such officers, agents, or employees, except of the Dissemination Agent, to perform and carry out their duties under this Certificate; provided, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(b) In case any Bondholder shall have proceeded to enforce its rights under this Certificate and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to any Bondholder, then and in every such case the Issuer and any Bondholder shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Issuer and any Bondholder shall continue as though no such proceeding had been taken.

(c) A default under this Certificate shall not be deemed a default under the Bonds, and the sole remedy under this Certificate in the event of any failure or refusal by the Issuer to comply with this Certificate shall be as set forth in subsection 3.2(a) of this Certificate.

## ARTICLE IV

### MISCELLANEOUS

Section 4.1 Purposes of the Continuing Disclosure Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to assist the Participating Underwriters in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2 Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from (a) disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or (b) including any other information in any Annual Report or any Disclosure Event Notice, in addition to that which is required by this Certificate. If the Issuer chooses to include information in any Annual Report or any Disclosure Event Notice in addition to that which is specifically required by this Certificate, the Issuer shall have no obligation under this Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or any future Disclosure Event Notice.

Section 4.3 Notices. All notices required to be given or authorized shall be in writing and shall be sent by registered or certified mail to the Issuer, 300 Halls Mill Road, Finance Department, Freehold, New Jersey 07728-1256, Attention: Craig R. Marshall.

Section 4.4 Severability. If any provision of this Certificate shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

#### Section 4.5 Amendments, Changes and Modifications.

(a) Without the consent of any Bondholders, the Issuer at any time and from time to time may enter into any amendments or modifications to this Certificate for any of the following purposes:

- (i) to add to covenants and agreements of the Issuer hereunder for the benefit of the Bondholders, or to surrender any right or power conferred upon the Issuer by this Certificate;



- (ii) to modify the contents, presentation and format of the Annual Report from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting the Issuer; provided that any such modification shall comply with the requirements of Rule 15c2-12 as then in effect at the time of such modification; or
- (iii) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to include any other provisions with respect to matters or questions arising under this Certificate which, in each case, comply with Rule 15c2-12 as then in effect at the time of such modification.

provided, that prior to approving any such amendment or modification, the Issuer determines that such amendment or modifications does not adversely affect the interests of the Holders of the Bonds in any material respect.

(b) Upon entering into any amendment or modification required or permitted by this Certificate, the Issuer shall deliver, or cause the dissemination Agent to deliver, to the MSRB written notice of any such amendment or modification.

(c) The Issuer shall be entitled to rely exclusively upon an opinion of counsel nationally recognized as expert in federal securities law acceptable to the Issuer to the effect that such amendments or modifications comply with the conditions and provisions of this Section 4.5.

Section 4.6 Amendments Required by Rule 15c2-12. The Issuer recognizes that the provisions of this Certificate are intended to enable the Participating Underwriters to comply with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof, a change in this Certificate shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery by any Participating Underwriter of an opinion of counsel nationally recognized as expert in federal securities law acceptable to the Issuer to the effect that such amendment shall be permitted or necessary to assure continued compliance by the Participating Underwriter with Rule 15c2-12 as so amended or interpreted, then the Issuer shall amend this Certificate to comply with and be bound by any such amendment to this Certificate to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and provide the written notice of such amendment as required by subsection 4.5(b) hereof.

Section 4.7 Governing Law. This Certificate shall be governed exclusively by and construed in accordance with the applicable laws of the State of New Jersey.

Section 4.8 Termination of Issuer's Continuing Disclosure Obligations. The continuing obligation of the Issuer under Section 2.1 hereof to provide the Annual Report and any Disclosure Event Notice and to comply with the other requirements of said Section shall

terminate if and when either (a) the Bonds are no longer outstanding or (b) the Issuer no longer remains an “obligated person” (as defined in Rule 15c2-12(f)(10) with respect to the Bonds in either event, only after the Issuer delivers, or causes the Dissemination Agent to deliver, to the MSRB written notice to such effect. This Certificate shall be in full force and effect from the date hereof and shall continue in effect so long as any Bonds are Outstanding.

Section 4.9 Binding Effect. This Certificate shall inure to the benefit of and shall be binding upon the Issuer and its successors and assigns.

**IN WITNESS WHEREOF, THE COUNTY OF MONMOUTH, NEW JERSEY** has caused this Certificate to be executed in its name and its corporate seal to be hereunto affixed, all as of the date first above written.

[SEAL]

**THE COUNTY OF MONMOUTH, NEW JERSEY**

**By:** \_\_\_\_\_  
Craig R. Marshall, Director of Finance

## CONTINUING DISCLOSURE CERTIFICATE

**THIS CONTINUING DISCLOSURE CERTIFICATE** is made as of December 16, 2010 by the County of Monmouth, New Jersey, a political subdivision duly organized under the laws of the State of New Jersey (the “Issuer”).

### WITNESSETH:

**WHEREAS**, the Issuer is issuing its General Improvement Bonds, Series 2010B (Federally Taxable - Recovery Zone Economic Development Bonds - Direct Pay to Issuer), dated December 16, 2010 in the aggregate principal amount of \$20,775,000 (the “Bonds”) on the date hereof; and

**WHEREAS**, the Bonds are being issued pursuant to bond ordinances adopted by the Issuer and a certificate signed by the Issuer on December 2, 2010; and

**WHEREAS**, the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended and supplemented (codified on the date hereof at 15 U.S.C. 77 et seq.) (the “Securities Exchange Act”) has adopted amendments to its Rule 15c2-12 (codified at 17 C.F.R. § 240.15c2-12) (“Rule 15c2-12”) effective July 3, 1995 which generally prohibit a broker, dealer, or municipal securities dealer from purchasing or selling municipal securities, such as the Bonds, unless such broker, dealer or municipal securities dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and event notices to the Municipal Securities Rulemaking Board; and

**WHEREAS**, the Issuer represented in its Notice of Sale dated November 24, 2010 (the “Notice of Sale”) that it would deliver on the closing date for the Bonds a “Continuing Disclosure Certificate” pursuant to which the Issuer will agree to provide at the times and to the persons described in Rule 15c2-12 the annual financial information and event notices to the Municipal Securities Rulemaking Board required to be disclosed on a continual basis pursuant to Rule 15c2-12; and

**WHEREAS**, on December 2, 2010, the Issuer accepted the bid of Wells Fargo Bank, National Association, with respect to the Bonds on behalf of themselves and each of the original underwriters for the Bonds (each, a “Participating Underwriter”) for the purchase of the Bonds; and

**WHEREAS**, the execution and delivery of this Certificate has been duly authorized by the Issuer and all conditions, acts and things necessary and required to exist, to have happened, or to have been performed precedent to and in the execution and delivery of this Certificate, do exist, have happened and have been performed in regular form, time and manner; and

**WHEREAS**, the Issuer is executing this Certificate for the benefit of the Holders of the Bonds.

**NOW, THEREFORE,** for and in consideration of the premises and of the mutual representations, covenants and agreements herein set forth, the Issuer, its successors and assigns, do mutually promise, covenant and agree as follows:

## **ARTICLE I**

### **DEFINITIONS**

Section 1.1 Terms Defined in Recitals. The following terms shall have the meanings set forth in the recitals hereto:

Bonds	Participating Underwriter
Issuer	Rule 15c2-12
Notice of Sale	SEC
	Securities and Exchange Act

Section 1.2 Additional Definitions. The following additional terms shall have the meanings specified below:

“Annual Report” means Financial Statements and Operating Data provided at least annually.

“Bondholder” or “holder” or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any outstanding Bond, including holders of beneficial interests in the Bonds.

“Business Day” means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York or in West Paterson, New Jersey are authorized or required by law to close or (c) a day on which the New York Stock Exchange is closed.

“Disclosure Event” means any event described in subsection 2.1(d) of this Certificate.

“Disclosure Event Notice” means the notice to the MSRB as provided in subsection 2.4(a).

“Disclosure Representative” means the Chief Financial Officer of the Issuer or his or her designee, or such other officer or employee as the Issuer shall designate from time to time.

“Dissemination Agent” means an entity acting in such capacity under this Certificate or any other successor entity designated in writing by the Issuer and which has filed a written acceptance of such designation.

“Final Official Statement” means the final Official Statement of the Issuer dated December 2, 2010 pertaining to the Bonds.

“Financial Statements” means the audited financial statements of the Issuer for each Fiscal Year and includes balance sheets, statements of changes in fund balances and statements

of current funds, revenues, expenditures and other charges or statements which convey similar information.

“Fiscal Year” means the fiscal year of the Issuer. As of the date of this Certificate, the Fiscal Year of the Issuer begins on January 1 and closes on December 31 of each calendar year.

“GAAS” means generally accepted auditing standards as in effect from time to time, consistently applied.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>

“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, “ “Statement of Statutory Net Debt,” “Schedule of Debt Service,” “Debt Analyses, “Other County Obligations” and “Comparative County Budgets”.

“State” means the State of New Jersey.

Section 1.3 Interpretation. Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Certificate. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Certificate, refer to this Certificate as a whole unless otherwise expressly stated.

As the context shall require, the disjunctive term “or” shall be interpreted conjunctively as required to insure that the Issuer performs any obligations, mentioned in the passage in which such term appears.

The headings of this Certificate are for convenience only and shall not defined or limit the provisions hereof.

## ARTICLE II

### CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

Section 2.1 Continuing Disclosure Covenants of the Issuer. The Issuer agrees that it will provide, or shall cause the Dissemination Agent to provide:

(a) Not later than September 1 of each year, commencing with the first Fiscal Year of the Issuer ending after January 1, 2010, an Annual Report to the MSRB;

(b) Not later than fifteen (15) days prior to the date of each year specified in subsection 2.1(a), a copy of the Annual Report to the Dissemination Agent, if the Issuer has appointed or engaged a Dissemination Agent;

(c) If audited Financial Statements are not submitted as part of the filing as set forth in subsection 2.1(a), the Issuer will submit unaudited financial statements with such filing, and will subsequently submit audited Financial Statements when and if available, to the MSRB;

(d) In a timely manner not in excess of ten business days following the occurrence of any of the Disclosure Events (hereinafter defined), to the MSRB, notice of any of the following events with respect to the Bonds (each, a “Disclosure Event”);

- (i) principal and interest delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders; if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;

- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Authority;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(e) In a timely manner, to the MSRB, notice of a failure by the Issuer to provide the Annual Report within the period described in subsection 2.1(a) hereof.

Section 2.2 Continuing Disclosure Representations. The Issuer represents and warrants that:

- (a) Financial Statements shall be prepared according to principles prescribed by the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey pursuant to chapter 5 of Title 40A of the New Jersey Statutes as in effect from time to time.
- (b) Financial Statements prepared annually shall be audited in accordance with GAAS.

Section 2.3 Form of Annual Report.

- (a) The Annual Report may be submitted as a single document or as separate documents comprising a package.
- (b) Any or all of the items which must be included in the Annual Report may be incorporated by reference from other documents, including official statements of the Issuer or related public entities which have been filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(c) The audited Financial Statements of the Issuer, if any, may be submitted separately from the balance of the Annual Report.

Section 2.4 Responsibilities, Duties, Immunities and Liabilities of the Dissemination Agent.

(a) If the Issuer or the Dissemination Agent (if one has been appointed or engaged by the Issuer) has determined it necessary to report the occurrence of a Disclosure Event, the Issuer or Dissemination Agent (if one has been appointed or engaged by the Issuer) shall file a notice of

such occurrence with the MSRB (the “Disclosure Event Notice”) in the form provided by the Issuer.

(b) The Issuer and/or the Dissemination Agent (if one has been appointed or engaged by the Issuer) shall file a written report with the Issuer certifying that the Annual Report has been provided pursuant to this Certificate, stating the date it was provided to the MSRB.

#### Section 2.5 Appointment, Removal and Resignation of the Dissemination Agent.

(a) The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carry out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent.

(b) The Dissemination Agent shall have only such duties as are specifically set forth in this Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents harmless against any loss, expense and liability which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s negligence or willful misconduct. The obligations of the Issuer under this subsection shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(c) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the Issuer. Such resignation shall take effect on the date specified in such notice.

### **ARTICLE III**

#### **DISCLOSURE DEFAULT AND REMEDIES**

Section 3.1 Disclosure Default. The occurrence and continuation of a failure or refusal by the Issuer to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Certificate and such failure or refusal shall remain uncured for a period of thirty (30) days shall constitute a Disclosure Default hereunder.

#### Section 3.2 Remedies on Default.

(a) Any Bondholder, for the equal benefit and protection of all Bondholders similarly situated, may take whatever action at law or in equity against the Issuer and of the officers, agents and employees of the Issuer which is necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the Issuer under this Certificate and may compel the Issuer or any such officers, agents, or employees, except of the Dissemination Agent, to perform and carry out their duties under this Certificate; provided, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.



(b) In case any Bondholder shall have proceeded to enforce its rights under this Certificate and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to any Bondholder, then and in every such case the Issuer and any Bondholder shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Issuer and any Bondholder shall continue as though no such proceeding had been taken.

(c) A default under this Certificate shall not be deemed a default under the Bonds, and the sole remedy under this Certificate in the event of any failure or refusal by the Issuer to comply with this Certificate shall be as set forth in subsection 3.2(a) of this Certificate.

## **ARTICLE IV**

### **MISCELLANEOUS**

Section 4.1 Purposes of the Continuing Disclosure Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to assist the Participating Underwriters in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2 Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from (a) disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or (b) including any other information in any Annual Report or any Disclosure Event Notice, in addition to that which is required by this Certificate. If the Issuer chooses to include information in any Annual Report or any Disclosure Event Notice in addition to that which is specifically required by this Certificate, the Issuer shall have no obligation under this Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or any future Disclosure Event Notice.

Section 4.3 Notices. All notices required to be given or authorized shall be in writing and shall be sent by registered or certified mail to the Issuer, 300 Halls Mill Road, Finance Department, Freehold, New Jersey 07728-1256, Attention: Craig R. Marshall.

Section 4.4 Severability. If any provision of this Certificate shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

#### Section 4.5 Amendments, Changes and Modifications.

(a) Without the consent of any Bondholders, the Issuer at any time and from time to time may enter into any amendments or modifications to this Certificate for any of the following purposes:

- (i) to add to covenants and agreements of the Issuer hereunder for the benefit of the Bondholders, or to surrender any right or power conferred upon the Issuer by this Certificate;

- (ii) to modify the contents, presentation and format of the Annual Report from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting the Issuer; provided that any such modification shall comply with the requirements of Rule 15c2-12 as then in effect at the time of such modification; or
- (iii) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to include any other provisions with respect to matters or questions arising under this Certificate which, in each case, comply with Rule 15c2-12 as then in effect at the time of such modification.

provided, that prior to approving any such amendment or modification, the Issuer determines that such amendment or modifications does not adversely affect the interests of the Holders of the Bonds in any material respect.

(b) Upon entering into any amendment or modification required or permitted by this Certificate, the Issuer shall deliver, or cause the dissemination Agent to deliver, to the MSRB written notice of any such amendment or modification.

(c) The Issuer shall be entitled to rely exclusively upon an opinion of counsel nationally recognized as expert in federal securities law acceptable to the Issuer to the effect that such amendments or modifications comply with the conditions and provisions of this Section 4.5.

Section 4.6 Amendments Required by Rule 15c2-12. The Issuer recognizes that the provisions of this Certificate are intended to enable the Participating Underwriters to comply with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof, a change in this Certificate shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery by any Participating Underwriter of an opinion of counsel nationally recognized as expert in federal securities law acceptable to the Issuer to the effect that such amendment shall be permitted or necessary to assure continued compliance by the Participating Underwriter with Rule 15c2-12 as so amended or interpreted, then the Issuer shall amend this Certificate to comply with and be bound by any such amendment to this Certificate to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and provide the written notice of such amendment as required by subsection 4.5(b) hereof.

Section 4.7 Governing Law. This Certificate shall be governed exclusively by and construed in accordance with the applicable laws of the State of New Jersey.

Section 4.8 Termination of Issuer's Continuing Disclosure Obligations. The continuing obligation of the Issuer under Section 2.1 hereof to provide the Annual Report and any Disclosure Event Notice and to comply with the other requirements of said Section shall

terminate if and when either (a) the Bonds are no longer outstanding or (b) the Issuer no longer remains an “obligated person” (as defined in Rule 15c2-12(f)(10) with respect to the Bonds in either event, only after the Issuer delivers, or causes the Dissemination Agent to deliver, to the MSRB written notice to such effect. This Certificate shall be in full force and effect from the date hereof and shall continue in effect so long as any Bonds are Outstanding.

Section 4.9 Binding Effect. This Certificate shall inure to the benefit of and shall be binding upon the Issuer and its successors and assigns.

**IN WITNESS WHEREOF, THE COUNTY OF MONMOUTH, NEW JERSEY** has caused this Certificate to be executed in its name and its corporate seal to be hereunto affixed, all as of the date first above written.

[SEAL]

**THE COUNTY OF MONMOUTH, NEW JERSEY**

By: \_\_\_\_\_  
Craig R. Marshall, Director of Finance

## **CONTINUING DISCLOSURE CERTIFICATE**

**THIS CONTINUING DISCLOSURE CERTIFICATE** is made as of December 16, 2010 by the County of Monmouth, New Jersey, a political subdivision duly organized under the laws of the State of New Jersey (the “Issuer”).

### **WITNESSETH:**

**WHEREAS**, the Issuer is issuing its General Obligation Refunding Bonds, Series 2010C, consisting of General Improvement Refunding Bonds (Tax-Exempt) and Reclamation Center Utility Refunding Bonds (Tax-Exempt), dated December 16, 2010 in the aggregate principal amount of \$32,575,000 (collectively, the “Bonds”) on the date hereof; and

**WHEREAS**, the Bonds are being issued pursuant to bond ordinances adopted by the Issuer and a certificate signed by the Issuer on December 2, 2010; and

**WHEREAS**, the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended and supplemented (codified on the date hereof at 15 U.S.C. 77 *et seq.*) (the “Securities Exchange Act”) has adopted amendments to its Rule 15c2-12 (codified at 17 C.F.R. § 240.15c2-12) (“Rule 15c2-12”) effective July 3, 1995 which generally prohibit a broker, dealer, or municipal securities dealer from purchasing or selling municipal securities, such as the Bonds, unless such broker, dealer or municipal securities dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and event notices to the Municipal Securities Rulemaking Board; and

**WHEREAS**, the Issuer represented in its Notice of Sale dated November 24, 2010 (the “Notice of Sale”) that it would deliver on the closing date for the Bonds a “Continuing Disclosure Certificate” pursuant to which the Issuer will agree to provide at the times and to the persons described in Rule 15c2-12 the annual financial information and event notices to the Municipal Securities Rulemaking Board required to be disclosed on a continual basis pursuant to Rule 15c2-12; and

**WHEREAS**, on December 2, 2010, the Issuer accepted the bid of Wells Fargo Bank, National Association, with respect to the Bonds on behalf of themselves and each of the original underwriters for the Bonds (each, a “Participating Underwriter”) for the purchase of the Bonds; and

**WHEREAS**, the execution and delivery of this Certificate has been duly authorized by the Issuer and all conditions, acts and things necessary and required to exist, to have happened, or to have been performed precedent to and in the execution and delivery of this Certificate, do exist, have happened and have been performed in regular form, time and manner; and

**WHEREAS**, the Issuer is executing this Certificate for the benefit of the Holders of the Bonds.

**NOW, THEREFORE,** for and in consideration of the premises and of the mutual representations, covenants and agreements herein set forth, the Issuer, its successors and assigns, do mutually promise, covenant and agree as follows:

## **ARTICLE I**

### **DEFINITIONS**

Section 1.1 Terms Defined in Recitals. The following terms shall have the meanings set forth in the recitals hereto:

Bonds	Rule 15c2-12
Issuer	SEC
Notice of Sale	Securities and Exchange Act
Participating Underwriter	

Section 1.2 Additional Definitions. The following additional terms shall have the meanings specified below:

“Annual Report” means Financial Statements and Operating Data provided at least annually.

“Bondholder” or “holder” or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any outstanding Bond, including holders of beneficial interests in the Bonds.

“Business Day” means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York or in West Paterson, New Jersey are authorized or required by law to close or (c) a day on which the New York Stock Exchange is closed.

“Disclosure Event” means any event described in subsection 2.1(d) of this Certificate.

“Disclosure Event Notice” means the notice to the MSRB as provided in subsection 2.4(a).

“Disclosure Representative” means the Chief Financial Officer of the Issuer or his or her designee, or such other officer or employee as the Issuer shall designate from time to time.

“Dissemination Agent” means an entity acting in such capacity under this Certificate or any other successor entity designated in writing by the Issuer and which has filed a written acceptance of such designation.

“Final Official Statement” means the final Official Statement of the Issuer dated December 2, 2010 pertaining to the Bonds.

“Financial Statements” means the audited financial statements of the Issuer for each Fiscal Year and includes balance sheets, statements of changes in fund balances and statements of current funds, revenues, expenditures and other charges or statements which convey similar information.

“Fiscal Year” means the fiscal year of the Issuer. As of the date of this Certificate, the Fiscal Year of the Issuer begins on January 1 and closes on December 31 of each calendar year.

“GAAS” means generally accepted auditing standards as in effect from time to time, consistently applied.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“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,” “Statement of Statutory Net Debt,” “Schedule of Debt Service,” “Debt Analyses,” “Other County Obligations” and “Comparative County Budgets”.

“State” means the State of New Jersey.

Section 1.3 Interpretation. Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Certificate. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Certificate, refer to this Certificate as a whole unless otherwise expressly stated.

As the context shall require, the disjunctive term “or” shall be interpreted conjunctively as required to insure that the Issuer performs any obligations, mentioned in the passage in which such term appears.

The headings of this Certificate are for convenience only and shall not define or limit the provisions hereof.

## **ARTICLE II**

### **CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS**

Section 2.1 Continuing Disclosure Covenants of the Issuer. The Issuer agrees that it will provide, or shall cause the Dissemination Agent to provide:

(a) Not later than September 1 of each year, commencing with the first Fiscal Year of the Issuer ending after January 1, 2010, an Annual Report to the MSRB;

(b) Not later than fifteen (15) days prior to the date of each year specified in subsection 2.1(a), a copy of the Annual Report to the Dissemination Agent, if the Issuer has appointed or engaged a Dissemination Agent;

(c) If audited Financial Statements are not submitted as part of the filing as set forth in subsection 2.1(a), the Issuer will submit unaudited financial statements with such filing, and will subsequently submit audited Financial Statements when and if available, to the MSRB;

(d) In a timely manner not in excess of ten business days following the occurrence of any of the Disclosure Events (hereinafter defined), to the MSRB, notice of any of the following events with respect to the Bonds (each, a “Disclosure Event”);

- (i) principal and interest delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders; if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Authority;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a

definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(e) In a timely manner, to the MSRB, notice of a failure by the Issuer to provide the Annual Report within the period described in subsection 2.1(a) hereof.

Section 2.2 Continuing Disclosure Representations. The Issuer represents and warrants that:

(a) Financial Statements shall be prepared according to principles prescribed by the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey pursuant to chapter 5 of Title 40A of the New Jersey Statutes as in effect from time to time.

(b) Financial Statements prepared annually shall be audited in accordance with GAAS.

Section 2.3 Form of Annual Report.

(a) The Annual Report may be submitted as a single document or as separate documents comprising a package.

(b) Any or all of the items which must be included in the Annual Report may be incorporated by reference from other documents, including official statements of the Issuer or related public entities which have been submitted to the MSRB or filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(c) The audited Financial Statements of the Issuer, if any, may be submitted separately from the balance of the Annual Report.

Section 2.4 Responsibilities, Duties, Immunities and Liabilities of the Dissemination Agent.

(a) If the Issuer or the Dissemination Agent (if one has been appointed or engaged by the Issuer) has determined it necessary to report the occurrence of a Disclosure Event, the Issuer or Dissemination Agent (if one has been appointed or engaged by the Issuer) shall file a notice of such occurrence with the MSRB (the "Disclosure Event Notice") in the form provided by the Issuer.

(b) The Issuer and/or the Dissemination Agent (if one has been appointed or engaged by the Issuer) shall file a written report with the Issuer (if a Dissemination Agent has been appointed or engaged by the Issuer) certifying that the Annual Report has been provided pursuant to this Certificate, stating the date it was provided.



Section 2.5 Appointment, Removal and Resignation of the Dissemination Agent.

(a) The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent.

(b) The Dissemination Agent shall have only such duties as are specifically set forth in this Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents harmless against any loss, expense and liability which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this subsection shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(c) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the Issuer. Such resignation shall take effect on the date specified in such notice.

**ARTICLE III**

**DISCLOSURE DEFAULT AND REMEDIES**

Section 3.1 Disclosure Default. The occurrence and continuation of a failure or refusal by the Issuer to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Certificate and such failure or refusal shall remain uncured for a period of thirty (30) days shall constitute a Disclosure Default hereunder.

Section 3.2 Remedies on Default.

(a) Any Bondholder, for the equal benefit and protection of all Bondholders similarly situated, may take whatever action at law or in equity against the Issuer and of the officers, agents and employees of the Issuer which is necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the Issuer under this Certificate and may compel the Issuer or any such officers, agents, or employees, except of the Dissemination Agent, to perform and carry out their duties under this Certificate; provided, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(b) In case any Bondholder shall have proceeded to enforce its rights under this Certificate and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to any Bondholder, then and in every such case the Issuer and any Bondholder shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Issuer and any Bondholder shall continue as though no such proceeding had been taken.

(c) A default under this Certificate shall not be deemed a default under the Bonds, and the sole remedy under this Certificate in the event of any failure or refusal by the Issuer to comply with this Certificate shall be as set forth in subsection 3.2(a) of this Certificate.

## ARTICLE IV

### MISCELLANEOUS

Section 4.1 Purposes of the Continuing Disclosure Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to assist the Participating Underwriters in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2 Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from (a) disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or (b) including any other information in any Annual Report or any Disclosure Event Notice, in addition to that which is required by this Certificate. If the Issuer chooses to include information in any Annual Report or any Disclosure Event Notice in addition to that which is specifically required by this Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or any future Disclosure Event Notice.

Section 4.3 Notices. All notices required to be given or authorized shall be in writing and shall be sent by registered or certified mail to the Issuer, 300 Halls Mill Road, Finance Department, Freehold, New Jersey 07728-1256, Attention: Craig R. Marshall.

Section 4.4 Severability. If any provision of this Certificate shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

#### Section 4.5 Amendments, Changes and Modifications.

(a) Without the consent of any Bondholders, the Issuer at any time and from time to time may enter into any amendments or modifications to this Certificate for any of the following purposes:

- (i) to add to covenants and agreements of the Issuer hereunder for the benefit of the Bondholders, or to surrender any right or power conferred upon the Issuer by this Certificate;
- (ii) to modify the contents, presentation and format of the Annual Report from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting the Issuer; provided that any such modification shall comply with the

requirements of Rule 15c2-12 as then in effect at the time of such modification; or

- (iii) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to include any other provisions with respect to matters or questions arising under this Certificate which, in each case, comply with Rule 15c2-12 as then in effect at the time of such modification.

provided, that prior to approving any such amendment or modification, the Issuer determines that such amendment or modifications does not adversely affect the interests of the Holders of the Bonds in any material respect.

(b) Upon entering into any amendment or modification required or permitted by this Certificate, the Issuer shall deliver, or cause the dissemination Agent to deliver, to the MSRB written notice of any such amendment or modification.

(c) The Issuer shall be entitled to rely exclusively upon an opinion of counsel nationally recognized as expert in federal securities law acceptable to the Issuer to the effect that such amendments or modifications comply with the conditions and provisions of this Section 4.5.

Section 4.6 Amendments Required by Rule 15c2-12. The Issuer recognizes that the provisions of this Certificate are intended to enable the Participating Underwriters to comply with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof, a change in this Certificate shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery by any Participating Underwriter of an opinion of counsel nationally recognized as expert in federal securities law acceptable to the Issuer to the effect that such amendment shall be permitted or necessary to assure continued compliance by the Participating Underwriter with Rule 15c2-12 as so amended or interpreted, then the Issuer shall amend this Certificate to comply with and be bound by any such amendment to this Certificate to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and provide the written notice of such amendment as required by subsection 4.5(b) hereof.

Section 4.7 Governing Law. This Certificate shall be governed exclusively by and construed in accordance with the applicable laws of the State of New Jersey.

Section 4.8 Termination of Issuer's Continuing Disclosure Obligations. The continuing obligation of the Issuer under Section 2.1 hereof to provide the Annual Report and any Disclosure Event Notice and to comply with the other requirements of said Section shall terminate if and when either (a) the Bonds are no longer outstanding or (b) the Issuer no longer remains an "obligated person" (as defined in Rule 15c2-12(f)(10) with respect to the Bonds in either event, only after the Issuer delivers, or causes the Dissemination Agent to deliver, to the MSRB written notice to such effect. This Certificate shall be in full force and effect from the date hereof and shall continue in effect so long as any Bonds are Outstanding.

Section 4.9 Binding Effect. This Certificate shall inure to the benefit of and shall be binding upon the Issuer and its successors and assigns.

**IN WITNESS WHEREOF, THE COUNTY OF MONMOUTH, NEW JERSEY** has caused this Certificate to be executed in its name and its corporate seal to be hereunto affixed, all as of the date first above written.

**[SEAL]**

**THE COUNTY OF MONMOUTH, NEW JERSEY**

**By:** \_\_\_\_\_  
**Craig R. Marshall, Director of Finance**

**APPENDIX C**  
**NOTICES OF SALE**

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**NOTICE OF SALE**

**\$29,225,000**

**COUNTY OF MONMOUTH**

**NEW JERSEY**

**GENERAL OBLIGATION BONDS, SERIES 2010A**

**Consisting of**

**\$23,825,000 General Improvement Bonds, Series 2010**

**\$2,400,000 County Vocational School Bonds, Series 2010**

**(New Jersey School Bond Reserve Act, P.L. 1980, c.72)**

**\$1,000,000 Reclamation Center Utility Bonds, Series 2010**

**and**

**\$2,000,000 County College Bonds, Series 2010**

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 December 2, 2010 until 10:30 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 \$29,225,000 General Obligation Bonds, Series 2010A, consisting of \$23,825,000 General Improvement Bonds, Series 2010, \$2,400,000 County Vocational School Bonds, Series 2010 (New Jersey School Bond Reserve Act, P.L. 1980, c.72), \$1,000,000 Reclamation Center Utility Bonds, Series 2010, and \$2,000,000 County College Bonds, Series 2010 (the "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 the Bonds as either (1) tax-exempt obligations (the "Tax-Exempt Bonds") or (2) taxable obligations designated as Build America "Qualified Bonds" 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 BABs"). The owners of, and the owners of beneficial interest in, Taxable BABs will not receive any subsidy payments with respect to such Taxable BABs.

Bidders will designate, through the submission of their bid, all of the Bonds as Tax-Exempt Bonds, Taxable BABs or a combination thereof, as further described herein. The County will modify the name of the Bonds depending upon whether the Bonds are Tax-Exempt or Taxable BABs.

**Interest Payment Dates**

The Bonds will be dated the date of delivery (which is expected to be December 16, 2010) and will bear interest at the rate per annum specified by the successful bidder therefor in accordance herewith, payable on June 1, 2011 and semi-annually thereafter on the first day of December and June in each year until maturity or optional redemption.

**Principal Amortization**

Principal of the Bonds will be paid annually (at maturity, unless designated as mandatory sinking fund payments in the manner prescribed herein), subject to prior optional redemption, on December 1 of each of the following years and in the following aggregate amounts:

\$23,825,000 General Improvement Bonds, Series 2010, maturing in the principal amount of \$1,165,000 in each of the years 2012 through 2015, inclusive; \$3,840,000 in each of the years 2016 and 2017; \$3,845,000 in each of the years 2018 and 2019; and \$3,795,000 in the year 2020.

\$2,400,000 County Vocational School Bonds, Series 2010, maturing in the principal amount of \$600,000 in each of the years 2012 through 2015, inclusive.

\$1,000,000 Reclamation Center Utility Bonds, Series 2010, maturing in the principal amount of \$250,000 in the year 2011; \$85,000 in each of the years 2012 through 2017, inclusive; and \$80,000 in each of the years 2018 through 2020, inclusive.

\$2,000,000 County College Bonds, Series 2010, maturing in the principal amount of \$225,000 in each of the years 2012 through 2015, inclusive; and \$220,000 in the each of the years 2016 through 2020, inclusive.

The combined maturity schedule for the Bonds is as follows:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>
2011	\$ 250,000	2016	\$ 4,145,000
2012	2,075,000	2017	4,145,000
2013	2,075,000	2018	4,145,000
2014	2,075,000	2019	4,145,000
2015	2,075,000	2020	4,095,000



## **Term Bond Option**

Bidders may designate in their proposal two or more consecutive annual principal payments as a term bond, 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 Bonds. The Bonds, if Taxable BABs, to be redeemed in any year of mandatory sinking fund redemption shall be redeemed at par and shall be selected on a pro rata basis from among the Taxable BABs of the maturity being redeemed.

## **Redemption Provisions**

### *Optional Redemption for Tax-Exempt Bonds*

The Tax-Exempt Bonds shall not be subject to optional redemption prior to their respective maturity dates.

### *Optional Make-Whole Redemption for Taxable BABs*

The Taxable BABs are subject to optional redemption prior to maturity as a whole or in part, at any time, in any order of maturities, at the option of the County, at the Make-Whole Redemption Price. The "Make-Whole Redemption Price" is equal to the greater of (i) 100 percent of the principal amount of the Taxable BABs to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal of and interest on the Taxable BABs to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Taxable BABs are to be redeemed, discounted to the date on which the Taxable BABs 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 20 basis points; plus, in each case, accrued interest on the Taxable BABs to be redeemed to the redemption date.

"Treasury Rate" means, with respect to any redemption date for a particular Taxable BABs, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least 2 business days, but no more than 45 calendar days, prior to the redemption date (excluding inflation indexed securities )(or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Taxable BABs to be redeemed; provided, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

### *Extraordinary Optional Redemption for Taxable BABs*

The Bonds issued as Taxable BABs shall be subject to extraordinary optional redemption prior to their stated maturity dates, in whole or in part on any date, in any order of maturity, at the option of the County, upon the occurrences of an Extraordinary Event, as defined above, at a redemption price (the "Extraordinary Optional Redemption Price") equal to the greater of:

- (1) the issue price set forth on the inside cover page of the Official Statement (but not less than 100%) of the principal amount of such Taxable BABs 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 such Taxable BABs to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Taxable BABs are to be redeemed, discounted to the date on which such Taxable BABs are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, described above, plus 100 basis points;

plus, in each case, accrued interest on such Taxable BABs to be redeemed to the date fixed for redemption.

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 American Recovery and Reinvestment Act of 2009 (the "Recovery Act") with respect to BABs) or there is any guidance published by the Internal Revenue Service (the "IRS") or the United States Department of the Treasury (the "Treasury") with respect to such Sections of the Code or any other determination by the IRS or the Treasury, which determination is not the result of any act or omission by the County to satisfy the requirements to qualify to receive in the case of the Bonds, which are Taxable BABs, a payment from the Treasury of 35% of the corresponding interest payable on the Taxable BABs, pursuant to which the County's payment from the Treasury are reduced or eliminated.

### **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 Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the County or a duly appointed bond registrar. However, so long as The Depository Trust Company, New York, New York ("DTC") (or any successor thereto) acts as Securities Depository for the Bonds, Notices of Redemption shall be sent to such depository and shall not be sent to the beneficial owners of the Bonds, nor shall the notice be published as provided herein and will be

done in accordance with DTC procedures. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the County determines to redeem a portion of the Bonds of a maturity, such Bonds shall be selected by the County by lot if Tax-Exempt Bonds and on a pro rata basis if Taxable BABs. However, in the case of the Taxable BABs, the County can provide no assurance that DTC, the DTC Participants or any other intermediaries will allocate redemptions among beneficial owners on such a proportional basis. If Notice of Redemption has been given as described herein, the Bonds, or the portion thereof called for redemption, shall be due and payable on the date fixed for redemption at the Redemption Price or Extraordinary Optional Redemption Price, together with accrued interest to the date fixed for redemption. Payment shall be made upon surrender of the Bonds redeemed.

### **New Jersey School Bond Reserve Act**

The County Vocational School Bonds, Series 2010 also will be secured by the School Bond Reserve (the "School Bond Reserve") established in the Fund for the Support of Free Public Schools of the State of New Jersey (the "Fund") and in accordance with the New Jersey School Bond Reserve Act, P.L. 1980 Ch. 72, approved July 16, 1980 (the "New Jersey School Bond Reserve Act").

### **Book-Entry-Only System**

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

All Bidders of the Bonds must be participants of The Depository Trust Company, New York, New York ("DTC") or affiliated with its participants. The 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 Bonds will be made in book-entry form (without certificates) in the denomination of \$5,000 each or integral multiples of \$1,000 in excess thereof. It shall be the obligation of the successful bidder to furnish to DTC an underwriter's questionnaire and the denomination of the Bonds not less than seventy-two (72) hours prior to the delivery of the Bonds and to furnish to bond counsel, referenced below, the initial public offering prices of the Bonds not less than forty-eight (48) hours prior to delivery of the Bonds.

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

### **Electronic Bidding Procedures**

Bids may be submitted electronically via PARITY in accordance with this Notice of Sale, until 10:30 a.m., New York City time, on December 2, 2010, 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 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 Bonds, the interest rate or rates to be borne by the various maturities of the 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 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 the last business date prior to the bid date set forth above.

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

### **Bid Specifications**

A bidder may choose to submit tax-exempt interest rates or taxable interest rates on a maturity by maturity basis. The Bonds may be issued as one series of Tax-Exempt Bonds, one Series of Taxable BABs or a combination, which would include a series of Tax-Exempt Bonds and a series of Taxable BABs.

Each Proposal submitted must be for all of the 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 Bonds. Not more than one rate may be named for Bonds of the same maturity. There is no limitation on the rates that may be named.

#### *Tax-Exempt Bonds*

Each Proposal submitted must name the rate or rates of interest per annum to be borne by the Tax-Exempt Bonds bid for and the rate or rates named must be in multiples of one eighth or one twentieth of one per centum. No interest rate bid may exceed four percent (4.00%).

#### *Taxable BABs*

Each Proposal submitted must name the rate or rates of interest per annum to be borne by the Taxable BABs bid for and the rate or rates named must be in multiples of one eighth or one hundredth of one per centum. To comply with the Build America Bond provisions set forth in Section 54AA of the Code, each bid for the Taxable BABs must specify the issue price (reoffering price) of each maturity for the Taxable BABs, and such reoffering price cannot exceed the par amount of such maturity by more than 0.25% multiplied by the number of whole years to the earlier of the maturity date or the first optional redemption date for the Taxable BABs of that maturity or, in the case of a Taxable BAB that is a term bond subject to mandatory sinking fund redemptions, by the number of whole years to the date of the first mandatory sinking fund redemption (the "Maximum Reoffering Price"). The table below sets forth the applicable Maximum Reoffering Price for each maturity (or in the case of a term bond subject to mandatory sinking fund redemption, for the date of the first mandatory sinking fund redemption).

Maturity Date (December 1)	Maximum Reoffering Price	Maturity Date (December 1)	Maximum Reoffering Price
2011	100.00%	2016	101.25%
2012	100.25	2017	101.50
2013	100.50	2018	101.75
2014	100.75	2019	102.00
2015	101.00	2020	102.25

### **Award, Delivery and Payment**

The 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 Bonds and the price bid, excluding accrued interest to the delivery date. For Bonds submitted as Taxable BABs, the true interest cost on the Taxable BABs will be determined after subtracting 35 percent of each interest payment (reflecting the federal subsidy payment that the County will elect to receive as a result of the Bonds being qualified Build America Bonds). No Proposal shall be considered that offers to pay an amount less than the principal amount of 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 Bonds will be sold to one of such bidders selected by lot from among all such bidders. The bidder to which the Bonds are awarded (in the manner specified above) is herein referred to as the "Successful Bidder."

It is expected that delivery of the Bonds to DTC and payment for the Bonds will take place on or about, December 16, 2010 at the offices of Gibbons P.C., bond counsel to the County ("Bond Counsel"), in Newark, New Jersey or at such other place as may be agreed upon with the Successful Bidder. The Bonds will be delivered to DTC in single denominations for each maturity of each type of bond. PAYMENT FOR THE BONDS AT THE TIME OF ORIGINAL ISSUANCE AND DELIVERY SHALL BE IN IMMEDIATELY AVAILABLE FUNDS.

### **Change of Bid Date and Closing Date**

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](http://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 the day prior to the announced date for receipt of bids. In addition, the County reserves the right to make changes to this Notice of Sale. Such changes will be announced on the TM3.

A postponement of the bid date will be announced via TM3 not later than 10:30 a.m., New York City time, on the last business day prior to any announced date for receipt of bids, and an alternative sale date and time will be announced via 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 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 via 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 either (i) a financial surety bond (the "Financial Surety Bond"), or (ii) an electronic transfer of immediately available federal funds in accordance with the wiring instructions contained in the immediately succeeding paragraph, in the amount of \$584,500 is required for each bid for the Bonds to be considered. The Financial Surety Bond must be from an insurance company licensed to issue such a bond in the State of New Jersey and approved by the Director of the Division of Local Government Services of New Jersey (the "Director"). At present, the Director has approved the use of Sure-Bid, a division of Assured Guaranty Municipal Corp. Use of any other Financial Surety Bond must be approved by the Director prior to the bid and will not be accepted by the County unless evidence of such approval is provided prior to the bid. The Financial Surety Bond must be submitted to the County prior to 10:00 a.m. New York City time on the date for receipt of bids, and must be in the form and substance acceptable to the County. A Financial Surety Bond must identify the bidder whose Deposit is guaranteed by such Financial Surety Bond. The Successful Bidder for the Bonds who utilized a Financial Surety Bond is required to submit its Deposit to the County in the form of a wire transfer not later than 1:00 p.m. New York City time on the next business day following the award. If such Deposits are not received by that time, the Financial Surety Bond may be drawn by the County to satisfy the Deposit requirement.

A bidder providing the Deposit via electronic transfer of funds shall transmit such funds to the following:

Wachovia Bank, N.A.  
ABA No.: 031201467  
Account No.: 2041060251911  
Account Name: County of Monmouth Capital Fund  
Contact: Craig R. Marshall, Director of Finance  
Phone: (732) 431-7391

If an electronic transfer of funds is used, such funds must be received in the account identified immediately above no later than 10:00 a.m. New York City time on the date for receipt of bids, and must be accompanied by detailed wiring instructions for the return thereof in the event that such bidder is not the Successful Bidder. Please note that the contact information provided immediately above should be used by bidders for the purposes of confirming receipt of electronic transfer of funds and the transmittal of instructions for the return of such electronic transfers of funds in the event such bidder is not the Successful Bidder. Electronic transfers of funds of unsuccessful bidders for the Bonds will be returned upon award of the Bonds. It is the intent of the County that electronic transfers of funds will be returned via wire transfer to the unsuccessful bidders not later than 5:00 p.m. on the date for receipt of bids, provided that wiring instructions have been provided by such unsuccessful bidder at the time of transmission of the Deposit to the County. The County shall not bear any liability for any delay that may occur in the return of an electronic transfer of the Deposit to an unsuccessful bidder. Interest earned on the Deposit will be credited to the County and will not be available to the Successful Bidder for the Bonds.

The Deposit of the Successful Bidder will be collected and the proceeds thereof retained by the County to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the Successful Bidder shall fail to comply with the terms of its respective bid, the proceeds thereof will be retained as and for full liquidated damages. Award of the Bonds to the Successful Bidder or rejection of all bids is expected to be made within five hours after opening of the bids, but such Successful Bidder may not withdraw its Proposal for Bonds until after 5:00 p.m. of the day of such bid-opening and then only if such award has not been made prior to the withdrawal.

### **Bond Insurance**

If the Bonds qualify for issuance of any policy of municipal bond insurance, any purchase of such policy shall be at the sole option and expense of the Successful Bidder. If the Bonds are to be insured, the Successful Bidder shall pay the premium therefor prior to the delivery of the Bonds. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the Successful Bidder of its contractual obligations arising from the acceptance of its Proposal for Bonds for the purchase of the Bonds.



## CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the 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 Bonds. The CUSIP Service Bureau charges for the assignment of CUSIP numbers on the Bonds shall be the responsibility of and shall be paid for by the Successful Bidder. **ONE SERIES OF CUSIP NUMBERS WILL BE ASSIGNED TO THE COUNTY VOCATIONAL SCHOOL BONDS, SERIES 2010 (NEW JERSEY SCHOOL BOND RESERVE ACT, P.L. 1980, C.72) AND A SEPARATE SERIES OF CUSIP NUMBERS WILL BE ASSIGNED TO THE GENERAL IMPROVEMENT BONDS, SERIES 2010, RECLAMATION CENTER UTILITY BONDS, SERIES 2010 AND COUNTY COLLEGE BONDS, SERIES 2010.**

## Undertakings of the Successful Bidder

THE SUCCESSFUL BIDDER SHALL MAKE A BONA FIDE PUBLIC OFFERING OF THE 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 RESPECTIVE SERIES OF THE 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 Bonds, advise the County in writing (via facsimile transmission) of the respective Bonds initial reoffering prices to the public of each maturity of the 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 Bonds are sold at the prices or yields at which the successful bidder advised the County that the 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 bonds, the County will prepare copies of the final Official Statement and will include therein such additional information concerning the reoffering of the bonds as the successful bidder may reasonably request. The successful bidder will be responsible to the County in all aspects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering.

SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, THE SUCCESSFUL BIDDER SHALL FURNISH TO THE COUNTY A CERTIFICATE ACCEPTABLE TO BOND COUNSEL TO THE EFFECT THAT (I) THE SUCCESSFUL BIDDER HAVE MADE A BONA FIDE PUBLIC OFFERING OF BONDS AT THE INITIAL REOFFERING PRICES, (II) AS OF THE DATE OF THE SALE OF THE BONDS, THE SUCCESSFUL BIDDER REASONABLY EXPECTED TO SELL A SUBSTANTIAL AMOUNT OF THE BONDS TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT THEIR RESPECTIVE INITIAL REOFFERING PRICES, AND (III) SUBSTANTIAL AMOUNTS OF THE 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 Bonds.

### **Legal Opinions**

The obligations hereunder to pay for and to accept delivery of the Bonds shall be conditioned on the availability and the delivery at the time of delivery of the Bonds of the approving opinion of the law firm of Gibbons P.C., Newark, 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 Bonds. Such opinion shall state to the effect that the 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 Bonds and the interest thereon; and will also state that under existing law, interest on the Tax-Exempt Bonds is excluded from gross income for purposes of Federal income taxation. The obligations hereunder to pay for and to accept delivery of the Bonds shall be further conditioned on the availability and delivery to the Successful Bidder, at the time of delivery of the Bonds, of (i) certificates from the County Finance Director in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds, the receipt of payment therefor and the fact the Bonds will not be arbitrage obligations within the meaning of the Code; (ii) a certificate from the County Attorney, 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 Bonds; and (iii) a certificate from the County Finance Director, 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 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 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](http://www.i-dealprospectus.com). A printed version is also available upon request made to the Director of Finance of the County at the 300 Halls Mill Road, Finance Department, 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 two hundred (200) copies of the final Official Statement adopted by the County in relation to the sale by the County of the 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.

### **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

Dated: November 24, 2010

**NOTICE OF SALE**

**\$20,775,000**

**COUNTY OF MONMOUTH  
NEW JERSEY**

**GENERAL IMPROVEMENT BONDS, SERIES 2010B  
(FEDERALLY TAXABLE - RECOVERY ZONE ECONOMIC DEVELOPMENT  
BONDS - DIRECT PAY TO ISSUER)**

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 December 2, 2010 until 11:15 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 \$20,775,000,000 General Improvement Bonds, Series 2010B (Federally Taxable - Recovery Zone Economic Development Bonds - Direct Pay to Issuer) (the "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 Bonds as taxable obligations designated as Recovery Zone Economic Development Bonds under Section 54AA and 1400U-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 owners of, and the owners of beneficial interest in, the Bonds will not receive any subsidy payments with respect to such Bonds.

**Interest Payment Dates**

The Bonds will be dated the date of delivery (which is expected to be December 16, 2010) and will bear interest at the rate per annum specified by the successful bidder therefor in accordance herewith, payable on June 1, 2011 and semi-annually thereafter on the first day of December and June in each year until maturity or optional redemption.

## **Principal Amortization**

Principal of the Bonds will be paid annually (at maturity, unless designated as mandatory sinking fund payments in the manner prescribed herein), subject to prior optional redemption, on December 1 of each of the following years and in the following aggregate amounts:

<u>Year</u>	<u>Principal Amount</u>
2020	\$ 50,000
2021	4,145,000
2022	4,145,000
2023	4,145,000
2024	4,145,000
2025	4,145,000

## **Term Bond Option**

Bidders may designate in their proposal two or more consecutive annual principal payments as a term bond, 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 Bonds. The Bonds to be redeemed in any year of mandatory sinking fund redemption shall be redeemed at par and shall be selected on a pro rata basis from among the Bonds of the maturity being redeemed.

## **Redemption Provisions**

### *Optional Make-Whole Redemption for Bonds*

The Bonds are subject to optional redemption prior to maturity as a whole or in part, at any time, in any order of maturities, at the option of the County, at the Make-Whole Redemption Price. The "Make-Whole Redemption Price" is equal to the greater of (i) 100 percent of the principal amount of the Bonds to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal of and interest on the Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Bonds are to be redeemed, discounted to the date on which the 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 20 basis points; plus, in each case, accrued interest on the Bonds to be redeemed to the redemption date.

“Treasury Rate” means, with respect to any redemption date for a particular Bonds, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least 2 business days, but no more than 45 calendar days, prior to the redemption date (excluding inflation indexed securities )(or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Bonds to be redeemed; provided, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

*Extraordinary Optional Redemption for Bonds*

The Bonds shall be subject to extraordinary optional redemption prior to their stated maturity dates, in whole or in part on any date, in any order of maturity, at the option of the County, upon the occurrences of an Extraordinary Event, as defined below, at a redemption price (the “Extraordinary Optional Redemption Price”) equal to the greater of:

(1) the issue price set forth on the inside cover page of the Official Statement (but not less than 100%) of the principal amount of such 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 such Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Bonds are to be redeemed, discounted to the date on which such 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, described above, plus 100 basis points;

plus, in each case, accrued interest on such Bonds to be redeemed to the date fixed for redemption.

An “Extraordinary Event” will have occurred if the County determines that a material adverse change has occurred to Section 1400U-2 of the Code (as such Section was added by Section 1401 of the American Recovery and Reinvestment Act of 2009 (the "Recovery Act") with respect to Recovery Zone Economic Development Bonds) or there is any guidance published by the Internal Revenue Service (the “IRS”) or the United States Department of the Treasury (the “Treasury”) with respect to such Sections of the Code or any other determination by the IRS or the Treasury, which determination is not the result of any act or omission by the County to satisfy the requirements to qualify to receive a payment from the Treasury of 45% of the corresponding interest payable on the Bonds, pursuant to which the County’s payment from the Treasury is reduced or eliminated.

## **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 Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the County, or a duly appointed bond registrar. However, so long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notices of Redemption shall be sent to such depository and shall not be sent to the beneficial owners of the Bonds, nor shall the notice be published as provided herein and will be done in accordance with DTC procedures. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the County determines to redeem a portion of the Bonds of a maturity, such Bonds shall be selected by the County on a pro rata basis. However, the County can provide no assurance that DTC, the DTC Participants or any other intermediaries will allocate redemptions among beneficial owners on such a proportional basis. If Notice of Redemption has been given as described herein, the Bonds, or the portion thereof called for redemption, shall be due and payable on the date fixed for redemption at the Make-Whole Redemption Price or Extraordinary Optional Redemption Price, together with accrued interest to the date fixed for redemption. Payment shall be made upon surrender of the Bonds redeemed.

## **Book-Entry-Only System**

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

All Bidders of the Bonds must be participants of The Depository Trust Company, New York, New York ("DTC") or affiliated with its participants. The 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 Bonds will be made in book-entry form (without certificates) in the denomination of \$5,000 each or integral multiples of \$1,000 in excess thereof. It shall be the obligation of the successful bidder to furnish to DTC an underwriter's questionnaire and the denomination of the Bonds not less than seventy-two (72) hours prior to the delivery of the Bonds and to furnish to bond counsel, referenced below, the initial public offering prices of the Bonds not less than forty-eight (48) hours prior to delivery of the Bonds.

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

### **Electronic Bidding Procedures**

Bids may be submitted electronically via PARITY in accordance with this Notice of Sale, until 11:15 a.m., New York City time, on December 2, 2010, 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 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 Bonds, the interest rate or rates to be borne by the various maturities of the 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 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 the last business date prior to the bid date set forth above.



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

**Bid Specifications**

Each Proposal submitted must name the rate or rates of interest per annum to be borne by the Bonds bid for and the rate or rates named must be in multiples of one-eighth or one one-hundredth of one per centum. Not more than one rate may be named for 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 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 Bonds.

To comply with the Build America Bonds provisions set forth in Section 54AA of the Code and the Recovery Zone Economic Development Bonds provisions set forth in Section 1400U-2 of the Code, each bid for the Bonds must specify the issue price (reoffering price) of each maturity for the Bonds, and such reoffering price cannot exceed the par amount of such maturity by more than 0.25% multiplied by the number of whole years to the earlier of the maturity date or the first optional redemption date for the Bonds of that maturity or, in the case of a Bond that is a term bond subject to mandatory sinking fund redemptions, by the number of whole years to the date of the first mandatory sinking fund redemption (the “Maximum Reoffering Price”). The table below sets forth the applicable Maximum Reoffering Price for each maturity (or in the case of a term bond subject to mandatory sinking fund redemption, for the date of the first mandatory sinking fund redemption).

Maturity Date (December 1)	Maximum Reoffering Price	Maturity Date (December 1)	Maximum Reoffering Price
2020	102.25%	2023	103.00%
2021	102.50	2024	103.25
2022	102.75	2025	103.50

## **Award, Delivery and Payment**

The 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 Bonds and the price bid, excluding accrued interest to the delivery date. With respect to the County designating the Bonds as Recovery Zone Economic Development Bonds, the lowest true interest cost for the Bonds will be determined in the same manner with the exception that the "direct credit payment to issuer" expected to be received by the County with respect to the Bonds will be treated as a 45% reduction in each interest payment due on such Bonds. No Proposal shall be considered that offers to pay an amount less than the principal amount of 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 Bonds will be sold to one of such bidders selected by lot from among all such bidders. The bidder to which the Bonds are awarded (in the manner specified above) is herein referred to as the "Successful Bidder."

It is expected that delivery of the Bonds to DTC and payment for the Bonds will take place on or about, December 16, 2010 at the offices of Gibbons P.C., bond counsel to the County ("Bond Counsel"), in Newark, New Jersey or at such other place as may be agreed upon with the Successful Bidder. The Bonds will be delivered to DTC in single denominations for each maturity of each type of bond. PAYMENT FOR THE BONDS AT THE TIME OF ORIGINAL ISSUANCE AND DELIVERY SHALL BE IN IMMEDIATELY AVAILABLE FUNDS.

## **Change of Bid Date and Closing Date**

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](http://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 the day prior to the announced date for receipt of bids. In addition, the County reserves the right to make changes to this Notice of Sale. Such changes will be announced on the TM3.

A postponement of the bid date will be announced via TM3 not later than 11:15 a.m., New York City time, on the last business day prior to any announced date for receipt of bids, and an alternative sale date and time will be announced via 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 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 via 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 either (i) a financial surety bond (the "Financial Surety Bond"), or (ii) an electronic transfer of immediately available federal funds in accordance with the wiring instructions contained in the immediately succeeding paragraph, in the amount of \$415,500 is required for each bid for the Bonds to be considered. The Financial Surety Bond must be from an insurance company licensed to issue such a bond in the State of New Jersey and approved by the Director of the Division of Local Government Services of New Jersey (the "Director"). At present, the Director has approved the use of Sure-Bid, a division of Assured Guaranty Municipal Corp. Use of any other Financial Surety Bond must be approved by the Director prior to the bid and will not be accepted by the County unless evidence of such approval is provided prior to the bid. The Financial Surety Bond must be submitted to the County prior to 10:45 a.m. New York City time on the date for receipt of bids, and must be in the form and substance acceptable to the County. A Financial Surety Bond must identify the bidder whose Deposit is guaranteed by such Financial Surety Bond. The Successful Bidder for the Bonds who utilized a Financial Surety Bond is required to submit its Deposit to the County in the form of a wire transfer not later than 1:00 p.m. New York City time on the next business day following the award. If such Deposits are not received by that time, the Financial Surety Bond may be drawn by the County to satisfy the Deposit requirement.

A bidder providing the Deposit via electronic transfer of funds shall transmit such funds to the following:

Wachovia Bank, N.A.  
ABA No.: 031201467  
Account No.: 2041060251911  
Account Name: County of Monmouth Capital Fund  
Contact: Craig R. Marshall, Director of Finance  
Phone: (732) 431-7391

If an electronic transfer of funds is used, such funds must be received in the account identified immediately above no later than 10:45 a.m. New York City time on the date for receipt of bids, and must be accompanied by detailed wiring instructions for the return thereof in the event that such bidder is not the Successful Bidder. Please note that the contact information provided

immediately above should be used by bidders for the purposes of confirming receipt of electronic transfer of funds and the transmittal of instructions for the return of such electronic transfers of funds in the event such bidder is not the Successful Bidder. Electronic transfers of funds of unsuccessful bidders for the Bonds will be returned upon award of the Bonds. It is the intent of the County that electronic transfers of funds will be returned via wire transfer to the unsuccessful bidders not later than 5:00 p.m. on the date for receipt of bids, provided that wiring instructions have been provided by such unsuccessful bidder at the time of transmission of the Deposit to the County. The County shall not bear any liability for any delay that may occur in the return of an electronic transfer of the Deposit to an unsuccessful bidder. Interest earned on the Deposit will be credited to the County and will not be available to the Successful Bidder for the Bonds.

The Deposit of the Successful Bidder will be collected and the proceeds thereof retained by the County to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the Successful Bidder shall fail to comply with the terms of its respective bid, the proceeds thereof will be retained as and for full liquidated damages. Award of the Bonds to the Successful Bidder or rejection of all bids is expected to be made within five hours after opening of the bids, but such Successful Bidder may not withdraw its Proposal for Bonds until after 5:00 p.m. of the day of such bid-opening and then only if such award has not been made prior to the withdrawal.

### **Bond Insurance**

If the Bonds qualify for issuance of any policy of municipal bond insurance, any purchase of such policy shall be at the sole option and expense of the Successful Bidder. If the Bonds are to be insured, the Successful Bidder shall pay the premium therefor prior to the delivery of the Bonds. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the Successful Bidder of its contractual obligations arising from the acceptance of its Proposal for Bonds for the purchase of the Bonds.

### **CUSIP Numbers**

It is anticipated that CUSIP identification numbers will be printed on the 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 Bonds. The CUSIP Service Bureau charges for the assignment of CUSIP numbers on the 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 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 RESPECTIVE SERIES OF THE 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 Bonds, advise the County in writing (via facsimile transmission) of the respective Bonds initial reoffering prices to the public of each maturity of the 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 Bonds are sold at the prices or yields at which the successful bidder advised the County that the 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 bonds, the County will prepare copies of the final Official Statement and will include therein such additional information concerning the reoffering of the bonds as the successful bidder may reasonably request. The successful bidder will be responsible to the County in all aspects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering.

SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, THE SUCCESSFUL BIDDER SHALL FURNISH TO THE COUNTY A CERTIFICATE ACCEPTABLE TO BOND COUNSEL TO THE EFFECT THAT (I) THE SUCCESSFUL BIDDER HAVE MADE A BONA FIDE PUBLIC OFFERING OF BONDS AT THE INITIAL REOFFERING PRICES, (II) AS OF THE DATE OF THE SALE OF THE BONDS, THE SUCCESSFUL BIDDER REASONABLY EXPECTED TO SELL A SUBSTANTIAL AMOUNT OF THE BONDS TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT THEIR RESPECTIVE INITIAL REOFFERING PRICES, AND (III) SUBSTANTIAL AMOUNTS OF THE 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 Bonds.

## **Legal Opinions**

The obligations hereunder to pay for and to accept delivery of the Bonds shall be conditioned on the availability and the delivery at the time of delivery of the Bonds of the approving opinion of the law firm of Gibbons P.C., Newark, 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 Bonds. Such opinion shall state to the effect that the 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 Bonds and the interest thereon. The obligations hereunder to pay for and to accept delivery of the Bonds shall be further conditioned on the availability and delivery to the Successful Bidder, at the time of delivery of the Bonds, of (i) certificates from the County Finance Director in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds, the receipt of payment therefor and the fact the Bonds will not be arbitrage obligations within the meaning of the Code; (ii) a certificate from the County Attorney, 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 Bonds; and (iii) a certificate from the County Finance Director, 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 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 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.idealprospectus.com](http://www.idealprospectus.com). A printed version is also available upon request made to the Director of Finance of the County at 300 Halls Mill Road, Finance Department, 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 two hundred (200) copies of the final Official Statement adopted by the County in relation to the sale by the County of the 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.

**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

November 24, 2010

## **NOTICE OF SALE**

**\$33,255,000\***

**COUNTY OF MONMOUTH  
NEW JERSEY**

### **GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010C**

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 December 2, 2010 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 \$33,255,000\* General Obligation Refunding Bonds, Series 2010C, consisting of: \$29,190,000\* General Improvement Refunding Bonds (Tax-Exempt) and \$4,065,000\* Reclamation Center Utility Refunding Bonds (Tax-Exempt) (collectively, the "Bonds"). Bidders are required to submit their Proposals for the purchase of the Bonds in accordance with the terms of the Notice of Sale.

#### **Interest Payment Dates**

The Bonds will be dated the date of delivery (which is expected to be December 16, 2010) and will bear interest at the rate per annum specified by the successful bidder therefor in accordance herewith, payable on March 1, 2011 and semi-annually thereafter on the first day of September and March in each year until maturity.

#### **Principal Amortization**

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

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\* Preliminary, subject to adjustment.



\$29,190,000 General Improvement Refunding Bonds (Tax-Exempt), maturing in the principal amount of \$3,115,000 in the year 2013; \$6,205,000 in the year 2014; \$6,150,000 in the year 2015; \$6,115,000 in each of the years 2016; \$4,820,000 in the year 2017; and \$2,785,000 in the year 2018.\*

\$4,065,000 Reclamation Center Utility Refunding Bonds (Tax-Exempt), maturing in the principal amount of \$760,000 in the year 2013; \$840,000 in the year 2014; \$830,000 in the year 2015; \$820,000 in the year 2016; and \$815,000 in the year 2017.\*

The combined maturity schedule for the Bonds is as follows:

<u>Year</u>	<u>Principal Amount*</u>	<u>Year</u>	<u>Principal Amount*</u>
2013	\$3,875,000	2016	\$6,935,000
2014	7,045,000	2017	5,635,000
2015	6,980,000	2018	2,785,000

\* Preliminary, subject to adjustment.

### **Term Bond Option**

Bidders may designate in their proposal two or more consecutive annual principal payments as a term bond, 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 Bonds.

### **Redemption Provisions**

The Bonds are not subject to redemption prior to their stated maturities.

### **Book-Entry-Only System**

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

All Bidders of the Bonds must be participants of The Depository Trust Company, New York, New York (“DTC”) or affiliated with its participants. The 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 Bonds will be made in book-entry form (without certificates) in the denomination of \$5,000 each or integral multiples of \$1,000 in excess thereof. It shall be the obligation of the successful bidder to furnish to DTC an underwriter’s questionnaire and the denomination of the Bonds not less than seventy-two (72) hours prior to the delivery of the Bonds and to furnish to bond counsel, referenced below, the initial public offering prices of the Bonds not less than forty-eight (48) hours prior to delivery of the Bonds.

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

### **Adjustment to Principal Amounts**

The preliminary aggregate principal amount of the Bonds and the preliminary principal amount of each annual payment on the Bonds as set forth in this Notice of Sale (the “Preliminary Aggregate Principal Amount” and the “Preliminary Principal Amount” of each annual payment, respectively; collectively, the “Preliminary Amounts”) may be revised before the receipt of electronic bids for their purchase. ANY SUCH REVISIONS made prior to the receipt of electronic bids (the “Revised Aggregate Principal Amount” and the “Revised Principal Amount” of each annual payment, respectively; collectively, the “Revised Amounts”) WILL BE PUBLISHED ON THOMSON MUNICIPAL MARKET MONITOR (“TM3”) ([www.TM3.com](http://www.TM3.com)) NOT LATER THAN 11:30 A.M. (NEW YORK CITY TIME) ON THE LAST BUSINESS DAY PRIOR TO THE DATE OF SALE. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. Bidders shall submit bids based on the Revised Amounts and the Revised Amounts will be used to compare bids and select a winning bidder.

As promptly as reasonably possible after the bids are received, the County will notify the bidder to whom the Bonds will be awarded, if and when such award is made, and such bidder, upon such notice, shall advise the County of the initial reoffering prices to the public of each maturity of the Bonds (the “Initial Reoffering Prices”). Such Initial Reoffering Prices, among other things, will be used by the County to calculate the final principal amount of each annual payment on the Bonds (the “Final Aggregate Principal Amount” and the “Final Principal Amount” of each annual payment, respectively; collectively, the “Final Amounts”) to accommodate the refunding objectives of the County. The Final Aggregate Principal Amount of the Bonds will not be reduced or increased by more than 10% from the Revised Aggregate Principal Amount. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS.

The dollar amount bid by the successful bidder for the Bonds will be adjusted to reflect changes in the dollar amount of the underwriter's discount and the original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of Bonds from the selling compensation that would have been received based on the purchase price in the winning bid and the Initial Reoffering Prices. The Final Amounts will be communicated to the successful bidder as soon as possible, but not later than 11:00 a.m. the day after awarding the Bonds.

### **Electronic Bidding Procedures**

Bids may be submitted electronically via PARITY in accordance with this Notice of Sale, until 11:30 a.m., New York City time, on December 2, 2010, 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 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 Bonds, the interest rate or rates to be borne by the various maturities of the 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 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 the last business date prior to the bid date set forth above.

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

### **Bid Specifications**

Each Proposal submitted must name the rate or rates of interest per annum to be borne by the 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 Bonds of the same maturity. There is no limitation on the rates that may be named. No interest rate bid may exceed five percent (5.00%). Each Proposal submitted must be for all of the 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 Bonds.

### **Award, Delivery and Payment**

The 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 Bonds and the price bid, excluding accrued interest to the delivery date. No Proposal shall be considered that offers to pay an amount less than the principal amount of 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 Bonds will be sold to one of such bidders selected by lot from among all such bidders. The bidder to which the Bonds are awarded (in the manner specified above) is herein referred to as the "Successful Bidder."

It is expected that delivery of the Bonds to DTC and payment for the Bonds will take place on or about, December 16, 2010 at the offices of Gibbons P.C., bond counsel to the County ("Bond Counsel"), in Newark, New Jersey or at such other place as may be agreed upon with the Successful Bidder. The Bonds will be delivered to DTC in single denominations for each maturity of each type of bond. PAYMENT FOR THE BONDS AT THE TIME OF ORIGINAL ISSUANCE AND DELIVERY SHALL BE IN IMMEDIATELY AVAILABLE FUNDS.

### **Change of Bid Date and Closing Date**

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](http://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 the day prior to the announced date for receipt of bids. In addition, the County reserves the right to make changes to this Notice of Sale. Such changes will be announced on the TM3.

A postponement of the bid date will be announced via TM3 not later than 11:30 a.m., New York City time, on the last business day prior to any announced date for receipt of bids, and an alternative sale date and time will be announced via 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 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 via 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 either (i) a financial surety bond (the "Financial Surety Bond"), or (ii) an electronic transfer of immediately available federal funds in accordance with the wiring instructions contained in the immediately succeeding paragraph, in the amount of \$665,100 is required for each bid for the Bonds to be considered. The Financial Surety Bond must be from an insurance company licensed to issue such a bond in the State of New Jersey and approved by the Director of the Division of Local Government Services of New Jersey (the "Director"). At present, the Director has approved the use of Sure-Bid, a division of Assured Guaranty Municipal Corp. Use of any other Financial Surety Bond must be approved by the Director prior to the bid and will not be accepted by the County unless evidence of such approval is provided prior to the bid. The Financial Surety Bond must be submitted to the County prior to 11:00 a.m. New York City time on the date for receipt of bids, and must be in the form and substance acceptable to the County. A Financial Surety Bond must identify the bidder whose Deposit is guaranteed by such Financial Surety Bond. The Successful Bidder for the Bonds who utilized a Financial Surety Bond is required to submit its Deposit to the County in the form of a wire transfer not later than 1:00 p.m. New York City time on the next business day following the award. If such Deposits are not received by that time, the Financial Surety Bond may be drawn by the County to satisfy the Deposit requirement.

A bidder providing the Deposit via electronic transfer of funds shall transmit such funds to the following:

Wachovia Bank, N.A.  
ABA No.: 031201467  
Account No.: 2041060251911  
Account Name: County of Monmouth Capital Fund  
Contact: Craig R. Marshall, Director of Finance  
Phone: (732) 431-7391

If an electronic transfer of funds is used, such funds must be received in the account identified immediately above no later than 11:00 a.m. New York City time on the date for receipt of bids, and must be accompanied by detailed wiring instructions for the return thereof in the event that such bidder is not the Successful Bidder. Please note that the contact information provided immediately above should be used by bidders for the purposes of confirming receipt of electronic transfer of funds and the transmittal of instructions for the return of such electronic transfers of funds in the event such bidder is not the Successful Bidder. Electronic transfers of funds of unsuccessful bidders for the Bonds will be returned upon award of the Bonds. It is the intent of the County that electronic transfers of funds will be returned via wire transfer to the unsuccessful bidders not later than 5:00 p.m. on the date for receipt of bids, provided that wiring instructions have been provided by such unsuccessful bidder at the time of transmission of the Deposit to the County. The County shall not bear any liability for any delay that may occur in the return of an electronic transfer of the Deposit to an unsuccessful bidder. Interest earned on the Deposit will be credited to the County and will not be available to the Successful Bidder for the Bonds.

The Deposit of the Successful Bidder will be collected and the proceeds thereof retained by the County to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the Successful Bidder shall fail to comply with the terms of its respective bid, the proceeds thereof will be retained as and for full liquidated damages. Award of the Bonds to the Successful Bidder or rejection of all bids is expected to be made within five hours after opening of the bids, but such Successful Bidder may not withdraw its Proposal for Bonds until after 5:00 p.m. of the day of such bid-opening and then only if such award has not been made prior to the withdrawal.

### **Bond Insurance**

If the Bonds qualify for issuance of any policy of municipal bond insurance, any purchase of such policy shall be at the sole option and expense of the Successful Bidder. If the Bonds are to be insured, the Successful Bidder shall pay the premium therefor prior to the delivery of the Bonds. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the Successful Bidder of its contractual obligations arising from the acceptance of its Proposal for Bonds for the purchase of the Bonds.

## **CUSIP Numbers**

It is anticipated that CUSIP identification numbers will be printed on the 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 Bonds. The CUSIP Service Bureau charges for the assignment of CUSIP numbers on the 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 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 RESPECTIVE SERIES OF THE 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 Bonds, advise the County in writing (via facsimile transmission) of the respective Bonds initial reoffering prices to the public of each maturity of the 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 Bonds are sold at the prices or yields at which the successful bidder advised the County that the 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 bonds, the County will prepare copies of the final Official Statement and will include therein such additional information concerning the reoffering of the bonds as the successful bidder may reasonably request. The successful bidder will be responsible to the County in all aspects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering.

SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, THE SUCCESSFUL BIDDER SHALL FURNISH TO THE COUNTY A CERTIFICATE ACCEPTABLE TO BOND COUNSEL TO THE EFFECT THAT (I) THE SUCCESSFUL BIDDER HAVE MADE A BONA FIDE PUBLIC OFFERING OF BONDS AT THE INITIAL REOFFERING PRICES, (II) AS OF THE DATE OF THE SALE OF THE BONDS, THE SUCCESSFUL BIDDER REASONABLY EXPECTED TO SELL A SUBSTANTIAL AMOUNT OF THE BONDS TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT THEIR RESPECTIVE INITIAL REOFFERING PRICES, AND (III) SUBSTANTIAL AMOUNTS OF THE 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 Bonds.

### **Legal Opinions**

The obligations hereunder to pay for and to accept delivery of the Bonds shall be conditioned on the availability and the delivery at the time of delivery of the Bonds of the approving opinion of the law firm of Gibbons P.C., Newark, 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 Bonds. Such opinion shall state to the effect that the 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 Bonds and the interest thereon; and will also state that under existing law, interest on the Bonds is excluded from gross income for purposes of Federal income taxation. The obligations hereunder to pay for and to accept delivery of the Bonds shall be further conditioned on the availability and delivery to the Successful Bidder, at the time of delivery of the Bonds, of (i) certificates from the County Finance Director in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds, the receipt of payment therefor and the fact the Bonds will not be arbitrage obligations within the meaning of the Code; (ii) a certificate from the County Attorney, 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 Bonds; and (iii) a certificate from the County Finance Director, 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 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 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](http://www.i-dealprospectus.com). A printed version is also available upon request made to the Director of Finance of the County at 300 Halls Mill Road, Finance Department, 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 two hundred (200) copies of the final Official Statement adopted by the County in relation to the sale by the County of the 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.

### **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

Dated: November 24, 2010

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**APPENDIX D**

**FORMS OF OPINIONS OF GIBBONS P.C., BOND COUNSEL  
TO THE COUNTY OF MONMOUTH, NEW JERSEY**

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December 16, 2010

Board of Chosen Freeholders  
County of Monmouth  
Hall of Records  
Freehold, New Jersey 07728-1256

Dear Board Members:

We have examined certified copies of the proceedings of the Board of Chosen Freeholders of the County of Monmouth, State of New Jersey (the "County"), including ordinances, affidavits and certificates delivered by officials of the County, and other proofs submitted to us relative to the issuance and sale by the County of its \$12,695,000 General Obligation Bonds, Series 2010A (Tax-Exempt), consisting of \$8,500,000 General Improvement Bonds, Series 2010, \$2,400,000 County Vocational School Bonds, Series 2010 (New Jersey School Bond Reserve Act, P.L. 1980, c.72), \$675,000 Reclamation Center Utility Bonds, Series 2010, and \$1,120,000 County College Bonds, Series 2010, dated the date of delivery (the "Bonds").

The Bonds are issued pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the New Jersey Statutes (the "Local Bond Law"), a resolution of the Board of Chosen Freeholders adopted on November 23, 2010 (the "Resolution") and by virtue of various bond ordinances of the County (the "Bond Ordinance").

The Bonds are dated the date of delivery, bear interest at the interest rates set forth on the cover of the Official Statement relating to the Bonds and mature on December 1 in the principal amounts as set forth below:

<u>Year</u>	<u>General Improvement Bonds</u>	<u>County Vocational School Bonds</u>	<u>Reclamation Center Utility Bonds</u>	<u>County College Bonds</u>
2011	\$ -	\$ -	\$250,000	\$ -
2012	1,165,000	600,000	85,000	225,000
2013	1,165,000	600,000	85,000	225,000
2014	1,165,000	600,000	85,000	225,000
2015	1,165,000	600,000	85,000	225,000
2016	3,840,000		85,000	220,000

The Bonds are not subject to redemption prior to maturity.

We have examined the Local Bond Law and such other laws and originals (or copies certified or otherwise identified to our satisfaction) of such instruments, certificates and documents as we deem necessary to render the opinions set forth herein. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies.

Based upon the foregoing and subject to the qualifications set forth herein, we are of the opinion that:

1. The aforementioned proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to the Local Bond Law and other applicable provisions of law, and that the Bonds have been duly authorized, executed and delivered and are valid and legally binding obligations of the County.
2. The County has the power and is obligated to levy ad valorem taxes upon all the taxable property within the County for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount.
3. Under existing law, interest on the Bonds is excluded from the gross income of the owners of the Bonds for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax. We express no opinion regarding any other Federal income tax consequences arising with respect to the Bonds.
4. Under existing law, interest on the Bonds and net gains on the sale of the Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

With respect to our federal income tax opinion, we note that the Code imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Bonds in

order for interest on the Bonds to be excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code. The County has covenanted to comply with the provisions of the Code applicable to the Bonds and has covenanted not to take any action or permit any action to be taken which would cause the interest on the Bonds to lose the exclusion from gross income for Federal income tax purposes under Section 103 of the Code or cause interest on the Bonds to be treated as an item of tax preference under Section 57 of the Code. We have assumed continuing compliance by the County with the above covenants in rendering our opinion with respect to the exclusion of interest on the Bonds from gross income for Federal income tax purposes and with respect to interest on the Bonds not constituting an item of tax preference.

Attention is called to the fact that we have not been requested to examine and have not examined any documents or information relating to the County other than the certified copies of the proceedings and proofs referred to hereinabove, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of said Bonds.

Our opinion concerning the enforceability of the Bonds is subject to federal and state laws regarding bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and remedies generally (including, without limitation, laws relating to fraudulent conveyance, and by general principles of law and equity (regardless of whether enforcement is considered or sought in proceedings at law or in equity) and by limitation on remedial rights under applicable law). Their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

The opinions stated herein are based upon current authorities, and there can be no assurance that future legislative or administrative changes or court decisions will not affect said opinions. We undertake no obligation to inform you of any matter occurring after the date of this letter which affects in any way the opinion given herein.

Except as stated above, we express no opinion as to any Federal or state tax consequences with respect to the Bonds.

Very truly yours,

Gibbons P.C.

December 16, 2010

Board of Chosen Freeholders  
County of Monmouth  
Hall of Records  
Freehold, New Jersey 07728-1256

Dear Board Members:

We have examined certified copies of the proceedings of the Board of Chosen Freeholders of the County of Monmouth, State of New Jersey (the "County"), including ordinances, affidavits and certificates delivered by officials of the County, and other proofs submitted to us relative to the issuance and sale by the County of its \$16,530,000 General Obligation Bonds, Series 2010A (Federally Taxable), consisting of \$15,325,000 General Improvement Bonds, Series 2010 (Federally Taxable - Build America Bonds - Direct Pay to Issuer), \$325,000 Reclamation Center Utility Bonds, Series 2010 (Federally Taxable - Build America Bonds - Direct Pay to Issuer), and \$880,000 County College Bonds, Series 2010 (Federally Taxable - Build America Bonds - Direct Pay to Issuer), dated the date of delivery (the "Bonds").

The Bonds are issued pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the New Jersey Statutes (the "Local Bond Law"), a resolution of the Board of Chosen Freeholders adopted on November 23, 2010 (the "Resolution") and by virtue of various bond ordinances of the County (the "Bond Ordinance").

The Bonds are dated the date of delivery, bear interest at the interest rates set forth on the cover of the Official Statement relating to the Bonds and mature on December 1 in the principal amounts as set forth below:

<u>Year</u>	<u>General Improvement Bonds</u>	<u>Reclamation Center Utility Bonds</u>	<u>County College Bonds</u>
2017	\$3,840,000	\$85,000	\$220,000



2018	3,845,000	80,000	220,000
2019	3,845,000	80,000	220,000
2020	3,795,000	80,000	220,000

The Bonds are subject to redemption prior to maturity.

We have examined the Local Bond Law and such other laws and originals (or copies certified or otherwise identified to our satisfaction) of such instruments, certificates and documents as we deem necessary to render the opinions set forth herein. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies.

Based upon the foregoing and subject to the qualifications set forth herein, we are of the opinion that:

1. The aforementioned proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to the Local Bond Law and other applicable provisions of law, and that the Bonds have been duly authorized, executed and delivered and are valid and legally binding obligations of the County.
2. The County has the power and is obligated to levy ad valorem taxes upon all the taxable property within the County for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount.
3. Under existing law, interest on the Bonds and net gains on the sale of the Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

Attention is called to the fact that we have not been requested to examine and have not examined any documents or information relating to the County other than the certified copies of the proceedings and proofs referred to hereinabove, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of said Bonds.

Our opinion concerning the enforceability of the Bonds is subject to federal and state laws regarding bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and remedies generally (including, without limitation, laws relating to fraudulent conveyance, and by general principles of law and equity (regardless of whether enforcement is considered or sought in proceedings at law or in equity) and by limitation on remedial rights under applicable law). Their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

The opinions stated herein are based upon current authorities, and there can be no assurance that future legislative or administrative changes or court decisions will not affect said opinions. We undertake no obligation to inform you of any matter occurring after the date of this letter which affects in any way the opinion given herein.

Except as stated above, we express no opinion as to any Federal or state tax consequences with respect to the Bonds.

Very truly yours,

Gibbons P.C.

December 16, 2010

Board of Chosen Freeholders  
County of Monmouth  
Hall of Records  
Freehold, New Jersey 07728-1256

Dear Board Members:

We have examined certified copies of the proceedings of the Board of Chosen Freeholders of the County of Monmouth, State of New Jersey (the "County"), including ordinances, affidavits and certificates delivered by officials of the County, and other proofs submitted to us relative to the issuance and sale by the County of its \$20,775,000 General Improvement Bonds, Series 2010B (Federally Taxable - Recovery Zone Economic Development Bonds - Direct Pay to Issuer), dated the date of delivery (the "Bonds").

The Bonds are issued pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the New Jersey Statutes (the "Local Bond Law"), a resolution of the Board of Chosen Freeholders adopted on November 23, 2010 (the "Resolution") and by virtue of various bond ordinances of the County (the "Bond Ordinance").

The Bonds are dated the date of delivery, bear interest at the interest rates set forth on the cover of the Official Statement relating to the Bonds and mature on December 1 in the principal amounts as set forth below:

<u>Year</u>	<u>Principal Amount</u>
2020	\$ 50,000
2021	4,145,000
2022	4,145,000
2023	4,145,000

2024	4,145,000
2025	4,145,000

The Bonds are subject to redemption prior to maturity.

We have examined the Local Bond Law and such other laws and originals (or copies certified or otherwise identified to our satisfaction) of such instruments, certificates and documents as we deem necessary to render the opinions set forth herein. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies.

Based upon the foregoing and subject to the qualifications set forth herein, we are of the opinion that:

1. The aforementioned proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to the Local Bond Law and other applicable provisions of law, and that the Bonds have been duly authorized, executed and delivered and are valid and legally binding obligations of the County.
2. The County has the power and is obligated to levy ad valorem taxes upon all the taxable property within the County for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount.
3. Under existing law, interest on the Bonds and net gains on the sale of the Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

Attention is called to the fact that we have not been requested to examine and have not examined any documents or information relating to the County other than the certified copies of the proceedings and proofs referred to hereinabove, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of said Bonds.

Our opinion concerning the enforceability of the Bonds is subject to federal and state laws regarding bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and remedies generally (including, without limitation, laws relating to fraudulent conveyance, and by general principles of law and equity (regardless of whether enforcement is considered or sought in proceedings at law or in equity) and by limitation on remedial rights under applicable law). Their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

The opinions stated herein are based upon current authorities, and there can be no assurance that future legislative or administrative changes or court decisions will not affect said opinions. We undertake no obligation to inform you of any matter occurring after the date of this letter which affects in any way the opinion given herein.

Except as stated above, we express no opinion as to any Federal or state tax consequences with respect to the Bonds.

Very truly yours,

Gibbons P.C.

December 16, 2010

Board of Chosen Freeholders  
County of Monmouth  
Hall of Records  
Freehold, New Jersey 07728-1256

Dear Board Members:

We have examined certified copies of the proceedings of the Board of Chosen Freeholders of the County of Monmouth, State of New Jersey (the "County"), including an ordinance, affidavits and certificates delivered by officials of the County, and other proofs submitted to us relative to the issuance and sale by the County of its \$32,575,000 General Obligation Refunding Bonds, Series 2010C, consisting of \$28,610,000 General Improvement Refunding Bonds (Tax-Exempt) and \$3,965,000 Reclamation Center Utility Refunding Bonds (Tax-Exempt), dated the date of delivery (collectively, the "Bonds").

The Bonds are issued pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the New Jersey Statutes (the "Local Bond Law"), a resolution of the Board of Chosen Freeholders adopted on November 23, 2010 (the "Resolution") and by virtue of a bond ordinance of the County (the "Bond Ordinance").

The Bonds are dated the date of delivery, bear interest at the interest rates set forth on the cover of the Official Statement relating to the Bonds and mature on March 1 in the principal amounts as set forth below:

<u>Year</u>	<u>General Improvement Refunding Bonds</u>	<u>Reclamation Center Utility Refunding Bonds</u>
2013	\$2,705,000	\$695,000
2014	6,065,000	820,000
2015	6,085,000	820,000
2016	6,110,000	815,000

2017	4,845,000	815,000
2018	2,800,000	

The Bonds are not subject to redemption prior to maturity.

We have examined the Local Bond Law and such other laws and originals (or copies certified or otherwise identified to our satisfaction) of such instruments, certificates and documents as we deem necessary to render the opinions set forth herein. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies.

Based upon the foregoing and subject to the qualifications set forth herein, we are of the opinion that:

1. The aforementioned proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to the Local Bond Law and other applicable provisions of law, and that the Bonds have been duly authorized, executed and delivered and are valid and legally binding obligations of the County.
2. The County has the power and is obligated to levy ad valorem taxes upon all the taxable property within the County for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount.
3. Under existing law, interest on the Bonds is excluded from the gross income of the owners of the Bonds for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax. We express no opinion regarding any other Federal income tax consequences arising with respect to the Bonds.
4. Under existing law, interest on the Bonds and net gains on the sale of the Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

With respect to our federal income tax opinion, we note that the Code imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Bonds in order for interest on the Bonds to be excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code. The County has covenanted to comply with the provisions of the Code applicable to the Bonds and has covenanted not to take any action or permit any action to be taken which would cause the interest on the Bonds to lose the exclusion from gross income for Federal income tax purposes under Section 103 of the Code or cause interest on the Bonds to be treated as an item of tax preference under Section 57 of the Code. We have assumed continuing compliance by the County with the above covenants in rendering our opinion with respect to the exclusion of interest on the Bonds from gross income for Federal income tax purposes and with respect to interest on the Bonds not constituting an item of tax preference.

Attention is called to the fact that we have not been requested to examine and have not examined any documents or information relating to the County other than the certified copies of the proceedings and proofs referred to hereinabove, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of said Bonds.

Our opinion concerning the enforceability of the Bonds is subject to federal and state laws regarding bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and remedies generally (including, without limitation, laws relating to fraudulent conveyance, and by general principles of law and equity (regardless of whether enforcement is considered or sought in proceedings at law or in equity) and by limitation on remedial rights under applicable law). Their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

The opinions stated herein are based upon current authorities, and there can be no assurance that future legislative or administrative changes or court decisions will not affect said opinions. We undertake no obligation to inform you of any matter occurring after the date of this letter which affects in any way the opinion given herein.

Except as stated above, we express no opinion as to any Federal or state tax consequences with respect to the Bonds.

Very truly yours,

Gibbons P.C.