

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: Fitch: AAA
Moody's: Aaa
Standard & Poor's: AAA

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 Series 2008 Bonds is excluded from the gross income of the owners of the Series 2008 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 Series 2008 Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. Under existing law, interest on the Series 2008 Bonds and net gains from the sale of the Series 2008 Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax. In the case of certain corporate holders of the Series 2008 Bonds, interest on the Series 2008 Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Series 2008 Bonds in "adjusted current earnings" of certain corporations. See "TAX MATTERS" herein.

\$30,000,000
COUNTY OF MONMOUTH
New Jersey
General Obligation Bonds, Series 2008

Dated: Date of Delivery

Due: September 1, as shown below

The \$30,000,000 General Obligation Bonds, Series 2008 (the "Series 2008 Bonds") will be issued by the County of Monmouth, New Jersey (the "County") in fully registered form and, when issued, the Series 2008 Bonds 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 2008 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 any integral multiple thereof. Provided DTC or its nominee Cede is the registered owner of the Series 2008 Bonds, principal of, redemption premium, if any, and interest (payable semi-annually on March 1, 2009 and on each September 1 and March 1 thereafter until maturity or prior optional redemption), on the Series 2008 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 2008 Bonds. See "OTHER INFORMATION – The DTC Book-Entry-Only System."

The Series 2008 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 a resolution of the County, to permanently finance specified general improvements and to pay the costs of issuance with respect to the Series 2008 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 2008 Bonds. The Series 2008 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 2008 Bonds maturing on or after September 1, 2019 are subject to redemption prior to maturity as set forth herein.

Maturities, Interest Rates and Yields

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2009	\$1,645,000	3.00%	1.60%	2017	\$2,180,000	5.00%	3.35%
2010	1,095,000	4.00	2.00	2018	2,180,000	5.00	3.51
2011	1,095,000	4.00	2.30	2019	2,180,000	4.00	3.65*
2012	2,185,000	4.00	2.52	2020	2,180,000	4.00	3.85*
2013	2,180,000	4.00	2.70	2021	2,180,000	4.00	3.96*
2014	2,180,000	5.00	2.89	2022	2,180,000	4.00	4.07
2015	2,180,000	5.00	3.03	2023	2,180,000	4.00	4.15
2016	2,180,000	5.00	3.18				

* Priced to call on September 1, 2018

The issuance of the Series 2008 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 2008 Bonds will be available for delivery to DTC on or about September 23, 2008, in New York, New York, or at such other place and time as may be agreed to by the County.

Dated: September 9, 2008

COUNTY OF MONMOUTH
STATE OF NEW JERSEY

BOARD OF CHOSEN FREEHOLDERS

Lillian G. Burry	Director of the Board
Robert D. Clifton	Deputy Director
William C. Barham	Freeholder
Barbara J. McMorrow	Freeholder
John D'Amico, Jr.	Freeholder

COUNTY OFFICIALS

Robert M. Czech	County Administrator
James S. Gray	Clerk of the Board of Chosen Freeholders
Mark E. Acker	Director of Finance and County Treasurer

PROFESSIONALS

Gibbons P.C.	Bond Counsel
Hutchins, Farrell, Meyer & Allison, P.A.	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 2008 Bonds, other than those contained in this Official Statement, in connection with the offering of the Series 2008 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 2008 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 2008 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 2008 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.

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COUNTY OF MONMOUTH, NEW JERSEY

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

**Relating to its
General Obligation Bonds, Series 2008**

I. DESCRIPTION OF THE SERIES 2008 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 \$30,000,000 aggregate principal amount of the County’s General Obligation Bonds, Series 2008 dated the date of delivery (the “Series 2008 Bonds”).

The Series 2008 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 2008 Bonds have been authorized by various ordinances duly adopted by the County and a resolution of the County adopted at meeting of the Board of Freeholders of the County (the “County Board”) on August 14, 2008. The Series 2008 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 2008 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 2008 Bonds will be dated the date of delivery, and will mature on September 1 in the years and in the amounts set forth on the cover page hereof. The Series 2008 Bonds will bear interest payable semi-annually on March 1, 2009 and on each September 1 and March 1 thereafter until maturity or optional redemption.

Denomination and Place of Payment

The Series 2008 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 2008 Bonds under its book-entry-only system (the “DTC Book-Entry-Only System”). An individual purchaser (the “Beneficial Owner”) may purchase a Series 2008 Bond in book-entry form (without certificates) in denominations of \$5,000 each or any integral multiple thereof.

Provided Cede is the registered owner of the Series 2008 Bonds, the principal, redemption premium, if any, and interest on, the Series 2008 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 February 15 and August 15 (the "Record Dates" for the payment of interest on the Series 2008 Bonds). See "OTHER INFORMATION - The DTC Book-Entry-Only System" herein.

Optional Redemption Provisions

The Series 2008 Bonds maturing on or prior to September 1, 2018 shall not be subject to redemption prior to their respective maturity dates. The Series 2008 Bonds maturing on or after September 1, 2019 shall be subject to redemption prior to their respective maturity dates, on or after September 1, 2018 at the option of the County, either in whole or in part at any time in any order of maturity at par (the "Redemption Price"), and accrued interest thereon to the date of redemption.

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 2008 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 Series 2008 Bonds, Notices of Redemption shall be sent to such depository and shall not be sent to the beneficial owners of the Series 2008 Bonds, nor shall the notice be published as provided herein. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the County determines to redeem a portion of the Series 2008 Bonds of a maturity, such Series 2008 Bonds shall be selected by the County by lot. If Notice of Redemption has been given as described herein, the Series 2008 Bonds, or the portion thereof called for redemption, shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Payment shall be made upon surrender of the Series 2008 Bonds redeemed.

Authorization

The Series 2008 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 2008 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 2008 Bonds by the County.

Security for the Series 2008 Bonds

The Series 2008 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 2008 Bonds.

Purpose of the Issue

The proceeds of the Series 2008 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 2008 Bonds Authorized</u>	<u>Amount of Series 2008 Bonds Issued</u>	<u>Adoption Dates</u>
Various Improvements (Ord. No. 99-01)	\$4,232,000	\$1,300,000	February 25, 1999
Various Improvements (Ord. No. 00-1)	699,000	450,000	April 13, 2000
Various Improvements (Ord. Nos. 03-1 and 07-3)	10,785,000	710,000	March 27, 2003 and April 26, 2007
Various Improvements (Ord. Nos. 04-1, 05-2 and 06-1).	11,421,000	4,163,000	February 26, 2004, March 10, 2005 and March 23, 2006
Various Improvements (Ord. No. 05-3)	11,200,000	1,281,000	March 10, 2005
Various Improvements (Ord. No. 06-2)	11,960,000	2,096,000	March 23, 2006
Various Improvements (Ord. No. 07-3)	33,075,000	8,750,000	April 26, 2007
Various Improvements (Ord. No. 08-03)	71,055,000	11,250,000	May 22, 2008
TOTAL	<u>\$154,427,000</u>	<u>\$30,000,000</u>	

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 and water area of 193 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 the Atlantic Ocean and on the north by the Raritan and Sandy Hook Bays. The County consists of fifty-three (53) municipalities, whose populations range from 280 to 66,327.

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 2009
Robert D. Clifton	Deputy Director	January 2011
William C. Barham	Freeholder	January 2009
Barbara J. McMorrow	Freeholder	January 2010
John D’Amico, Jr.	Freeholder	January 2011

County Officials

James S. Gray	Clerk of the Board of Chosen Freeholders
Robert M. Czech	County Administrator
Mark E. Acker	Director of Finance
Malcolm V. Carton, Esq.	County Counsel
Mark E. Acker	County Treasurer

Reclamation Center Utility

On February 14, 1985, the Board of Chosen Freeholders unanimously approved the creation of the Monmouth County Reclamation Center Utility to operate the County landfill and various recycling and reclamation programs. The Reclamation Center Utility is currently a self-liquidating utility under the Local Bond Law and its activity has been shown as a separate fund in each year beginning with calendar year 1985. See “Reclamation Center Utility Fund - Statement of Operations and Change in Fund Balance (2003-2007)” 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 468,141 tons during 2007 and, at current monthly deliveries, is expected to accept a similar amount during 2008. Much of the waste has been shredded since the MCRC opened in 1976, making more efficient use of the available capacity. A new 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 municipal 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, six regional and four local bus systems, and the Monmouth County Executive Airport. The Monmouth County Executive Airport has all weather flight capabilities and serves as a base for business travel.

III. FINANCIAL INFORMATION

County Taxes

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

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

CAP Limitations

N.J.S.A. 40A:4-45.4 et seq., commonly referred to as the “CAP Law”, places a limit on county tax levies. The increase in the County tax levy is either 2.5% or the cost-of-living adjustment, whichever is less, of the previous year’s tax levy, subject to certain exceptions. However, N.J.S.A. 40A:4-45.14 limits increases in county tax levies to a maximum of 3.5% only when the governing body acts to increase capped tax levies to that limit. The cost-of-living adjustment is defined as the annual percentage increase, rounded to the nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the year preceding the current year. The cost-of-living adjustment for 2008 is 5.00%. 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 will have 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>
2004	\$57,090,882,529	73.05	\$ 78,153,701,666	0.334019800
2005	65,515,271,859	72.68	90,137,099,466	0.299560815
2006	70,973,216,180	67.57	105,034,059,265	0.266087398
2007	87,315,329,030	73.15	119,359,170,505	0.240657102
2008	91,600,065,288	71.89	127,408,793,979	0.224869878

Source: County of Monmouth

DISTRIBUTION OF ASSESSED VALUATION

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Vacant Land	\$ 1,135,053,539	\$ 1,299,927,319	\$ 1,450,018,215	\$ 1,890,326,965	\$ 1,939,743,990
Residential	46,483,834,979	53,934,369,834	57,987,104,041	71,996,304,967	75,608,544,008
Farm Regular	460,399,900	437,114,900	547,263,000	648,209,100	664,923,650
Farm Qualified	29,770,715	28,297,015	28,365,615	28,791,400	29,084,900
Commercial	6,885,783,580	7,588,884,440	8,460,769,015	9,933,979,740	10,347,047,120
Industrial	872,409,250	872,367,350	993,688,150	1,054,549,300	1,041,586,900
Apartments	<u>1,054,049,800</u>	<u>1,195,603,600</u>	<u>1,362,558,500</u>	<u>1,609,606,500</u>	<u>1,811,064,800</u>
	<u>\$56,921,301,763</u>	<u>\$65,356,564,458</u>	<u>\$70,829,766,536</u>	<u>\$87,161,767,972</u>	<u>\$91,441,995,368</u>

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, 2007

<u>Owner of Record</u>	<u>Property Location</u>	<u>2007 Total Assessed Value</u>	<u>2007 Tax Rate Per \$100</u>	<u>Total 2007 Taxes</u>
1. Freehold Mall				
American Multi-Cinema, Inc.	Freehold Township	\$ 12,557,600	3.471	\$ 435,874.30
EF Partners LLC c/o Sady Greens Revoc.	Freehold Township	7,181,000	3.471	249,252.51
Freemall Associates, LLC	Freehold Township	169,340,900	3.471	5,877,822.64
Galyans Sports & Outdoor	Freehold Township	6,810,500	3.471	236,392.46
HD Development of Maryland, Inc.	Freehold Township	9,380,800	3.471	325,607.57
JC Penney Properties, Inc.	Freehold Township	5,890,400	3.471	204,455.78
LT Propco LLC c/o NRDC Equity Partner	Freehold Township	5,163,400	3.471	179,221.61
Macy's East, Inc.	Freehold Township	9,969,600	3.471	346,044.82
Nordstrom, Inc.	Freehold Township	6,945,100	3.471	241,064.42
Office Depot, Inc. c/o Kramer	Freehold Township	2,589,500	3.471	89,881.55
State St. Bank & Trust Co. Of Conn.	Freehold Township	9,300,000	3.471	322,803.00
TRU 2005 RE I, LLC c/o Toys "R" Us	Freehold Township	4,025,000	3.471	139,707.75
Trustees of SRC Facilities	Freehold Township	6,127,100	3.471	212,671.64
				<u>\$8,860,800.05</u>
2. AT& T Corporate Park				
199 Laurel Assoc. c/o Steiner Equity Group	Middletown	\$ 366,000	3.659	\$ 13,391.94
200 Laurel c/o ATT Lease Adm	Middletown	142,529,300	3.659	5,215,147.09
Four Ponds c/o CB R Ellis Inc.	Middletown	30,000,000	3.659	1,097,700.00
				<u>\$6,326,239.03</u>
3. Monmouth Mall				
Eatontown Monmouth Mall LLC	Eatontown	\$215,000,000	1.615	\$3,472,250.00
Lord & Taylor May Stores #57	Eatontown	16,000,000	1.615	258,400.00
Macy's East Federated Dept. Stores	Eatontown	25,000,000	1.615	403,750.00
JC Penney 1150-0 Property Tax Office	Eatontown	20,000,000	1.615	323,000.00
				<u>\$4,457,400.00</u>
4. Assisted Living Facility				
Tinton Falls Campus, LLC c/o Seabrook	Tinton Falls	\$85,615,300	3.683	\$3,153,211.50

	<u>Owner of Record</u>	<u>Property Location</u>	<u>2007 Total Assessed Value</u>	<u>2007 Tax Rate Per \$100</u>	<u>Total 2007 Taxes</u>
5.	Seaview Square Mall Seaview Square, LLC c/o Investment Int'l Sears, Roebuck & Co. D/768Tax, B2107A	Ocean Township Ocean Township	\$100,000,000 22,517,600	1.733 1.733	\$1,733,000.00 390,230.01 <u>\$2,123,230.01</u>
6.	New Jersey Sports & Exposition Auth New Jersey Sports & Exposition Auth	Oceanport	\$124,120,100	1.346	\$1,670,656.55
7.	International Flavors & Fragrances International Flavors & Fragrances	Union Beach	\$43,364,500	2.847	\$1,234,587.32
8.	Lucent Technologies LTI NJ Finance LLC NS-MPG Inc. c/o Lucent Technologies	Holmdel Holmdel	\$70,101,700 10,203,700	1.518 1.518	\$1,064,143.81 154,892.17 <u>\$1,219,035.98</u>
9.	Belcore Research Facility One Rvr.Assoc. c/o Mack-Cali Realty Corp.	Middletown	\$31,640,100	3.659	\$1,157,711.26
10.	Shopping Center Buffalo-Parkton & Feuerstein & Wainco	Howell	\$61,008,800	1.883	\$1,148,795.70
11.	Shopping Center JDN Real Estate Freehold LP (Sams Club) JDN Real Estate Freehold LP (Walmart) JDN Real Estate Freehold LP	Freehold Township Freehold Township Freehold Township	\$11,913,300 10,791,800 5,707,500	3.471 3.471 3.471	\$413,510.64 374,583.38 198,107.33 <u>\$986,201.35</u>
12.	Shopping Center Caydenzar c/o Denholtz Assoc. Holmdel Commons, LLC c/o Kimco Realty	Holmdel Holmdel	\$ 8,683,900 56,178,500	1.518 1.518	\$131,821.60 852,789.63 <u>\$984,611.23</u>

Source: Monmouth County Board of Taxation (February 5, 2008).

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 excess (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 his 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 Hutchins, Farrell, Meyer & Allison, P.A., the County's independent auditor, for the calendar year ending December 31, 2007 appears in Appendix B to this Official Statement.

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues and Other Additions:					
Fund Balance Utilized	\$ 37,500,000	\$ 41,000,000	\$ 42,000,000	\$ 48,000,000	\$ 48,500,000
Miscellaneous Revenue					
Anticipated	135,250,540	145,700,910	162,262,787	159,238,090	170,535,152
Miscellaneous Revenue Not					
Anticipated	19,047,509	19,729,814	19,473,201	20,681,166	21,588,882
Receipts from Current Taxes	250,251,000	260,752,374	269,650,000	278,540,000	286,504,000
Other Credits to Revenue	244,395	373,149	168,665	33,020	139,088
Unexpended Balance of					
Appropriations Lapsed	11,537,049	11,209,366	11,872,567	13,275,303	14,160,639
Total Revenues and Other Additions	\$453,830,493	\$478,765,613	\$505,427,220	\$519,767,581	\$541,427,764
Expenditures:					
Budget Appropriations*	\$408,947,489	\$434,735,137	\$457,217,441	\$471,096,694	\$491,497,123
Other Charges	1,006		--	--	--
Total Expenditures	\$408,948,495	\$434,735,137	\$457,217,441	\$471,096,694	\$491,497,123
Excess in Revenue	44,881,998	44,030,476	48,209,779	48,670,886	49,930,640
Adjustment to Income Before					
Surplus: Emergency Authorization	--	--	300,000	--	--
Fund Balance, January 1	68,279,589	75,661,587	78,692,063	85,201,841	85,872,728
	<u>113,161,587</u>	<u>119,692,063</u>	<u>127,201,842</u>	<u>133,872,728</u>	<u>135,803,368</u>
Decreased by:					
Utilized as Anticipated Revenue	37,500,000	41,000,000	42,000,000	48,000,000	48,500,000
Fund Balance, December 31	<u>\$75,661,587</u>	<u>\$78,692,063</u>	<u>\$85,201,842</u>	<u>\$85,872,728</u>	<u>\$87,303,368</u>
Fund Balance, as a percentage of Total Expenditures	18.50%	18.10%	18.63%	18.23%	17.76%
* Paid or Charged	\$396,819,988	\$419,662,587	\$438,519,331	\$453,427,198	\$473,278,798
Appropriation Reserves	12,094,240	14,874,204	18,697,692	17,669,495	18,214,953
Current Appropriations Cancelled	33,261	198,346	418	--	3,371
	<u>\$408,947,489</u>	<u>\$434,735,137</u>	<u>\$457,217,441</u>	<u>\$471,096,694</u>	<u>\$491,497,123</u>

Current Fund operating results reflect a policy of conservatively estimating revenues so that at year-end positive fund balances are maintained. Revenue growth, plus the benefits of a tightly monitored hiring freeze and a new, managed budget approach, analogous to zero based budgeting, both implemented in the early nineties, have resulted in increased fund balances. Fund balance, as a percentage of expenditures, has increased from 5.7% in 1990 to 17.76% in 2007. This has allowed the County to relax its reliance on the property tax to balance budgets. In fact, since 1990 the average annual property tax increase has been 3.17%, consistent with corresponding rates of inflation. Revenue growth is expected to continue through 2008, albeit at a slower pace, as a result of the strong local economy.

FIVE YEAR SUMMARY OF CURRENT FUND BUDGET AND ACTUAL RESULTS

	2003		2004		2005		2006		2007	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:										
County Clerk	\$ 10,975,000	\$ 17,919,482	\$ 15,325,000	\$ 21,712,982	\$ 19,825,000	\$ 19,262,801	\$ 18,871,000	\$ 20,399,541	\$ 17,755,000	\$ 16,252,266
Interest on Investments	3,700,000	3,858,302	3,700,000	4,600,829	3,700,000	10,472,163	7,500,000	17,022,147	10,500,000	16,521,580
Parks & Recreation	5,800,000	5,847,732	5,800,000	6,436,515	6,300,000	6,306,851	6,300,000	6,696,673	6,500,000	7,027,329
Medical Homes	17,400,000	22,613,568	21,650,000	23,864,837	22,800,000	23,305,117	22,500,000	25,210,171	23,400,000	24,256,250
Division of Social Services	16,416,000	24,175,100	19,525,000	22,796,087	19,550,000	27,757,804	21,050,000	25,408,548	23,500,000	26,768,971
State of N.J. Social Service Reimbursement	16,814,502	16,696,316	16,235,451	16,235,451	17,249,056	17,249,056	19,526,031	19,526,031	18,746,227	18,746,227
State of N.J. - Inmate Reimbursement	1,500,000	1,126,883	1,000,000	1,809,535	1,800,000	2,006,605	2,000,000	2,477,497	2,450,000	2,337,289
State of N.J. - Remaining Aid	3,682,945	3,950,021	3,415,014	3,716,014	3,299,921	3,644,530	3,666,870	4,017,211	3,505,193	3,853,644
State & Federal Grants	29,015,300	29,015,300	29,465,317	29,465,317	30,914,506	30,914,506	23,815,470	23,815,470	30,584,641	30,584,641
Miscellaneous Revenue	16,010,928	28,977,159	16,866,981	34,793,157	19,828,958	40,816,555	19,327,324	35,345,968	19,552,061	45,775,834
Fund Balance Utilized	37,500,000	37,500,000	41,000,000	41,000,000	42,000,000	42,000,000	48,000,000	48,000,000	48,500,000	48,500,000
County Tax Levy	<u>250,251,000</u>	<u>250,251,000</u>	<u>260,752,374</u>	<u>260,752,374</u>	<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>
TOTAL REVENUES	\$408,947,489	\$442,049,049	\$434,735,137	\$467,183,098	\$456,917,441	\$493,385,988	\$471,096,695	\$506,459,257	\$491,497,123	\$527,128,035
Appropriations:										
General Government	\$ 23,593,079	\$ 22,480,660	\$ 24,624,574	\$ 23,278,391	\$ 26,446,021	\$ 25,516,861	\$ 27,070,645	\$ 25,276,690	\$ 28,233,385	\$ 26,558,714
Public Works & Engineering	29,932,194	28,612,521	30,342,779	29,180,304	30,369,986	28,897,265	30,640,339	29,548,387	32,707,198	31,619,731
Health & Human Services	85,076,643	80,941,015	88,278,190	84,641,414	92,742,015	88,215,166	97,144,461	93,326,878	97,464,230	92,398,083
Education	34,430,352	34,062,301	38,412,359	38,042,360	39,482,971	39,101,736	41,312,423	40,879,829	43,236,284	43,081,350
Parks & Recreation	17,399,505	17,258,800	18,291,867	18,166,548	19,238,294	19,074,508	19,095,842	18,886,613	19,019,919	18,852,243
State & Federal Grants	30,215,300	30,057,187	30,915,317	30,446,573	32,214,506	31,968,505	25,115,470	24,897,888	31,884,641	31,645,979
Capital Improvements	14,565,000	13,185,222	12,721,000	11,478,553	15,492,000	13,021,489	12,957,000	11,458,188	13,046,000	9,994,599
Debt Service	41,653,627	41,620,366	45,254,276	45,055,930	45,882,310	45,881,893	46,396,689	46,396,689	47,976,840	47,973,468
Statutory Expenditures	11,275,000	10,930,701	15,600,000	15,132,226	14,300,000	12,298,643	21,175,000	19,906,965	22,500,000	21,829,598
Unclassified/Contingent	1,210,300	1,137,056	500,000	420,962	800,000	780,398	957,731	949,239	1,162,641	1,071,923
Public Safety	73,348,134	72,729,210	78,484,244	77,379,002	83,809,947	82,335,061	86,405,622	85,274,140	89,949,605	88,473,764
Land Use Administration	1,522,433	1,469,371	1,570,008	1,517,516	1,618,115	1,565,742	1,571,318	1,556,691	1,624,869	1,593,016
Code Enforcement	350,888	347,139	368,878	367,532	381,276	377,667	393,680	366,193	383,060	351,973
Insurance	36,451,300	34,626,970	40,690,000	37,072,310	45,365,000	41,458,750	49,985,000	44,768,497	51,189,000	47,374,459
Utility Expenses	7,923,734	7,361,469	8,681,645	7,482,966	9,075,000	8,025,647	10,575,475	9,634,312	11,119,451	10,459,892
Deferred Charges	-0-	-0-	-0-	-0-	-0-	-0-	300,000	300,000	-0-	-0-
TOTAL APPROPRIATIONS	\$408,947,489	\$396,819,988	\$434,735,137	\$419,662,587	\$457,217,441	\$438,519,331	\$471,096,695	\$453,427,199	\$491,497,123	\$473,278,798
Excess in Revenues		\$45,229,061		\$47,520,511		\$54,866,657		\$53,032,058		\$53,849,236
Appropriation Reserve		<u>12,094,240</u>		<u>14,874,204</u>		<u>18,697,692</u>		<u>17,669,496</u>		<u>18,214,953</u>
Excess in Revenues, Net		\$33,134,821		\$32,646,307		\$36,168,965		\$35,362,562		\$35,634,283
Other Credits to Income:										
Refund of Prior Year Loan to Grant Fund		-0-		-0-		-0-		-0-		-0-
Unexpended Balance of Previous Year										
Appropriation Reserve		11,537,049		-0-		11,872,567		13,275,304		14,160,639
Emergency Authorization				-0-		300,000		-0-		-0-
Other		<u>210,128</u>		<u>174,803</u>		<u>168,247</u>		<u>33,020</u>		<u>135,716</u>
Total Excess in Revenues, Net + Other Credits to Income		\$44,881,998		\$44,030,476		\$48,509,779		\$48,670,886		\$49,930,640
Fund Balance, Beginning of Year		<u>30,779,589</u>		<u>34,661,587</u>		<u>36,692,063</u>		<u>37,201,842</u>		<u>37,372,728</u>
Fund Balance, End of Year		\$75,661,587		\$78,692,063		\$85,201,842		\$85,872,728		\$87,303,368

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

	<u>2007⁽¹⁾</u>	<u>2008⁽²⁾</u>
Anticipated Revenues:		
Fund Balance Utilized	\$ 48,500,000	\$ 48,500,000
State Aid	46,940,602	50,304,003
State and Federal Grants	10,941,518	10,627,235
Miscellaneous Revenue	78,967,880	85,178,762
County Tax Levy	<u>286,504,000</u>	<u>286,504,000</u>
Total Anticipated Revenues	<u>\$471,854,000</u>	<u>\$481,114,000</u>
Appropriations:		
Operations	\$388,256,160	\$397,864,881
Capital Improvements	13,046,000	7,679,495
Debt Service	47,976,840	47,569,624
Pension Contributions and Social Security Taxes	<u>22,575,000</u>	<u>28,000,000</u>
Total Appropriations	<u>\$471,854,000</u>	<u>\$481,114,000</u>

- (1) The 2007 County Budget was adopted by the Board of Freeholders on March 8, 2007.
(2) The 2008 County Budget was adopted by the Board of Chosen Freeholders on March 6, 2008.

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>REVENUES</u>					
Fund Balance	\$19,092,352	\$18,100,000	\$17,100,000	\$17,500,000	\$17,500,000
Grant	690,632	--	650,948	--	0
Utility Fees	28,369,667	28,940,504	30,363,009	31,505,608	30,658,261
Miscellaneous Revenue Not Anticipated	1,413,041	1,240,803	2,851,985	4,166,300	4,752,620
Other Income	440,169	9,826	11,694,678	3,753,383	272,069
Unexpended Appropriations	5,154,978	4,836,835	4,741,091	4,284,270	6,672,856
Total Revenue	<u>\$55,160,839</u>	<u>\$53,127,968</u>	<u>\$67,401,711</u>	<u>\$61,209,562</u>	<u>\$59,855,808</u>
<u>EXPENDITURES</u>					
Operations with Reserves	\$32,028,500	\$30,488,906	\$35,876,128	\$33,676,062	\$35,191,310
Other Expenditures and Commitments	--	--	4,232	1	--
Total Expenditures	<u>\$32,058,500</u>	<u>\$30,488,906</u>	<u>\$35,880,360</u>	<u>\$33,676,063</u>	<u>\$35,191,310</u>
Net Revenues	<u>\$23,132,339</u>	<u>\$22,639,062</u>	<u>\$31,521,351</u>	<u>\$27,533,498</u>	<u>\$24,664,498</u>
Debt Service	<u>3,662,132</u>	<u>3,384,591</u>	<u>3,274,820</u>	<u>3,823,937</u>	<u>3,808,689</u>
Change in Fund Balance	\$19,470,207	\$19,254,471	\$28,246,531	\$23,709,561	\$20,855,808
Fund Balance, January 1	<u>\$21,428,354</u>	<u>\$21,806,209</u>	<u>\$22,960,680</u>	<u>\$34,107,210</u>	<u>\$40,316,772</u>
	\$40,898,561	\$41,060,680	\$51,207,211	\$57,816,772	\$61,172,580
Utilized as Revenue	<u>19,092,352</u>	<u>18,100,000</u>	<u>17,100,000</u>	<u>17,500,000</u>	<u>17,500,000</u>
Fund Balance, December 31	<u><u>\$21,806,209</u></u>	<u><u>\$22,960,680</u></u>	<u><u>\$34,107,211</u></u>	<u><u>\$40,316,772</u></u>	<u><u>\$43,672,580</u></u>

Anticipated Capital Needs

The Board of Freeholders annually adopts a six-year capital improvement program setting forth its anticipated capital expenditures during that period. The program amended and adopted by the Board of Freeholders on May 22, 2008 calls for expenditures of \$486,412,000 through the year 2013. Of this \$486,412,000 total, \$56,702,000 is anticipated to be paid from cash and Federal and State grants; the remaining \$429,710,000 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 July 31, 2008, is presented in the table below:

<u>Type of Security</u>	<u>Amount</u>	<u>Percent</u>
Bank Money Market Accounts	\$229,822,747	58.2%
Taxable Bond/Tax Anticipation Notes ⁽¹⁾	27,000,000	6.8
Government Bonds (FHLB, FHLMC)	137,925,000	35.0

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 the 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 \$5,009,655 for 2006, \$9,107,797 for 2007, and \$14,476,317 for 2008.

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.

IV. DEBT INFORMATION

Local Bond Law

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

Debt Limits

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

Exceptions To Debt Limits - Extensions of Credit

The debt limit of the County may be exceeded with the approval of the Local Finance Board, a state regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the County must apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines, among other things, that a proposed debt authorization would not materially impair the ability of the County to meet its obligations or to provide essential services, or makes other statutory determinations, approval is granted. In addition, debt in excess of the debt limit may be issued by the County under N.J.S.A. 40A:2-7(g) for purposes permitted under the Local Bond Law if the amount (exclusive of utility and assessment obligations) of such obligations and all others authorized pursuant to such provision during the then current fiscal year do not exceed an amount equal to two-thirds of the amount budgeted for the retirement of outstanding obligations. The County's net debt as of August 31, 2008 is 0.3695% 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**

August 31, 2008

GROSS DEBT:		
General Bonds Issued and Outstanding		\$304,870,000.00
Self-Liquidating Utility		18,120,000.00
County College Bonds Issued and Outstanding		11,980,000.00
County Vocational Bonds Issued and Outstanding		1,358,163.78
NJDEP-Green Trust Program		<u>6,322,745.57</u>
		<u>\$342,650,909.35</u>
BONDS/NOTES AUTHORIZED:		
General Improvements:		
Notes Issued	-0-	
Authorized but not Issued	\$264,190,000.00	
Self-Liquidating Utility:		
Notes Issued	-0-	
Authorized but not Issued	-0-	<u>264,190,000.00</u>
TOTAL GROSS DEBT		<u>\$606,840,909.35</u>
LESS: STATUTORY DEDUCTIONS:		
Guaranty Equipment Lease Program - M.C.I.A.	50,700,000.00 ⁽¹⁾	
Guaranty Pooled Loan Program - M.C.I.A.	10,965,000.00 ⁽¹⁾	
Guaranty Lease Revenue Bonds - BCC - M.C.I.A.	41,000,000.00 ⁽¹⁾	
County College Bonds	11,980,000.00	
Self-Liquidating Utility	18,120,000.00 ⁽²⁾	
Open Space Acquisition Bonds	46,850,000.00 ⁽³⁾	179,615,000.00
STATUTORY NET DEBT		<u>\$427,225,909.35</u>
Three-Year Average (2005-2007)		
Equalized Valuation of Real Property (Pursuant to N.J.S.A. 15:1-35.1)		\$115,608,888,074.00
Net Debt Expressed as a Percentage of Average Equalized Valuation of Real Property		0.3695%
Debt Limitation Per N.J.S.A. 40A:2-6 (Counties) 2% of Three-Year Average Equalized Valuation		
		\$2,312,177,761.48
Total Net Debt		<u>427,225,909.35</u>
Remaining Net Debt Capacity		<u>\$1,884,951,852.13</u>

(1) The County has unconditionally guaranteed \$50,700,000 M.C.I.A. Capital Equipment Pooled Lease Revenue Bonds, \$10,965,000 M.C.I.A. Governmental Loan Refunding Revenue Bonds and \$41,000,000 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 MCRC indebtedness is an allowable deduction for self-liquidating purposes pursuant to the Local Bond Law (N.J.S.A. 40A:2-44 (c)).

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

**COUNTY OF MONMOUTH
SCHEDULE OF DEBT SERVICE**

DECEMBER 31, 2007

<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>
2008	\$29,435,000.00	\$2,670,000.00	\$253,366.87	\$1,237,772.39	\$33,596,139.26	\$14,697,411.58	\$48,293,550.84	\$2,830,000.00	\$859,850.00	\$51,983,400.84
2009	28,440,000.00	2,670,000.00	258,927.61	1,262,651.61	32,631,579.22	13,356,627.05	45,988,206.27	2,790,000.00	721,275.00	49,499,481.27
2010	27,955,000.00	1,950,000.00	264,916.11	1,288,030.94	31,457,947.05	11,989,291.46	43,447,238.51	2,750,000.00	587,125.00	46,784,363.51
2011	28,895,000.00	1,960,000.00	271,214.09	1,007,468.88	32,133,682.97	10,687,769.95	42,821,452.92	1,200,000.00	461,200.00	44,482,652.92
2012	30,795,000.00	1,360,000.00	277,993.62	1,027,719.01	33,460,712.63	9,310,835.05	42,771,547.68	1,550,000.00	406,700.00	44,728,247.68
2013	29,085,000.00	895,000.00	285,112.36	751,278.66	31,016,391.02	7,841,237.11	38,857,628.13	1,550,000.00	340,950.00	40,748,578.13
2014	27,135,000.00	900,000.00	-	346,625.85	28,381,625.85	6,503,783.93	34,885,409.78	1,550,000.00	271,450.00	36,706,859.78
2015	25,365,000.00	900,000.00	-	162,069.11	26,427,069.11	5,238,638.61	31,665,707.72	1,550,000.00	201,150.00	33,416,857.72
2016	23,390,000.00	450,000.00	-	-	23,840,000.00	4,062,468.75	27,902,468.75	1,600,000.00	128,800.00	29,631,268.75
2017	17,810,000.00	450,000.00	-	-	18,260,000.00	3,053,802.50	21,313,802.50	1,600,000.00	54,800.00	22,968,602.50
2018	15,970,000.00	-	-	-	15,970,000.00	2,246,927.50	18,216,927.50	-	-	18,216,927.50
2019	13,350,000.00	-	-	-	13,350,000.00	1,641,790.00	14,991,790.00	-	-	14,991,790.00
2020	13,525,000.00	-	-	-	13,525,000.00	1,080,720.00	14,605,720.00	-	-	14,605,720.00
2021	9,055,000.00	-	-	-	9,055,000.00	568,318.75	9,623,318.75	-	-	9,623,318.75
2022	6,290,000.00	-	-	-	6,290,000.00	259,462.50	6,549,462.50	-	-	6,549,462.50
	<u>\$326,495,000.00</u>	<u>\$14,205,000.00</u>	<u>\$1,611,530.65</u>	<u>\$7,083,616.45</u>	<u>\$349,395,147.11</u>	<u>\$92,539,084.75</u>	<u>\$441,934,231.86</u>	<u>\$18,970,000.00</u>	<u>\$4,033,300.00</u>	<u>\$464,937,531.86</u>

DEBT ANALYSIS

	<u>December 31,</u> <u>2003⁽¹⁾</u>	<u>December 31,</u> <u>2004⁽¹⁾</u>	<u>December 31,</u> <u>2005⁽¹⁾</u>	<u>December 31,</u> <u>2006⁽¹⁾</u>	<u>December 31,</u> <u>2007⁽¹⁾</u>
Full Valuation Per Capita	\$109,405.00	\$127,017.00	\$146,493.00	\$170,704.00	\$193,985.00
County Net Debt as a Percentage of Full Value	0.45%	0.42%	0.39%	0.35%	0.31%
County Net Debt Per Capita	\$497.17	\$533.30	\$577.33	\$603.93	\$609.83
Overlapping Net Debt as a Percentage of Full Value	2.39%	2.28%	2.05%	1.81%	1.62%
Overlapping Net Debt Per Capita	\$2,615.02	\$2,895.15	\$3,005.86	\$3,085.79	\$3,146.44

⁽¹⁾ Per capita figures for 2003 through 2007 utilizing 2000 Census Data.

COUNTY OF MONMOUTH
GROSS DEBT AND NET DEBT OF CONSTITUENT MUNICIPALITIES
December 31, 2007

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Aberdeen Township	\$30,003,419.00	\$13,963,099.00	\$19,367,267.00	\$30,003,419.00	\$ 0.00	\$50,000.00	\$33,280,366.00	\$2,061,133,529.00	1.6147%
Allenhurst Borough	0.00	146,108.00	2,012,865.00	0.00	146,108.00	0.00	2,012,865.00	494,789,782.00	0.4068
Allentown Borough	7,191,743.00	3,435,474.00	2,014,979.00	7,191,743.00	3,435,474.00	8,015.00	2,006,964.00	196,065,861.00	1.0236
Asbury Park City	11,036,094.00	30,160,000.00	11,211,303.00	11,036,094.00	30,160,000.00	0.00	11,211,303.00	1,218,627,858.00	0.9200
Atlantic Highlands Borough	8,712,228.00	13,813,818.00	13,068,632.00	8,712,228.00	9,297,019.00	619,859.00	16,965,572.00	807,705,944.00	2.1005
Avon-By-The-Sea Borough	7,080,000.00	2,929,542.00	5,020,437.00	7,080,000.00	2,929,542.00	0.00	5,020,437.00	891,339,869.00	0.5632
Belmar Borough	4,366,962.00	2,730,079.00	10,310,004.00	4,366,962.00	2,730,079.00	83,247.00	10,226,757.00	1,582,453,730.00	0.6463
Bradley Beach Borough	2,068,000.00	2,737,431.00	8,303,185.00	2,068,000.00	2,737,431.00	282,999.00	8,020,186.00	1,021,952,716.00	0.7848
Brielle Borough	5,509,117.00	1,502,558.00	1,421,283.00	5,509,117.00	0.00	0.00	2,923,841.00	1,441,057,170.00	0.2029
Colts Neck Township	27,092,001.00	0.00	11,445,633.00	27,092,001.00	0.00	4,209,160.00	7,236,473.00	3,192,803,325.00	0.2266
Deal Borough	0.00	907,698.00	6,360,852.00	0.00	907,698.00	0.00	6,360,852.00	2,258,552,077.00	0.2816
Eatontown Borough	31,268,574.00	0.00	11,933,936.00	31,268,574.00	0.00	2,545,100.00	9,388,836.00	2,276,429,096.00	0.4124
Englishtown Borough	2,388,120.00	1,270,000.00	871,000.00	2,388,120.00	1,270,000.00	0.00	871,000.00	213,931,372.00	0.4071
Fair Haven Borough	12,976,703.00	0.00	9,456,282.00	12,976,703.00	0.00	385,984.00	9,070,298.00	1,461,651,366.00	0.6206
Farmingdale Borough	254,871.00	1,255,934.00	247,531.00	254,871.00	1,255,934.00	0.00	247,531.00	149,945,047.00	0.1651
Freehold Borough	10,272,945.74	3,259,750.00	9,263,200.00	10,272,945.74	3,259,750.00	2,058,008.25	7,205,191.75	1,153,180,263.00	0.6248
Freehold Township	66,340,749.00	20,657,047.00	53,977,527.00	66,340,749.00	20,657,047.00	0.00	53,977,527.00	5,910,096,949.00	0.9133
Hazlet Township	7,630,000.00	271,267.00	13,130,752.00	7,630,000.00	271,267.00	1,046,857.00	12,083,895.00	2,415,750,800.00	0.5002
Highlands Borough*	4,717,060.00	400,000.00	4,995,330.00	4,717,060.00	400,000.00	270,000.00	4,725,330.00	638,692,327.00	0.7398

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Holmdel Township	\$29,794,000.00	\$1,729,855.00	\$30,700,906.00	\$29,794,000.00	\$1,729,855.00	\$15,258,831.00	\$15,442,075.00	\$4,350,754,826.00	0.3549%
Howell Township	80,489,898.00	10,975,000.00	52,104,860.00	80,489,898.00	10,975,000.00	862,000.00	51,242,860.00	6,460,101,144.00	0.7932
Interlaken Borough	0.00	0.00	1,006,103.00	0.00	0.00	0.00	1,006,103.00	275,075,298.00	0.3658
Keansburg Borough*	6,980,000.00	11,825,367.00	10,070,677.00	6,980,000.00	11,825,367.00	0.00	10,070,677.00	610,437,937.00	1.6497
Keyport Borough	3,780,000.00	2,500,600.00	12,724,001.00	3,780,000.00	2,500,600.00	552,193.00	12,171,808.00	711,891,743.00	1.7098
Lake Como Borough*	0.00	0.00	459,913.00	0.00	0.00	0.00	459,913.00	296,661,280.00	0.1550
Little Silver Borough	12,360,090.00	0.00	6,656,036.00	12,360,090.00	0.00	0.00	6,656,036.00	1,559,306,217.00	0.4269
Loch Arbour Village	904,651.00	0.00	1,087,562.00	904,651.00	0.00	0.00	1,087,562.00	168,099,083.00	0.6470
Long Branch City	0.00	0.00	47,873,169.00	0.00	0.00	3,035,605.00	44,837,564.00	4,341,881,120.00`	1.0327
Manalapan Township	63,817,874.00	439,000.00	18,837,750.00	63,817,874.00	439,000.00	4,584,000.00	14,253,750.00	5,716,900,825.00	0.2493
Manasquan Borough	11,958,154.00	2,201,423.00	10,102,324.00	11,958,154.00	2,201,423.00	0.00	10,102,324.00	1,958,146,054.00	0.5159
Marlboro Township	54,775,632.00	466,250.00	32,109,157.00	54,775,632.00	466,250.00	2,726,832.00	29,382,325.00	7,051,365,410.00	0.4167
Matawan Borough	9,696,756.00	8,084,095.00	12,511,599.00	9,696,756.00	8,084,095.00	0.00	12,511,599.00	984,224,114.00	1.2712
Middletown Township	76,640,000.00	1,769,083.00	78,615,929.00	76,640,000.00	1,769,083.00	0.00	78,615,929.00	11,451,511,020.00	0.6865
Millstone Borough	47,835,000.00	0.00	14,612,274.00	47,835,000.00	0.00	0.00	14,612,274.00	1,981,232,404.00	0.7375
Monmouth Beach Borough	3,664,700.00	0.00	874,000.00	3,664,700.00	0.00	0.00	874,000.00	1,343,315,839.00	0.0651
Neptune City Borough	9,420,000.00	418,500.00	3,035,747.60	9,420,000.00	418,500.00	0.00	3,035,747.60	541,536,444.00	0.5606
Neptune Township	6,951,000.00	8,132,512.00	24,518,124.00	6,951,000.00	8,132,512.00	793,368.00	23,724,756.00	3,799,652,162.00	0.6244
Ocean Township	28,705,349.00	0.00	29,147,197.00	28,705,349.00	0.00	4,746,560.00	24,400,637.00	5,333,928,436.00	0.4575

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Oceanport Borough	\$2,750,000.00	\$0.00	\$5,049,646.00	\$2,750,000.00	\$0.00	\$893,731.00	\$4,155,915.00	\$1,203,508,577.00	0.3453%
Red Bank Borough	9,144,881.00	10,189,500.00	17,325,259.00	9,144,881.00	10,189,500.00	110,805.00	17,214,454.00	2,102,799,965.00	0.8186
Roosevelt Borough	413,000.00	2,779,926.00	71,250.00	413,000.00	2,779,926.00	0.00	71,250.00	84,627,022.00	0.0842
Rumson Borough	14,251,931.00	0.00	18,791,549.00	14,251,931.00	0.00	23,449.00	18,768,100.00	3,382,670,396.00	0.5548
Sea Bright Borough	0.00	714,500.00	6,130,100.00	0.00	201,151.13	602,134.96	6,041,313.91	798,112,486.00	0.7570
Sea Girt Borough	0.00	5,655,863.00	3,718,180.00	0.00	3,989,613.00	0.00	5,384,430.00	1,831,779,957.00	0.2939
Shrewsbury Borough	6,921,875.00	0.00	8,847,703.00	6,921,875.00	0.00	66,628.00	8,781,075.00	1,065,696,684.00	0.8240
Shrewsbury Township	382,777.00	0.00	1,267,796.00	382,777.00	0.00	0.00	1,267,796.00	72,609,955.00	1.7460
Spring Lake Borough	1,865,000.00	9,150,904.00	8,023,478.00	1,865,000.00	5,724,156.00	0.00	11,450,226.00	3,297,055,808.00	0.3473
Spring Lake Heights Borough	5,643,599.88	1,132,250.00	897,670.16	5,643,599.88	1,132,250.00	0.00	897,670.16	1,135,156,857.00	0.0791
Tinton Falls Borough	15,205,649.00	0.00	29,980,795.00	15,205,649.00	0.00	11,474,233.00	18,506,562.00	2,884,401,336.00	0.6416
Union Beach Borough*	0.00	2,036,087.00	9,564,347.00	0.00	2,036,087.00	0.00	9,564,347.00	556,693,077.00	1.7181
Upper Freehold Township	42,631,257.00	0.00	23,427,614.00	42,631,257.00	0.00	4,849,114.00	18,578,500.00	1,162,240,425.00	1.5985
Wall Township	39,305,000.00	18,296,183.00	43,525,807.00	39,305,000.00	18,296,183.00	4,500,000.00	39,025,807.00	6,061,483,007.00	0.6438
West Long Branch Borough	6,003,000.00	0.00	12,549,322.00	6,003,000.00	0.00	0.00	12,549,322.00	1,364,495,094.00	0.9197
TOTAL	\$831,199,660.62	\$197,936,703.00	\$770,629,842.76	\$831,199,660.62	\$172,347,900.13	\$66,638,713.21	\$729,579,932.42	\$115,325,511,083.00	0.6326%

* Towns with a fiscal year ending 06/30/07

Other County Obligations

Monmouth County Improvement Authority Correctional Facilities Revenue Bonds

The \$30,330,000 Correctional Facilities Refunding Revenue Bonds, Series 1997 are direct and special obligations of the Monmouth County Improvement Authority (“Authority”) secured by a pledge of certain property, which includes the Authority’s right to receive rental payments from the County pursuant to the terms and provisions under the Lease and Agreement dated as of August 1, 1991 between the County and the Authority. The County is obligated to pay to the Authority such sums of money constituting lease rentals in amounts necessary to provide for the cost of acquisition and construction of additions and improvements to the existing correctional facilities located in the County, including payment of debt service on bonds associated with the financing of such acquisition and any administrative expenses of the Authority. The lease rental payments representing debt service on said bonds are irrevocably pledged by the Authority for the payment of principal of, or the redemption price, if any, and interest on such bonds. As of August 31, 2008, \$10,945,000 of the bonds were outstanding.

Maturities of Bonds

Outstanding August 31, 2008

<u>Date</u>	<u>Amount</u>
2009	\$3,470,000
2010	3,645,000
2011	3,830,000

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

The \$20,590,000 Capital Equipment Pooled Lease Revenue Bonds, Series 1999, the \$16,885,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2001, the \$16,180,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2003, the \$21,905,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2005, and the \$19,940,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2007 (the “Bonds”) are limited obligations of the Authority secured by a pledge of certain property, which includes the Authority’s right to receive payments of principal and interest on bonds issued 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 August 31, 2008, \$50,700,000 of the bonds were outstanding.

Maturities of Bonds

Outstanding August 31, 2008

<u>Date</u>	<u>Amount</u>
2008	\$9,950,000
2009	9,190,000
2010	7,745,000
2011	6,065,000
2012	5,470,000
2013	4,150,000
2014	2,800,000
2015	2,940,000
2016	1,165,000
2017	1,225,000

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

The \$21,670,000 Governmental Loan Refunding Revenue Bonds, Series 2006 (the “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 irrevocably guaranteed by the County. As of August 31, 2008, \$10,965,000 of the bonds were outstanding.

Maturities of Pooled Loan Bonds
Outstanding August 31, 2008

<u>Date</u>	<u>Amount</u>
2/1/2009	\$1,095,000
8/1/2009	1,490,000
2/1/2010	1,055,000
8/1/2010	670,000
2/1/2011	1,050,000
8/1/2011	570,000
2/1/2012	825,000
8/1/2012	580,000
2/1/2013	695,000
8/1/2013	570,000
2/1/2014	690,000
8/1/2014	430,000
2/1/2015	490,000
8/1/2015	290,000
2/1/2016	270,000
8/1/2016	195,000

V. ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

Since 1950, the strategic location of the County in the New York Metropolitan Area and the completion of the Garden State Parkway and State Routes 9, 35 and 36, and to the railroad lines serving the County, have resulted in high population growth. The County's population increased 48.4% from 1950 (225,327) to 1960 (334,401), 38.1% from 1960 to 1970 (461,849), 8.9% from 1970 to 1980 (503,173), 9.9% from 1980 to 1990 (553,124), 11.2% from 1990 to 2000 (615,301) and 3.25% from 2000 to 2006 (635,285).

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>
2003	206,550	1.0%
2004	210,910	2.1
2005	213,425	1.2
2006	215,590	1.0
2007	216,044	0.2

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 51.6%, with retail trade next at 18.2% and construction at 7.2%. A breakdown of these data follows:

EMPLOYMENT BY INDUSTRIAL SECTOR

<u>Sector</u>	Number Employed 2006	Percentage of Total	Number Employed 2007	Percentage of Total
Services	109,227	50.66%	111,551	51.63%
Retail Trade	39,176	18.17	39,265	18.17
Manufacturing	10,030	4.65	9,387	4.35
Finance, Insurance and Real Estate	14,932	6.93	15,086	6.98
Construction	15,657	7.26	15,587	7.21
Wholesale Trade	9,554	4.43	9,510	4.40
Utilities	1,242	0.58	1,335	0.62
Transportation and Warehousing	7,465	3.46	7,439	3.44
Information	6,014	2.79	5,609	2.60
Agriculture	1,006	0.47	975	0.45
Unclassified Entities	<u>1,288</u>	<u>0.60</u>	<u>300</u>	<u>0.14</u>
Total	215,590	100.00%	216,044	100.00%

Source: New Jersey Department of Labor.

MAJOR EMPLOYERS - MONMOUTH COUNTY

The leading industries in the County by number of employees as of February 2008 are as follows:

<u>Employer</u>	<u>Municipality</u>	<u>Number Of Employees</u>
Meridan Health Care ¹	Various Locations	8,300
Fort Monmouth	Eatontown, Oceanport and Tinton Falls	5,300
AT&T	Various Locations	4,350
County of Monmouth	Various Locations	3,338
Foodarama Supermarkets, Inc. ²	Various Locations	2,536
CentraState Hospital	Freehold Township	2,407
Monmouth Medical Center	Long Branch	2,050
Bayshore Community Hospital	Holmdel	1,600
Vonage	Holmdel	1,510
Monmouth University	West Long Branch	1,241
Food Circus Super Market Inc.	Various locations	1,200
New Jersey Press, Inc. ³	Neptune	1,138
Norkus Enterprises, Inc.	Various locations	1,100

Source: Monmouth County Department of Economic Development and Tourism - February 2008

NOTES:

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

**COUNTY OF MONMOUTH
LABOR FORCE DATA**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>June 2008</u>
Labor Force	323,789	323,053	326,039	331,129	330,899	337,344
Employment	306,191	308,435	312,669	317,518	318,562	321,774
Unemployment	17,598	14,618	13,370	13,611	12,337	15,570
Unemployment Rate	5.4%	4.5%	4.1%	4.1%	3.7%	4.6%
New Jersey						
Unemployment Rate	5.9%	4.9%	4.5%	4.7%	4.2%	5.3%
United States						
Unemployment Rate	6.0%	5.5%	5.1%	4.6%	4.6%	5.5%

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 for New Jersey and \$35,225 in 1990 and \$50,046 for 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>
2002	\$42,819	138.93%	\$39,378	127.76%	\$30,821
2003	42,962	136.37	39,844	126.47	31,504
2004	46,066	139.08	41,872	126.41	33,123
2005	47,724	137.31	43,598	125.44	34,757
2006	51,455	140.15	46,763	127.37	36,714

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>
2003	2,756	32,984	8.4%
2004	2,628	35,936	7.3
2005	2,584	38,588	6.7
2006	2,820	34,323	8.2
2007	2,105	25,828	8.2

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>
2003	\$382,091	\$3,781,901	10.1%
2004	410,857	4,294,185	9.6
2005	415,418	4,993,072	8.3
2006	352,945	4,382,666	8.1
2007	342,440	3,853,977	8.9

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>
2003	\$127,147,714	\$6,082,497	\$42,782,600	\$80,397,402	\$256,410,213
2004	110,315,526	6,291,123	49,530,963	45,799,901	211,937,513
2005	69,172,126	603,000	60,731,471	30,678,011	161,184,608
2006	117,890,239	1,265,000	70,454,582	27,721,218	217,331,039
2007	117,766,271	18,674,698	55,292,323	31,897,548	223,630,840

Source: Monmouth County Department of Economic Development and Tourism.

VI. LEGAL MATTERS

Legality of the Bonds

The legality of the Series 2008 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 2008 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 2008 Bonds and the interest thereon without limitation as to rate or amount.

Tax Matters

Exclusion of Interest on the Series 2008 Bonds from Gross Income for Federal Income Tax Purposes. The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements which must be met on a continuing basis subsequent to the issuance of the Series 2008 Bonds in order to assure that interest on the Series 2008 Bonds will be excluded from gross income for Federal income tax purposes under Section 103 of the Code. Failure of the County to comply with such requirements may cause interest on the Series 2008 Bonds to be included in gross income for Federal income tax purposes, retroactive to the date of the issuance of the Series 2008 Bonds. The County has covenanted to comply with the provisions of the Code applicable to the Series 2008 Bonds and has covenanted not to take any action or permit any action that would cause the interest on the Series 2008 Bonds to be included in gross income under Section 103 of the Code or cause interest on the Series 2008 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 compliance with the Code, Gibbons P.C., Bond Counsel to the County, is of the opinion that, interest on the Series 2008 Bonds is excluded from the gross income of the owners of the Series 2008 Bonds for Federal income tax purposes pursuant to Section 103 of the Code and interest on the Series 2008 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 Series 2008 Bonds, interest on the Series 2008 Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Series 2008 Bonds in “adjusted current earnings” of certain corporations.

Prospective purchasers of the Series 2008 Bonds should be aware that ownership of, accrual of or receipt of interest on or disposition of tax-exempt obligations, such as the Series 2008 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 Series 2008 Bonds from gross income pursuant to Section 103 of the Code and interest on the Series 2008 Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Series 2008 Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Series 2008 Bonds.

State Taxation. Bond Counsel is of the opinion that, under existing law, interest on the Series 2008 Bonds and net gains from the sale of the Series 2008 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 Series 2008 Bonds, the exclusion of interest on the Series 2008 Bonds from gross income, alternative minimum taxable income, state taxable income, or any combination from the date of issuance of the Series 2008 Bonds or any other date, or that such changes will not result in other adverse federal or state tax consequences.

ALL POTENTIAL PURCHASERS OF THE SERIES 2008 BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE) OF THE OWNERSHIP OF THE SERIES 2008 BONDS.

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 2008 Bonds, and such Series 2008 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 2008 Bonds offered for sale or the levy or collection of any taxes to pay interest or principal of the Series 2008 Bonds, or in any manner questioning the authority of proceedings for the issuance of the Series 2008 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 Hutchins, Farrell, Meyer & Allison, P.A., 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 2008 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 2008 Bonds.

The DTC Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2008 Bonds. The Series 2008 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 2008 Bond certificate will be issued for each issue of the Series 2008 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 and www.dtc.org.

Purchases of Series 2008 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2008 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2008 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 2008 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 2008 Bonds, except in the event that use of the book-entry system for the Series 2008 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2008 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 2008 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 2008 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2008 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 2008 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2008 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2008 Bonds may wish to ascertain that the nominee holding the Series 2008 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 2008 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 2008 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 2008 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 2008 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 2008 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 2008 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 2008 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 various information repositories (the “Continuing Disclosure Requirements”).

On the date of delivery of the Series 2008 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 2008 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, 2008 (which is currently scheduled to end on December 31, 2008) (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 each Nationally Recognized Municipal Securities Information Repository (each, a “National Repository” and, collectively, the “National Repositories”) and with the State Information Depository (the “State Repository”). (As of the date of this Official Statement, the State of New Jersey has not designated a State Repository.) The notices of material events will be filed by the County with each of the National Repositories or the Municipal Securities Rulemaking Board and the State Repository. 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.

Additional Information

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to the Director of Finance, Mark E. Acker, County of Monmouth, Hall of Records, P.O. Box 1256, 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 2008 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/ Mark E. Acker
Director of Finance

Dated: September 9, 2008

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APPENDIX A

COUNTY OF MONMOUTH

REPORT ON AUDITS OF FINANCIAL STATEMENTS

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Hutchins, Farrell, Meyer & Allison, P.A.

Certified Public Accountants • Business & Financial Advisors

Robert H. Hutchins, CPA, CVA
Eugene M. Farrell, CPA, RMA, CFP
Robert W. Allison, CPA, RMA
Alan E. Meyer, CPA/ABV
Joann DiLieto, CPA

Patrice R. Antonucci, CPA
Thomas L. Stetson, CPA

Monmouth County Office
912 Highway 33 • Suite 2
Freehold, NJ 07728
(732) 409-0800
Fax: (732) 866-9312

Ocean County Office

512 Main Street • PO Box 1778
Toms River, NJ 08754
(732) 240-5600
Fax: (732) 505-8358

INDEPENDENT AUDITOR'S 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, 2007 and for the year ended December 31, 2007, listed as financial statement exhibits in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the County for the year ended December 31, 2006 were audited by other auditors whose report dated June 22, 2007 expressed an adverse opinion in accordance with generally accepted accounting principles in the United States of America and unqualified on a regulatory basis.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

Honorable Director and Members
of the Board of Chosen Freeholders
County of Monmouth
Freehold, New Jersey
Page 2

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, 2007, 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.

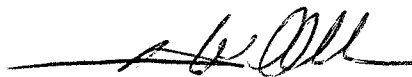
Also in our opinion, the regulatory-basis financial statements referred to above present fairly, in all material respects, the financial position, on a regulatory accounting basis, of the various funds of the County as of December 31, 2007, and the results of operations and changes in fund balance - 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, 2007 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated June 26, 2008 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.

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.

Hutchins, Farrell, Meyer & Allison, P.A.

Independent Auditors



Robert W. Allison
Registered Municipal Accountant
(#483)

June 26, 2008

FINANCIAL STATEMENTS

CURRENT FUND

EXHIBITS

COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

December 31, 2007 and 2006

Assets	Reference	2007	2006	Liabilities, Reserves and Fund Balance	Reference	2007	2006
Cash and Cash Equivalents	1-A	\$ 155,009,575.02	\$ 150,575,241.02	Appropriation Reserves	A-3,8-A	\$ 18,214,953.54	\$ 17,669,495.46
Change Funds	3-A	630.00	630.00	Appropriation Reserves - PERS	A	2,590,000.00	1,300,000.00
				Appropriation Reserves - PFRS	A	4,815,000.00	2,600,000.00
		<u>155,010,205.02</u>	<u>150,575,871.02</u>	Encumbrances Payable	A-3	31,045,463.10	33,015,042.64
Receivables and Other Assets With				Accounts Payable	9-A	6,801,488.13	5,449,734.37
Full Reserves:				Due To State of New Jersey -			
Added and Omitted Taxes Receivable	5-A	2,448,909.83	3,257,779.00	Realty Transfer Fees	10-A	3,407,605.72	4,275,011.45
Revenue Accounts Receivable	6-A	6,710,648.10	5,841,804.44	Contractors Retainage	11-A	19,653.00	19,653.00
Revenue Accounts Receivable - Unanticipated	7-A	47,298.53	47,298.53	Reserve for Arbitrage Rebates	12-A	<u>812,673.19</u>	<u>374,205.94</u>
						<u>67,706,836.68</u>	<u>64,703,142.86</u>
		<u>9,206,856.46</u>	<u>9,146,881.97</u>	Reserve for Receivables	A	9,206,856.46	9,146,881.97
				Fund Balance	A-1	<u>87,303,368.34</u>	<u>85,872,728.16</u>
						<u>96,510,224.80</u>	<u>95,019,610.13</u>
Federal and State Grant Fund:				Federal and State Grant Fund:			
Cash and Cash Equivalents	13-A	18,513,924.70	19,416,125.46	Reserve for Grants - Appropriated	15-A	44,106,797.76	44,870,069.30
Grants Receivable	14-A	26,308,482.87	25,702,656.54	Reserve for Grants - Unappropriated	16-A	715,609.81	248,712.70
		<u>44,822,407.57</u>	<u>45,118,782.00</u>			<u>44,822,407.57</u>	<u>45,118,782.00</u>
Total Assets		<u>\$ 209,039,469.05</u>	<u>\$ 204,841,534.99</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 209,039,469.05</u>	<u>\$ 204,841,534.99</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

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

Years ended December 31, 2007 and 2006

	<u>Reference</u>	<u>2007</u>	<u>2006</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 48,500,000.00	\$ 48,000,000.00
Miscellaneous Revenue Anticipated	A-2	170,535,152.68	159,238,090.03
Receipts From Current Taxes	A-2	286,504,000.00	278,540,000.00
Non-Budget Revenue	A-2	21,588,882.78	20,681,166.83
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	8-A	14,160,639.84	13,275,303.78
Current Appropriations Cancelled	A-1	3,371.83	0.32
Adjustments To Accounts Payable	9-A	135,716.99	33,020.13
		<u>541,427,764.12</u>	<u>519,767,581.09</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations:			
Salaries and Wages	A-3	174,484,136.07	167,610,055.00
Other Expenses	A-3	233,490,147.57	222,657,950.81
Capital Improvements	A-3	13,046,000.00	12,957,000.00
Debt Service	A-3	47,976,840.30	46,396,688.86
Deferred Charges and Statutory Expenditures	A-3	22,500,000.00	21,475,000.00
		<u>491,497,123.94</u>	<u>471,096,694.67</u>
Excess in Revenue		49,930,640.18	48,670,886.42
Fund Balance, January 1	A	<u>85,872,728.16</u>	<u>85,201,841.74</u>
		135,803,368.34	133,872,728.16
Decreased By:			
Utilized as Anticipated Revenue	A-1,A-2	<u>48,500,000.00</u>	<u>48,000,000.00</u>
Fund Balance, December 31	A	<u>\$ 87,303,368.34</u>	<u>\$ 85,872,728.16</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2007

	Reference	Anticipated Budget	Amount Realized	Excess/ (Deficit)
Fund Balance Anticipated	A-1	\$ 48,500,000.00	\$ 48,500,000.00	
Miscellaneous Revenues - Local Revenues:				
County Clerk	6-A	13,500,000.00	12,547,640.24	\$ (952,359.76)
Surrogate	6-A	300,000.00	535,553.69	235,553.69
Sheriff	6-A	1,650,000.00	2,234,785.24	584,785.24
Interest on Investments and Deposits	6-A	10,500,000.00	16,521,580.73	6,021,580.73
Parks and Recreation	6-A	6,500,000.00	7,027,329.25	527,329.25
Monmouth County Care Center - Geraldine L. Thompson Division	6-A	10,000,000.00	10,571,365.82	571,365.82
Monmouth County Care Center - John L. Montgomery Division	6-A	13,400,000.00	13,684,884.81	284,884.81
Data Processing - Board of Social Services	6-A	104,000.00	86,660.00	(17,340.00)
Receipts, Rental of County Owned Properties	6-A	300,000.00	498,517.03	198,517.03
Indirect Cost Recovery	6-A	960,000.00	2,855,045.18	1,895,045.18
USDA Reimbursement - Youth Detention Center	6-A	30,000.00	35,999.71	5,999.71
Maintenance in Lieu of Rent - Division of Social Services	6-A	1,126,020.00	1,126,021.92	1.92
Recovery of Fringe Benefits	6-A	5,200,000.00	6,518,811.38	1,318,811.38
Reimbursement - Federal Inmates at Correctional Institution	6-A	100,000.00	114,879.96	14,879.96
Lease - Workmen's Compensation Court	6-A	125,000.00	313,716.00	188,716.00
Intoxicated Driver Resource Center	6-A	6,397,041.80	6,810,446.46	413,404.66
Division of Social Services	6-A	1,260,818.00	2,964,290.82	1,703,472.82
Total Miscellaneous Revenues - Local Revenues		71,452,879.80	84,447,528.24	12,994,648.44
Miscellaneous Revenues - State Aid:				
State Aid - County College Bonds (N.J.S.A. 18A:64A-22.6)	6-A	3,486,987.50	3,486,987.50	
Reimbursement - Mental Health Administrator's Salary	6-A	12,000.00	9,000.00	(3,000.00)
Reimbursement - State Inmates at Correctional Institution	6-A	2,450,000.00	2,337,289.00	(112,711.00)
Division of Economic Assistance - Earned Income Credit	6-A	21,300,000.00	22,864,812.00	1,564,812.00
Total Miscellaneous Revenues - State Aid		27,248,987.50	28,698,088.50	1,449,101.00
Miscellaneous Revenues - State Assumption of Costs of County Social and Welfare Services and Psychiatric Facilities:				
Social and Welfare Services (C. 66, P.L. 1990):				
Division of Youth and Family Services	6-A	3,112,321.00	3,112,321.00	
Supplemental Social Security Income	6-A	939,182.00	939,869.00	687.00
Psychiatric Facilities (C.73, P.L. 1990):				
Maintenance of Patients in State Institutions for:				
Mental Diseases	6-A	3,717,248.00	3,717,248.00	
Mentally Retarded	6-A	11,916,658.00	11,916,658.00	
Board of County Patients in State and Other Institutions	6-A	6,206.00	357,656.95	351,450.95
Total Miscellaneous Revenues - State Assumption of Costs of County Social and Welfare Services and Psychiatric Facilities		19,691,615.00	20,043,752.95	352,137.95
Miscellaneous Revenues - Special Items of General Revenue Anticipated with Prior Written Consent of the Director of Local Government Services - Public and Private Revenues Offset With Appropriations:				
State of New Jersey - Department of Health and Senior Services:				
Monmouth County Office on Aging Comprehensive Area Plan Grant	6-A,14-A	4,000,976.00	4,000,976.00	
CAP/NJEH Medicaid Case Management	6-A,14-A	900,000.00	900,000.00	
Alcoholism Services Plan - CY2007, 07-535-ADA-C-O	6-A,14-A	1,087,107.00	1,087,107.00	
State of New Jersey - Governor's Council on Alcohol and Drug Abuse:				
Alliance Prevention - CY2007	6-A,14-A	684,596.00	684,596.00	

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2007

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Amount Realized</u>	<u>Excess/ (Deficit)</u>
Miscellaneous Revenues - Special Items of General Revenue				
Anticipated with Prior Written Consent of the Director of				
Local Government Services - Public and Private Revenues				
Offset With Appropriations (continued):				
State of New Jersey - Department of Community Affairs:				
Recreational Opportunities for Individuals with Disabilities CY2007	6-A,14-A	23,034.00	23,034.00	
Prevention of Homelessness (Linkages) FY2007	6-A,14-A	50,000.00	50,000.00	
Prevention of Homelessness (Linkages) FY2008	6-A,14-A	54,750.00	54,750.00	
Shelter Support, FY2008	6-A,14-A	275,000.00	275,000.00	
SHARE, SFY2007, 2007-04665-1231-00	6-A,14-A	300,000.00	300,000.00	
State of New Jersey - New Jersey Transit Corporation:				
FTA - JARC Route 35 Shuttle - FFY2005, Round 7	6-A,14-A	36,000.00	36,000.00	
FTA - JARC Route 836 Shuttle - FFY2005, Round 7	6-A,14-A	57,600.00	57,600.00	
FTA - Section 5311 - FY2008	6-A,14-A	146,782.50	146,782.50	
Senior Citizen and Disabled Resident Transportation Grant (CASINO) - CY2007	6-A,14-A	2,054,321.00	2,054,321.00	
Work First New Jersey - CY2008 Project Income	6-A,14-A	3,886.00	3,886.00	
State of New Jersey - Division of Vocational Rehabilitation Services:				
Brokered Employment Transportation - CY2008 Project Income	6-A,14-A	15,005.35	15,005.35	
North Jersey Transportation Planning Program:				
NJIT - Sub-Regional Internship Program - FY2006/07	6-A,14-A	579.19	579.19	
NJIT - Sub-Regional Transportation Planning Program - FY2008	6-A,14-A	123,822.00	123,822.00	
NJIT - Coastal Evacuation Study - FY2008-2009	6-A,14-A	176,000.00	176,000.00	
NJIT - Sub-Regional Internship Program - FY2008	6-A,14-A	6,300.00	6,300.00	
State of New Jersey - Department of Transportation:				
TTF - Annual Transportation Program, FY2007	6-A,14-A	5,297,000.00	5,297,000.00	
NJTPA - CR 537, Corridor Sec. A	6-A,14-A	492,011.00	492,011.00	
State of New Jersey - Department of Human Services:				
DYFS:				
Youth Detention Center - CY2007 - 07BFNC	6-A,14-A	40,822.00	40,822.00	
Human Services Advisory Council - CY2007 - 07AVNC	6-A,14-A	67,711.00	67,711.00	
Family Court, Grants-In-Aid - CY2007 - 07CNNC	6-A,14-A	7,679.00	7,679.00	
DFD:				
Special Initiative and Transportation - FY2008	6-A,14-A	272,575.00	272,575.00	
Title IV-D Reimbursement Agreement - FFY2008	6-A,14-A	440,600.00	440,600.00	
Social Services for the Homeless - CY2007 - SH0713	6-A,14-A	775,639.00	775,639.00	
DDD:				
Project Lifesaver - CY2007	6-A,14-A	15,000.00	15,000.00	
DMHS:				
MHANJ - Disaster Liaison - FY2007	6-A,14-A	2,500.00	2,500.00	
Mental Health Training FY2007	6-A,14-A	1,475.00	1,475.00	
Mental Health Board FY2007	6-A,14-A	6,000.00	6,000.00	
Project Transition/Path and NJMAP - CY2007 - S1202039	6-A,14-A	422,015.00	422,015.00	
CIACC/CART - CY2007, 20213	6-A,14-A	43,258.00	43,258.00	
State of New Jersey - Office of the Attorney General:				
DLPS - DCJ - Victim Assistance, VOCA, SFY2008, V-07-07	6-A,14-A	270,025.00	270,025.00	
DLPS - DCJ - OSME - 2006 Coverdale Forensic Award	6-A,14-A	15,200.00	15,200.00	
DLPS - DCJ - SANE/SART, VS-42-07	6-A,14-A	65,425.00	65,425.00	
DLPS - DCJ - Narcotics Task Force - CY2007, JAG-1-35TF-05	6-A,14-A	100,014.00	100,014.00	
DLPS - DCJ - Sex Offender Registry Grant, ML-13-07	6-A,14-A	18,750.00	18,750.00	
DLPS - DCJ - Project Vision - FY2007, PV-05-05	6-A,14-A	50,000.00	50,000.00	
DLPS - DCJ - Body Armor Replacement Fund (BARF) - FY2006	6-A,14-A	52,844.67	52,844.67	
DLPS - DCJ - LEOTEF - SFY2006	6-A,14-A	48,220.00	48,220.00	
DLPS - OHSP - Homeland Security Grant Program - FFY2006	6-A,14-A	39,094.00	39,094.00	
DLPS - OHSP - Homeland Security Grant Program - FFY2007	6-A,14-A	712,319.60	712,319.60	
DLPS - DHTS - DWI Task Force, FFY2008	6-A,14-A	25,985.00	25,985.00	
DLPS - JJC - State/Community Partnership - CY2007 - SCP-PM/PS-07-13	6-A,14-A	470,655.00	470,655.00	
DLPS - JJC - Juvenile Detention Alternatives Initiative (JDAI), FY2008	6-A,14-A	50,000.00	50,000.00	
DLPS - JJC - Family Court - CY2007, FC-PS-07-13	6-A,14-A	272,327.00	272,327.00	
DLPS - JJC - Juvenile Accountability Incentive Block Grant - FFY2006 - Year 9-06-13	6-A,14-A	54,182.00	54,182.00	
DLPS - JJC - MCYDC - State Facilities Education Act (SFEA), FY2008	6-A,14-A	170,742.00	170,742.00	

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2007

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Amount Realized</u>	<u>Excess/ (Deficit)</u>
Miscellaneous Revenues - Special Items of General Revenue				
Anticipated with Prior Written Consent of the Director of				
Local Government Services - Public and Private Revenues				
Offset With Appropriations (continued):				
State of New Jersey - Department of Environmental Protection:				
Clean Communities Program - FY2007	6-A,14-A	72,558.97	72,558.97	
Recycling Program - REC-94-13 - Project Income	6-A,14-A	5,750.00	5,750.00	
Wreck Pond Stormwater Restoration	6-A,14-A	1,200,000.00	1,200,000.00	
MU - E. Coli Study Seminars, RP04-07	6-A,14-A	5,000.00	5,000.00	
Ramanessin Study, 2007	6-A,14-A	300,000.00	300,000.00	
State of New Jersey - Department of Labor and Workforce Development:				
Workforce Investment Act - (WIA) (05A) PY2005	6-A,14-A	96,875.00	96,875.00	
Workforce Investment Act - (WIA) (06A) PY2006	6-A,14-A	124,956.68	124,956.68	
Workforce Investment Act - (WIA) (07A) PY2007	6-A,14-A	2,048,381.00	2,048,381.00	
Workforce Development Partnership Program (WDPP) (07C) - PY2007	6-A,14-A	57,577.00	57,577.00	
Workforce NJ (WVNJ), Disability Program Navigator (DPN) (06E) - PY 2006	6-A,14-A	14,171.40	14,171.40	
Workforce Investment Board (WIB) (06G) - PY2006	6-A,14-A	30,000.00	30,000.00	
Workforce NJ (WVNJ), New Jersey Build (06H) - PY2006	6-A,14-A	5,295.00	5,295.00	
Work First New Jersey (WFNJ) (06I) SFY2007	6-A,14-A	12,037.00	12,037.00	
Work First New Jersey (WFNJ) (07I) SFY2008	6-A,14-A	2,528,800.00	2,528,800.00	
Workforce Learning Link (WLL) (06K) - SFY2007	6-A,14-A	51,954.00	51,954.00	
Workforce Learning Link (WLL) (07K) - SFY2008	6-A,14-A	180,828.00	180,828.00	
Workforce NJ (WVNJ), BRAC (2005) (06L) - SFY2007, PY2006	6-A,14-A	54,283.84	54,283.84	
Workforce NJ (WVNJ), BRAC (2006) (07L) - SFY2008, PY2007	6-A,14-A	203,164.00	203,164.00	
Work First New Jersey (WFNJ) TANF/WV (06M) FY2007	6-A,14-A	8,148.00	8,148.00	
Work First New Jersey (WFNJ) TANF/WV (07M) FY2008	6-A,14-A	32,592.00	32,592.00	
State of New Jersey - Agriculture Development Committee:				
Comprehensive Farmland Preservation Plan, CY2007	6-A,14-A	30,000.00	30,000.00	
State of New Jersey - Division of Archive and Records Management:				
PARIS Grants Program, 2007-2008	6-A,14-A	1,286,618.00	1,286,618.00	
PARIS Special Purpose Grant Program, 2007	6-A,14-A	390,000.00	390,000.00	
State of New Jersey - Office of Information Technology:				
OETS - 9-1-1 PSAP General Assistance, FY2007	6-A,14-A	350,000.00	350,000.00	
US Department of Housing and Urban Development:				
Housing Counseling, FY2006, HC-06-0398-075	6-A,14-A	31,062.00	31,062.00	
Housing Counseling, FY2007, HC-06-0398-009	6-A,14-A	66,914.00	66,914.00	
Township of Woodbridge - HOPWA - 2007	6-A,14-A	430,338.00	430,338.00	
Friends of the Monmouth County Child Advocacy Center, Inc:				
Monmouth County Child Advocacy Center	6-A,14-A	445,400.00	445,400.00	
Naval Weapons Station Earle:				
M.C. Mosquito Extermination Comm, ISA, FY 2007 #N62472-05-M-1729	6-A,14-A	12,800.00	12,800.00	
Gateway National Recreation Area - Sandy Hook:				
M.C. Mosquito Extermination Commission, ISA, FY 2007	6-A,14-A	3,449.44	3,449.44	
County Clerks - Interlocal Service Agreements (ISA's):				
Document Summary Management System, E-Recording FY2006-2008	6-A,14-A	175,736.00	175,736.00	
National Children's Alliance:				
Leadership Conference Tuition Grant, CY 2007	6-A,14-A	1,050.00	1,050.00	
Donations:				
Monmouth County Sheriff's K-9 Unit	6-A,14-A	75.00	75.00	
NJNG/FEC: Project Lifesaver, OOA, 2007-2008	6-A,14-A	5,000.00	5,000.00	
Monmouth Cares, Inc:				
Monmouth 4-H Cares Program Grant, FY 2008	6-A,14-A	28,000.00	28,000.00	
Total Miscellaneous Revenues - Special Items of General Revenue				
Anticipated with Prior Written Consent of the Director of				
Local Government Services - Public and Private Revenues				
Offset With Appropriations				
		<u>30,584,641.64</u>	<u>30,584,641.64</u>	

See accompanying notes.

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2007

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Amount Realized</u>	<u>Excess/ (Deficit)</u>
Special Items of General Revenue Anticipated With Prior Written Consent of the Director of Local Government Services - Other Special Items:				
Constitutional Officers - Increased Fees (P.L. 2001, C.370):				
County Clerk	6-A	4,255,000.00	3,704,626.00	(550,374.00)
Surrogate	6-A	199,000.00	199,661.00	661.00
Sheriff	6-A	271,000.00	66,854.35	(204,145.65)
Pension Reserve	6-A	1,200,000.00	1,200,000.00	
Division of Social Services - Early Retirement Incentive Principal	6-A	1,590,000.00	1,590,000.00	
Total Special Items of General Revenue Anticipated With Prior Written Consent of the Director of Local Government Services - Other Special Items		<u>7,515,000.00</u>	<u>6,761,141.35</u>	<u>(753,858.65)</u>
Total Miscellaneous Revenues	A-1,6-A	<u>156,493,123.94</u>	<u>170,535,152.68</u>	<u>14,042,028.74</u>
Subtotal General Revenues		<u>204,993,123.94</u>	<u>219,035,152.68</u>	<u>14,042,028.74</u>
Amount To Be Raised By Taxation - County Purpose Tax	A-1, 4-A	<u>286,504,000.00</u>	<u>286,504,000.00</u>	
Total General Revenues		<u>491,497,123.94</u>	<u>505,539,152.68</u>	<u>14,042,028.74</u>
Non-Budget Revenues	A-1, A-2		<u>21,588,882.78</u>	<u>21,588,882.78</u>
Total		<u>\$ 491,497,123.94</u>	<u>\$ 527,128,035.46</u>	<u>\$ 35,630,911.52</u>
	<u>Reference</u>	A-3	A-2	A-2

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2007

Reference

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:	
Garnishment Service Charge	\$ 8,182.60
Rent From Newspaper Receipt Booth	480.00
Voter Registration - Labels and Tapes	8,183.90
Construction Board of Appeals	3,350.00
County Added and Omitted Taxes	3,257,779.00
Pay Telephone Station Commissions	549,531.06
Interest Parks Department	19,348.39
Engineers Plans and Specifications	9,170.25
Vending Machine Commissions	24,625.41
Appropriation Refunds - Agricultural Easements	187,259.44
Autopsy Fees	955.00
Planning Board Receipts	8,522.21
Miscellaneous Unanticipated Revenue:	
State of New Jersey	2,900,000.00
MCCI Per Diem Settlement	2,500,000.00
Miscellaneous	172,263.33
Sale of Election Maps	112.00
Judgments	2,106.18
Salary and Fringe Reimbursements	145,957.54
Interest - Sheriffs Accounts	94,192.94
Damages To County Property	50,499.94
Purchase of Lists, Records, etc.	1,674.25
Auction Sales	272,269.00
Inmate Transportation	53,544.00
Payment in Lieu of Taxes	2,560.00
Sale of County Merchandise, Property, etc.	50,220.92
Permit Fees	14,275.00
Appropriation Refunds	1,428,111.36
Police Academy - Trainee Ammunition	16,738.70
Unanticipated Grant Receipts	259.62
Insurance Reimbursements	188,974.71
Telephone Refunds	635.63
Monmouth County Police Computer	201,314.28
Copier Receipts	50,718.75
Uniform Fire Code Permit Fees	1,904.00
Planning Board:	
Site Plan Revision Fees	38,787.98
Site Plan Inspection Fees	6,985.77
Subdivision Application Fees	139,242.73
Special Events	17,940.00
Reimbursement for Motor Pool	169,445.73
Reimbursement for Single Audit Costs	32,386.52
Information Services Costs - Mod IV Tax	131,075.85
Consumer Affairs - Task Force Fines	1,150.00
Board of Elections - State Reimbursement	458,875.00
Comm. Reg. Elections - Twp. Reimb. (Ch. 278, '95)	118,435.21
County Clerk Election - Twp. Reimb. (Ch. 278, '95)	87,876.63

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2007

Reference

Analysis of Non-Budget Revenue

Board of Elections - Twp. Reimb. (Ch. 278, '95)		22,841.87
Probation Fines		23,128.14
Information Services - Print Shop		127,218.31
Bail Bond Forfeitures		245,380.48
Juror Compensation Fund		4,967.00
County Clerk - Archives Day		3,402.50
Interest on County Clerk's Account		146,656.64
Office of Emergency Management - State		54,000.00
Probation - Sheriff Labor Assistance Program		922.00
Voting Machine Rentals		6,969.00
NJAOC - Service Agreements		246,704.01
Primary Election - Postage Reimbursement		32,686.42
MC DOT - Howell Township Agreement		32,000.00
MC DOT - Agency Receipts		865,357.51
Police Academy - Tuition		89,452.48
911 Program, Police Radio - Municipal Receipts		1,199,234.27
MCPO:		
USDOJ, DEA Reimbursement		30,003.17
Restitution Collections		4,345.58
County Emergency Response Team		44,000.00
MC SO - USDOJ, US Marshall Service		13,000.00
Employee Fines/Fees		4,258.01
MCCI:		
Inmate Fees		232,484.56
SSA Reimbursement		41,600.00
Inmate Medical Co-Pay Program		23,407.46
Donations		150.00
Inmate Commissary Account		3,777.00
Western Union Commissions		317,240.65
GIS A/R Munic/Others - Excess		20,255.00
Licensing Agreements - Fiber Optics Cables		35,154.35
Reimbursements - Cty. Philadelphia Inmates at MCCI		3,473,647.73
Bayshore Ferry - Food/Beverage Concession		3,327.00
Bayshore Ferry - Rent		131,480.02
DJP - Treasurer - SCAAP		187,338.00
MCDSS:		
Fed. Parent Locator Fees		24.00
Miscellaneous Unanticipated Revenue		494,543.79
Jury Duty/Employee Salaries and Wages Reimbursement		5.00
Total Amount of Miscellaneous Revenues Not Anticipated	A-2	21,588,882.78
County Added and Omitted Taxes		3,257,779.00
	1-A	<u>\$ 18,331,103.78</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

Year ended December 31, 2007

	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
General Appropriations Operations - Within "CAPS"					
General Government:					
Office of County Administrator:					
Salaries and Wages	\$ 752,393.00	\$ 752,393.00	\$ 735,202.05	\$ 17,190.95	
Other Expenses	185,105.00	185,105.00	142,304.13	42,800.87	
Research, Technical and Consulting Services:					
Other Expenses	1,350,000.00	1,350,000.00	1,091,759.05	258,240.95	
Purchasing Department:					
Salaries and Wages	716,324.00	743,324.00	741,334.10	1,989.90	
Other Expenses	33,852.00	33,852.00	29,722.75	4,129.25	
Public Information:					
Salaries and Wages	158,599.00	193,599.00	193,390.90	208.10	
Other Expenses	103,605.00	103,605.00	50,564.31	53,040.69	
Personnel Department:					
Salaries and Wages	1,024,040.00	1,075,040.00	1,073,869.79	1,170.21	
Other Expenses	80,630.00	85,630.00	81,503.86	4,126.14	
Youth Employment Program:					
Salaries and Wages	369,600.00	369,600.00	330,480.32	39,119.68	
Board of Chosen Freeholders:					
Salaries and Wages	151,000.00	151,000.00	149,694.12	1,305.88	
Other Expenses	4,144.00	4,144.00	163.26	3,980.74	
Clerk of the Board:					
Salaries and Wages	613,827.00	638,827.00	637,271.13	1,555.87	
Other Expenses	83,350.00	83,350.00	69,325.83	14,024.17	
County Clerk - Elections:					
Salaries and Wages	166,747.00	141,747.00	132,760.40	8,986.60	
Other Expenses	44,800.00	44,800.00	14,357.48	30,442.52	
Office of the County Clerk:					
Salaries and Wages	2,704,545.00	2,447,545.00	2,438,591.70	8,953.30	
Other Expenses	336,335.00	336,335.00	229,775.82	106,559.18	
Superintendent of Elections:					
Salaries and Wages	1,362,876.00	1,302,876.00	1,298,467.67	4,408.33	
Other Expenses	405,200.00	455,200.00	349,132.50	106,067.50	
Board of Elections:					
Salaries and Wages	1,134,674.00	1,085,674.00	1,057,108.68	28,565.32	
Other Expenses	170,315.00	170,315.00	117,825.26	52,489.74	
Finance Department:					
Salaries and Wages	1,148,957.00	1,188,957.00	1,184,061.91	4,895.09	
Other Expenses	453,550.00	593,550.00	516,751.11	76,798.89	

See accompanying notes.

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

Year ended December 31, 2007

	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
General Appropriations Operations - Within "CAPS"					
General Government (continued):					
Indirect Cost Allocation Plan:					
Other Expenses	25,000.00	25,000.00		25,000.00	
Office of Records Management:					
Salaries and Wages	68,409.00	68,409.00	46,776.87	21,632.13	
Other Expenses	113,258.00	113,258.00	24,569.23	88,688.77	
Audit Services:					
Other Expenses	120,000.00	120,000.00		120,000.00	
Department of Information Services:					
Salaries and Wages	2,434,041.00	2,404,041.00	2,388,448.78	15,592.22	
Other Expenses	2,989,087.00	2,989,087.00	2,775,498.27	213,588.73	
Board of Taxation:					
Salaries and Wages	324,599.00	341,599.00	340,687.41	911.59	
Other Expenses	15,343.00	15,343.00	7,855.02	7,487.98	
Office of the County Counsel:					
Other Expenses	2,200,000.00	2,700,000.00	2,520,420.99	179,579.01	
Office of County Adjuster:					
Salaries and Wages	117,125.00	122,125.00	121,745.10	379.90	
Other Expenses	187,577.00	212,577.00	208,670.16	3,906.84	
County Surrogate:					
Salaries and Wages	725,130.00	760,130.00	758,128.23	2,001.77	
Other Expenses	12,583.00	12,583.00	12,354.80	228.20	
County Engineer:					
Salaries and Wages	3,755,729.00	3,703,729.00	3,701,803.21	1,925.79	
Other Expenses	321,875.00	321,875.00	230,934.67	90,940.33	
Economic Development and Tourism:					
Salaries and Wages	397,731.00	347,731.00	347,332.57	398.43	
Other Expenses	71,760.00	71,760.00	64,700.55	7,059.45	
Historical Commission:					
Salaries and Wages	25,000.00	28,000.00	27,383.96	616.04	
Other Expenses	339,670.00	339,670.00	315,986.79	23,683.21	
Land Use Administration:					
Planning Board (N.J.S.40A:27-3):					
Salaries and Wages	1,511,950.00	1,466,950.00	1,459,256.51	7,693.49	
Other Expenses	153,319.00	153,319.00	129,160.39	24,158.61	
Contribution To Soil Conservation District (N.J.S. 4:24(1)):					
Other Expenses	4,600.00	4,600.00	4,600.00		
Code Enforcement and Administration:					
Worker's Compensation:					
Salaries and Wages	380,385.00	380,385.00	350,170.61	30,214.39	
Other Expenses	2,675.00	2,675.00	1,802.69	872.31	

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

Year ended December 31, 2007

General Appropriations Operations - Within "CAPS"	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
Insurance:					
Other Insurance Premiums:					
Other Expenses	4,300,000.00	4,300,000.00	3,761,695.16	538,304.84	
Worker's Compensation:					
Other Expenses	4,700,000.00	4,700,000.00	3,782,833.75	917,166.25	
Group Insurance Plan:					
Other Expenses	42,650,000.00	41,939,000.00	39,579,930.89	2,359,069.11	
Unemployment Compensation Insurance (N.J.S.A.43:21-3 et seq):					
Other Expenses	250,000.00	250,000.00	250,000.00		
Public Safety Functions:					
Sheriff's Office - Police Radio:					
Salaries and Wages	3,192,516.00	3,761,516.00	3,760,835.94	680.06	
Other Expenses	314,567.00	314,567.00	249,844.42	64,722.58	
Police Computer:					
Salaries and Wages	461,631.00	457,631.00	438,960.46	18,670.54	
Other Expenses	425,780.00	425,780.00	371,468.83	54,311.17	
Office of Emergency Management:					
Salaries and Wages	276,246.00	226,246.00	215,228.36	11,017.64	
Other Expenses	7,632.00	7,632.00	6,232.85	1,399.15	
Department of Consumer Affairs:					
Salaries and Wages	255,579.00	255,579.00	253,713.00	1,866.00	
Other Expenses	6,196.00	6,196.00	2,523.47	3,672.53	
Medical Examiner:					
Salaries and Wages	797,428.00	812,428.00	807,423.18	5,004.82	
Other Expenses	283,963.00	283,963.00	236,638.00	47,325.00	
Aid To Volunteer Rescue and Ambulance Squads (N.J.S. 40:5-2):					
Other Expenses	17,100.00	17,100.00	15,300.00	1,800.00	
Sheriffs Office:					
Salaries and Wages	10,484,113.00	10,709,113.00	10,663,968.43	45,144.57	
Other Expenses	168,033.00	168,033.00	160,689.81	7,343.19	
Office of the County Prosecutor:					
Salaries and Wages	20,334,097.00	20,494,097.00	20,485,803.38	8,293.62	
Other Expenses	1,470,250.00	1,470,250.00	1,225,791.62	244,458.38	
Correctional Institution:					
Salaries and Wages	33,340,711.00	33,540,711.00	33,463,560.47	77,150.53	
Other Expenses	11,632,072.00	11,632,072.00	10,992,265.35	639,806.65	
Youth Detention Center:					
Salaries and Wages	3,760,001.00	3,760,001.00	3,751,634.35	8,366.65	
Other Expenses	366,895.00	366,895.00	244,437.87	122,457.13	
Fire Marshall (N.J.S. 40A:14-1):					
Salaries and Wages	657,703.00	618,703.00	589,800.65	28,902.35	
Other Expenses	60,323.00	60,323.00	54,406.53	5,916.47	
Police Academy and Firing Range:					
Salaries and Wages	412,555.00	442,555.00	410,383.70	32,171.30	
Other Expenses	118,214.00	118,214.00	72,853.68	45,360.32	

See accompanying notes.

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

Year ended December 31, 2007

General Appropriations Operations - Within "CAPS"	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
Public Works Functions:					
County Road Maintenance:					
Salaries and Wages	5,608,385.00	5,858,385.00	5,850,896.64	7,488.36	
Other Expenses	1,556,757.00	1,556,757.00	1,420,662.80	136,094.20	
County Bridge Maintenance:					
Salaries and Wages	2,098,500.00	2,168,500.00	2,129,828.87	38,671.13	
Other Expenses	182,181.00	182,181.00	141,100.04	41,080.96	
Director of Public Works and Engineering:					
Salaries and Wages	377,341.00	388,341.00	384,985.29	3,355.71	
Other Expenses	570.00	570.00	187.57	382.43	
Shade Tree Commission:					
Salaries and Wages	1,312,433.00	1,372,433.00	1,343,207.63	29,225.37	
Other Expenses	201,598.00	201,598.00	180,412.48	21,185.52	
Central Mailroom:					
Salaries and Wages	189,800.00	204,800.00	202,114.09	2,685.91	
Other Expenses	1,039,900.00	1,039,900.00	1,019,362.11	20,537.89	
Buildings and Grounds:					
Salaries and Wages	6,556,645.00	6,856,645.00	6,823,056.08	33,588.92	
Other Expenses	7,423,752.00	7,488,752.00	6,965,184.59	523,567.41	
Central Motor Pool:					
Salaries and Wages	1,656,545.00	1,691,545.00	1,683,205.52	8,339.48	
Other Expenses	1,629,016.00	1,629,016.00	1,407,752.34	221,263.66	
Mosquito Extermination Commission (N.J.S. 26:9-13 et seq):					
Other Expenses	2,067,775.00	2,067,775.00	2,067,775.00		
Human Services and Health Functions:					
Division of Social Services Administration:					
Salaries and Wages	22,434,900.00	22,434,900.00	21,233,973.59	1,200,926.41	
Other Expenses	21,842,998.00	21,842,998.00	18,799,079.61	3,043,918.39	
Temporary Assistance for Needy Families - County Share:					
Other Expenses	373,457.00	373,457.00	325,000.00	48,457.00	
Assistance for Social Security Recipients:					
Other Expenses	939,182.00	939,182.00	933,000.00	6,182.00	
Monmouth County Department of Health Care Facilities:					
Salaries and Wages	646,368.00	646,368.00	640,042.32	6,325.68	
Other Expenses	5,599,905.00	5,599,905.00	5,303,933.85	295,971.15	
Monmouth County Care Centers - Geraldine L. Thompson Division:					
Salaries and Wages	7,185,855.00	7,660,855.00	7,588,021.15	72,833.85	
Monmouth County Care Centers - John L. Montgomery Division:					
Salaries and Wages	9,222,049.00	9,692,049.00	9,657,928.08	34,120.92	
Division of Mental Health (N.J.S. 40A:5-29):					
Salaries and Wages	183,553.00	188,553.00	187,498.77	1,054.23	
Other Expenses	1,827,784.00	1,827,784.00	1,769,672.60	58,111.40	
Department of Children and Families:					
Other Expenses	3,112,321.00	3,112,321.00	3,112,321.00		
Department of Human Services:					
Salaries and Wages	331,172.00	343,172.00	343,113.64	58.36	
Other Expenses	19,850.00	19,850.00	7,103.65	12,746.35	

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

Year ended December 31, 2007

	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
General Appropriations					
Operations - Within "CAPS"					
Human Services and Health Functions (continued):					
Department of Transportation Subsidy - Interim Emergency					
Bus Subsidy Law (N.J.S. 27-1A):					
Other Expenses	40,000.00	40,000.00	12,555.00	27,445.00	
Division of Planning and Contracting:					
Salaries and Wages	86,320.00	98,320.00	95,511.23	2,808.77	
Other Expenses	4,073.00	4,073.00	3,496.57	576.43	
Public Health Service (N.J.S. 40A:13-1):					
Other Expenses	1,641,391.00	1,641,391.00	1,551,149.50	90,241.50	
Office of Disabilities:					
Salaries and Wages	57,430.00	80,430.00	79,935.54	494.46	
Other Expenses	4,775.00	4,775.00	1,663.09	3,111.91	
Aid To Disabilities (N.J.S. 40:23-8.11):					
Other Expenses	312,943.00	312,943.00	312,943.00		
Division of Alcohol and Drug Abuse Services (N.J.S. 40:9B-4):					
Salaries and Wages	130,853.00	130,853.00	120,055.73	10,797.27	
Other Expenses	707,624.00	707,624.00	703,194.73	4,429.27	
Intoxicated Driver Resource Center:					
Salaries and Wages	142,201.00	142,201.00	136,190.84	6,010.16	
Other Expenses	20,108.00	20,108.00	16,578.08	3,529.92	
Maintenance of Patients in State Institutions for Mental Diseases (N.J.S. 30:4 -79) County Share:					
Other Expenses	401,581.00	401,581.00	401,581.00		
Maintenance of Patients in State Institutions for Mental Diseases (N.J.S. 30:4 -79) State Share:					
Other Expenses	3,693,340.00	3,693,340.00	3,693,340.00		
Maintenance of Patients in State Institutions for Developmental Disabilities (N.J.S. 30:4-79):					
Other Expenses	11,916,658.00	11,916,658.00	11,916,658.00		
War Veterans Burial and Grave Decorations:					
Salaries and Wages	13,050.00	13,050.00	12,978.80	71.20	
Other Expenses	27,300.00	27,300.00	22,960.90	4,339.10	
Office on Aging:					
Salaries and Wages	200,554.00	210,554.00	210,101.49	452.51	
Other Expenses	12,659.00	12,659.00	12,146.88	512.12	
Division of Transportation:					
Salaries and Wages	468,984.00	468,984.00	390,637.54	78,346.46	
Other Expenses	1,134,205.00	1,134,205.00	1,081,929.82	52,275.18	
Environmental Health Act - Contractual (N.J.S. 26:3A2-21)					
Monmouth County Department of Health:					
Other Expenses	1,550,000.00	1,550,000.00	1,550,000.00		
Aid To Legal Aid Society:					
Other Expenses	17,500.00	17,500.00	17,500.00		
Youth, Education, Recreation and Welfare:					
Other Expenses	154,287.00	154,287.00	154,287.00		

See accompanying notes.

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

Year ended December 31, 2007

	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
General Appropriations					
Operations - Within "CAPS"					
Park and Recreation Functions:					
Department of Parks and Recreation:					
Salaries and Wages	17,120,801.00	17,320,801.00	17,315,734.03	5,066.97	
Other Expenses	1,699,118.00	1,699,118.00	1,536,509.27	162,608.73	
Education Functions:					
Aid To Monmouth County Audio Visual Aids Commission:					
Other Expenses	6,722.00	6,722.00	6,722.00		
Mon. Cty. Community College Brookdale (N.J.S. 18A-64A):					
Other Expenses	27,512,410.00	27,512,410.00	27,512,410.00		
Reimbursement for Residents Attending Out of County Two Year Colleges (N.J.S. 18A-64A):					
Other Expenses	200,000.00	200,000.00	77,091.41	122,908.59	
Cooperative Extension Service:					
Salaries and Wages	351,539.00	351,539.00	347,129.71	4,409.29	
Other Expenses	120,700.00	121,700.00	120,355.74	1,344.26	
Vocational Schools:					
Other Expenses	14,605,120.00	14,605,120.00	14,605,120.00		
Superintendent of Schools:					
Salaries and Wages	418,265.00	418,265.00	400,962.69	17,302.31	
Other Expenses	20,528.00	20,528.00	11,558.53	8,969.47	
Other Common Operating Functions (Unclassified):					
Prior Years Bills:					
Paper Mart, Inc.	225.70	225.70	225.70		
Rittenhouse Kerr Ford	75.80	75.80	75.80		
Freehold Cartage, Incorporated	56.76	56.76	56.76		
M.S. Management, L.L.C.	292.00	292.00	292.00		
Meridian Health System	540.00	540.00	540.00		
Aculabs, Incorporated	22.22	22.22	22.22		
Central Jersey Neurology Associates	1,398.00	1,398.00	1,398.00		
Sipersteins	390.79	390.79	390.79		
Centra State Medical Center	476.00	476.00	476.00		
Central Jersey Emergency Medical Associates	167.00	167.00	167.00		
American Red Cross	30.00	30.00	30.00		
Ocean County College	8,634.66	8,634.66	8,634.66		
Accumulated Leave Compensation:					
Salaries and Wages	700,000.00	950,000.00	950,000.00		
Provision for Salary Adjustments and New Employees:					
Salaries and Wages	2,974,332.07	332.07		332.07	
Utility Expenses and Bulk Purchases:					
Utilities:					
Other Expenses	11,119,451.00	11,119,451.00	10,459,892.85	659,558.15	
Total Operations - Within "CAPS"	375,814,642.00	375,889,642.00	361,725,538.30	14,164,103.70	

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

Year ended December 31, 2007

General Appropriations Operations - Excluded From "CAPS"	Appropriated		Expended		
	Original Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
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	4,393,928.00	4,393,928.00	4,393,928.00		
CAP/NJEH Medicaid Case Management	900,000.00	900,000.00	900,000.00		
Alcoholism Services Plan - CY2007, 07-535-ADA-C-0	1,087,107.00	1,087,107.00	1,087,107.00		
State of New Jersey Governor's Council on Alcohol and Drug Abuse:					
Alliance Prevention - CY2007	684,596.00	684,596.00	684,596.00		
State of New Jersey Department of Community Affairs:					
Recreational Opportunities Individuals W/Disabilities - CY 2007	27,641.00	27,641.00	27,641.00		
Prevention of Homelessness (Linkages) - FFY 2007	50,000.00	50,000.00	50,000.00		
Prevention of Homelessness (Linkages) - FFY 2008	54,750.00	54,750.00	54,750.00		
Shelter Support, FY 2008	275,000.00	275,000.00	275,000.00		
SHARE, SFY 2007, 2007-04665-1231-00	300,000.00	300,000.00	300,000.00		
State of New Jersey - New Jersey Transit Corporation:					
FTA - JARC Route 35 Shuttle, FFY 2005, Round 7	60,000.00	60,000.00	60,000.00		
FTA - JARC Route 836 Shuttle, FFY 2005, Round 7	96,000.00	96,000.00	96,000.00		
FTA - Section 5311 - FY 2008	195,110.00	195,110.00	195,110.00		
Senior Citizen and Disabled Resident Transportation Program (Casino) CY 2007	2,054,321.00	2,054,321.00	2,054,321.00		
Work First New Jersey - CY 2008 Project Income	3,886.00	3,886.00	3,886.00		
State of New Jersey - Division of Vocational Rehabilitation Services:					
Brokered Employment Transportation, CY 2008 Project Income	15,005.35	15,005.35	15,005.35		
North Jersey Transportation Planning Authority:					
NJIT - Sub-Regional Internship Program FY 2006/07	579.19	579.19	579.19		
NJIT - Sub-Regional Transportation Planning Program FY 2008	154,777.50	154,777.50	154,777.50		
NJIT - Coastal Evacuation Study, FY 2008-2009	220,000.00	220,000.00	220,000.00		
NJIT - Sub-Regional Internship Program FY 2008	6,300.00	6,300.00	6,300.00		
State of New Jersey Department of Transportation:					
TTF - Annual Transportation Program, FY 2007	5,297,000.00	5,297,000.00	5,297,000.00		
NJTPA - CR 537, Corridor Sec. A	492,011.00	492,011.00	492,011.00		
State of New Jersey - Department of Human Services:					
DYFS - Youth Detention Center - CY 2007 - 07BFNC	74,449.00	74,449.00	74,449.00		
DYFS - Human Services Advisory Council - CY 2007 - 07AVNC	83,587.00	83,587.00	83,587.00		
DYFS - Family Court, Grants-In-Aid - CY 2007 - 07CNCC	7,679.00	7,679.00	7,679.00		
DFD - Special Initiative and Transportation - FY 2008	272,575.00	272,575.00	272,575.00		
DFD - Title IV-D Reimbursement Agreement - FFY 2008	494,171.00	494,171.00	494,171.00		
DFD - Social Services for the Homeless CY 2007 - SH07013	775,639.00	775,639.00	775,639.00		
DDD - Project Lifesaver - CY 2007	15,000.00	15,000.00	15,000.00		
DMHS - MHANJ - Disaster Liaison - FY 2007	2,500.00	2,500.00	2,500.00		
DMHS - Mental Health Training - FY 2007	1,475.00	1,475.00	1,475.00		
DMHS - Mental Health Board - FY 2008	6,000.00	6,000.00	6,000.00		
DMHS - Project Transition/Path & NJMAP - CY 2007 S1202039	587,776.00	587,776.00	587,776.00		
DMHS - CIACC/CART - CY 2007, 20213	43,258.00	43,258.00	43,258.00		

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY.

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

Year ended December 31, 2007

General Appropriations Operations - Excluded From "CAPS"	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (continued)					
State of New Jersey - Office of the Attorney General:					
DLPS - DCJ - Victim Assistance, VOCA, SFY 2008, V-10-07	270,025.00	270,025.00	270,025.00		
DLPS - DCJ - OSME 2006 Coverdale Forensic Award	15,200.00	15,200.00	15,200.00		
DLPS - DCJ - SANE/SART, VS-42-07	65,425.00	65,425.00	65,425.00		
DLPS - DCJ - Narcotics Task Force - CY 2007, JAG-1-35TF-05	200,028.00	200,028.00	200,028.00		
DLPS - DCJ - Sex Offender Registry Grant, ML13-07	18,750.00	18,750.00	18,750.00		
DLPS - DCJ - Project Vision, FY 2007, PV-05-05	50,000.00	50,000.00	50,000.00		
DLPS - DCJ - Body Armor Replacement Fund - FY 2006	52,844.67	52,844.67	52,844.67		
DLPS - DCJ - LEOTEF - SFY 2006	48,220.00	48,220.00	48,220.00		
DLPS - OHSP - Homeland Security Grant Program, FFY 2006	39,094.00	39,094.00	39,094.00		
DLPS - OHSP - Homeland Security Grant Program, FFY 2007	712,319.60	712,319.60	712,319.60		
DLPS - DHTS - DWI Task Force, FFY 2008	25,985.00	25,985.00	25,985.00		
DLPS - JJC - State/Community Partnership, CY 2007	573,882.00	573,882.00	573,882.00		
DLPS - JJC - Juvenile Detention Alternatives Initiative, FY 2008	50,000.00	50,000.00	50,000.00		
DLPS - JJC - Family Court - CY 2007, FC-PS-07-13	272,327.00	272,327.00	272,327.00		
DLPS - JJC - JAIBG, FFY 2006 Year 9, 06-13	60,202.00	60,202.00	60,202.00		
DLPS - JJC - MCYDC, State Facilities Education Act, SFY 2008	170,742.00	170,742.00	170,742.00		
State of New Jersey - Department of Environmental Protection:					
Clean Communities Program - CY 2007	72,558.97	72,558.97	72,558.97		
Recycling Program - REC-94-13 Project Income	5,750.00	5,750.00	5,750.00		
Wreck Pond Stormwater Restoration	1,200,000.00	1,200,000.00	1,200,000.00		
MU - E. Coli Study Seminars, RP04-007	5,000.00	5,000.00	5,000.00		
Ramanessin Study, 2007	300,000.00	300,000.00	300,000.00		
State of New Jersey - Dept of Labor and Workforce Development:					
Workforce Investment Act - (WIA) (05A,B,D&F) - PY2005	96,875.00	96,875.00	96,875.00		
Workforce Investment Act - (WIA) (06A,B,D&F) - PY2006	124,956.68	124,956.68	124,956.68		
Workforce Investment Act - (WIA) (07A,B,D&F) - PY2007	2,048,381.00	2,048,381.00	2,048,381.00		
Workforce Dev. Partnership Program (WDPP) (07C) - PY2007	57,577.00	57,577.00	57,577.00		
Workforce N.J. - Disability Prog. Navigator (06E) - PY 2006	14,171.40	14,171.40	14,171.40		
Workforce Investment Board (WIB) (06G) - PY2006	30,000.00	30,000.00	30,000.00		
Workforce New Jersey (WNJ) NJ Build (06H) - PY 2006	5,295.00	5,295.00	5,295.00		
WorkFirst New Jersey (WFNJ) (06I) - SFY2006	12,037.00	12,037.00	12,037.00		
WorkFirst New Jersey (WFNJ) (07I) - SFY2007	2,528,800.00	2,528,800.00	2,528,800.00		
Workforce Learning Link (WLL) (06K) - SFY2007	51,954.00	51,954.00	51,954.00		
Workforce Learning Link (WLL) (07K) - SFY2008	180,828.00	180,828.00	180,828.00		
Workforce New Jersey (WNJ) BRAC (06L) - SFY 2007, PY 2006	54,283.84	54,283.84	54,283.84		
Workforce New Jersey (WNJ) BRAC (07L) - SFY 2008, PY 2007	203,164.00	203,164.00	203,164.00		
WorkFirst New Jersey (WFNJ) TANF/WV (06M) - FY 2007	8,148.00	8,148.00	8,148.00		
WorkFirst New Jersey (WFNJ) TANF/WV (07M) - FY 2008	32,592.00	32,592.00	32,592.00		

COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

Year ended December 31, 2007

General Appropriations Operations - Excluded From "CAPS"	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (continued)					
State of New Jersey - Agriculture Development Committee:					
Comprehensive Farmland Preservation Plan, CY 2007	30,000.00	30,000.00	30,000.00		
State of New Jersey - Division of Archive and Records Management:					
PARIS Grants Program, 2007-2008	1,286,618.00	1,286,618.00	1,286,618.00		
PARIS Special Purpose Grant Program, 2007	390,000.00	390,000.00	390,000.00		
State of New Jersey - Office of Information Technology:					
OETS - 9-1-1 PSAP General Assistance, FY 2007	350,000.00	350,000.00	350,000.00		
U.S. Department of Housing and Urban Development:					
Housing Counseling, FY 2006, HC-06-0398-075	31,062.00	31,062.00	31,062.00		
Housing Counseling, FY 2007, HC-07-0398-009	66,914.00	66,914.00	66,914.00		
Township of Woodbridge - HOPWA - 2007	430,338.00	430,338.00	430,338.00		
Friends of the M.C. Child Advocacy Center, Inc:					
Monmouth County Child Advocacy Center	445,400.00	445,400.00	445,400.00		
Naval Weapons Station Earle:					
M.C. Mosquito Extermination Commission, ISA, FY 2007	12,800.00	12,800.00	12,800.00		
Gateway National Recreation Area - Sandy Hook:					
M.C. Mosquito Extermination Commission, ISA, FY 2007	3,449.44	3,449.44	3,449.44		
County Clerks - Interlocal Service Agreements (ISA's):					
Document Summary Management System, E-Recording 2006-2008	175,736.00	175,736.00	175,736.00		
National Children's Alliance:					
Leadership Conference Tuition Grant, CY 2007	1,050.00	1,050.00	1,050.00		
Donations:					
Monmouth County Sheriff's K-9 Unit	75.00	75.00	75.00		
NJNG/FEC: Project Lifesaver, OOA, 2007-2008	5,000.00	5,000.00	5,000.00		
Monmouth Cares, Inc:					
Monmouth 4-H Cares Program Grant, FY 2008	28,000.00	28,000.00	28,000.00		
Monmouth County:					
Matching Funds for Grants	238,662.00	238,662.00		238,662.00	
Total Public and Private Programs Offset By Revenues - Excluded From "CAPS"					
	31,884,641.64	31,884,641.64	31,645,979.64	238,662.00	
Total Operations - Excluded From "CAPS"					
	407,699,283.64	407,774,283.64	393,371,517.94	14,402,765.70	
Contingent					
	200,000.00	200,000.00	109,614.43	90,385.57	
Total Operations Including Contingent - Excluded From "CAPS"					
	407,899,283.64	407,974,283.64	393,481,132.37	14,493,151.27	
Detail:					
Salaries and Wages	174,484,136.07	174,484,136.07	172,482,387.21	2,001,748.86	
Other Expenses	233,415,147.57	233,490,147.57	220,998,745.16	12,491,402.41	

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

Year ended December 31, 2007

	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
General Appropriations					
Operations - Excluded From "CAPS"					
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund	2,860,000.00	2,860,000.00	2,860,000.00		
Acquisition of Information Processing Equipment	2,000,000.00	2,000,000.00	1,433,995.42	566,004.58	
Acquisition of Trucks, Heavy Equipment, and Machinery:					
Shade Tree Commission	145,000.00	145,000.00	15,337.12	129,662.88	
Road Maintenance (Highway)	1,585,000.00	1,585,000.00	669,000.00	916,000.00	
Acquisition of Passenger Buses - Transportation	320,000.00	320,000.00	320,000.00		
Bridge Department	175,000.00	175,000.00	41,115.00	133,885.00	
Buildings and Grounds	124,000.00	124,000.00		124,000.00	
County Engineer	98,000.00	98,000.00	15,998.44	82,001.56	
Capital Improvements:					
Road Overlay	3,000,000.00	3,000,000.00	2,725,192.32	274,807.68	
Parks and Recreation	1,639,000.00	1,639,000.00	1,403,289.13	235,710.87	
Buildings and Grounds	1,100,000.00	1,100,000.00	510,671.58	589,328.42	
Total Capital Improvements - Excluded From "CAPS"	<u>13,046,000.00</u>	<u>13,046,000.00</u>	<u>9,994,599.01</u>	<u>3,051,400.99</u>	
County Debt Service - Excluded From "CAPS"					
Payment of Bond Principal:					
State Aid - County College Bonds (N.J.S. 18A:64A-22.6)	2,955,000.00	2,955,000.00	2,955,000.00		
Vocational School Bonds	247,890.26	247,890.26	247,890.26		
Other Bonds	27,350,000.00	27,350,000.00	27,350,000.00		
Interest on Bonds:					
State Aid - County College Bonds (N.J.S. 18A:64A-22.6)	531,987.50	531,987.50	531,987.50		
Vocational School Bonds	66,925.66	66,925.66	66,925.66		
Other Bonds	11,223,692.79	11,223,692.79	11,223,692.79		
Green Acres Loan Program:					
Loan Repayment for Principal and Interest	1,581,094.09	1,581,094.09	1,581,094.08		\$ 0.01
Monmouth County Improvement Authority Lease Agreement - Correctional Facilities	<u>4,020,250.00</u>	<u>4,020,250.00</u>	<u>4,016,878.18</u>		<u>3,371.82</u>
Total County Debt Service - Excluded From "CAPS"	<u>47,976,840.30</u>	<u>47,976,840.30</u>	<u>47,973,468.47</u>		<u>3,371.83</u>

See accompanying notes.

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

Year ended December 31, 2007

	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
General Appropriations Operations - Excluded From "CAPS"					
Deferred Charges and Statutory Expenditures - County:					
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System	3,550,000.00	3,550,000.00	3,509,680.58	40,319.42	
Social Security System (O.A.S.I.)	13,300,000.00	13,225,000.00	12,647,962.14	577,037.86	
Police and Firemen's Retirement System	5,650,000.00	5,650,000.00	5,596,956.00	53,044.00	
County Pension and Retirement Fund	75,000.00	75,000.00	75,000.00		
Total Deferred Charges and Statutory Expenditures - County	<u>22,575,000.00</u>	<u>22,500,000.00</u>	<u>21,829,598.72</u>	<u>670,401.28</u>	
Total General Appropriations - Excluded From "CAPS"	<u>491,297,123.94</u>	<u>491,297,123.94</u>	<u>473,169,184.14</u>	<u>18,127,939.80</u>	<u>3,371.83</u>
Total General Appropriations	<u>\$ 491,497,123.94</u>	<u>\$ 491,497,123.94</u>	<u>\$ 473,278,798.57</u>	<u>\$ 18,214,953.54</u>	<u>\$ 3,371.83</u>
	Reference	A-2,A-3		A	A-3
<u>Analysis of Budget After Modification</u>					
Appropriations	A-3	\$ 471,854,000.00			
Appropriations - 40A:4-87	A-3	<u>19,643,123.94</u>			
	A-2	<u>\$ 491,497,123.94</u>			
<u>Analysis of Paid or Charged</u>					
Cash Disbursements	1-A		\$ 409,759,116.69		
Encumbrances Payable	A		31,045,463.10		
State Aid County College Bonds	6-A		766,500.00		
Accounts Payable	9-A		1,100,000.00		
Reserve for Arbitrage Rebates	12-A		23,077.14		
Federal and State Grants	14-A		<u>30,584,641.64</u>		
			<u>\$ 473,278,798.57</u>		

TRUST FUND

EXHIBIT

COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>	<u>Reserves</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Cash and Cash Equivalents	1-B	\$ 122,855,234.24	\$ 97,149,143.25	Reserve for Taxes Receivable for Library, Health and Open Space	8-B	\$ 274,306.03	\$ 347,688.67
U.S. HUD Receivables:				Reserve for U.S. HUD Grants:			
Relocation Assistance Program	2-B	7,196,847.05	7,433,669.11	Relocation Assistance Program	9-B	12,754,559.23	9,696,312.05
Community Development Block Grants	3-B	4,803,489.13	4,940,795.80	Community Development Block Grants	10-B	5,766,853.69	6,287,660.82
Home Investment Grant	4-B	4,524,891.18	6,985,287.48	Home Investment Grants	11-B	4,932,810.36	7,331,946.36
Shelter Plus Care Grant	5-B	1,336,657.00	1,860,405.00	Shelter Plus Care	12-B	1,375,774.00	1,855,081.00
Homeward Bound Grant	6-B	119,765.00	456,853.00	Homeward Bound	13-B	120,242.00	425,440.00
Emergency Shelter Grants	7-B	99,249.26	126,691.18	Reserve for:			
Taxes Receivable for Library, Health and Open Space Funds	8-B	274,306.03	347,688.67	Contractors' 2% Retainage	B	18,616.72	18,616.72
Due From County Clerk	17-B	20,562.00	25,232.00	Temporary Assistance To Needy Families	14-B	778,080.66	404,374.61
				Other Trust Funds	15-B	115,154,954.63	92,905,227.58
				Retirees Health Benefits	16-B	34,241.57	28,185.68
				Due From County Clerk	17-B	20,562.00	25,232.00
		<u>18,375,766.65</u>	<u>22,176,622.24</u>				
Total Receivables and Other Assets		\$ 141,231,000.89	\$ 119,325,765.49	Total Reserves		\$ 141,231,000.89	\$ 119,325,765.49

See accompanying notes.

GENERAL CAPITAL FUND

EXHIBITS

COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Cash and Cash Equivalents	1-C,2-C	\$ 118,078,138.74	\$ 91,756,632.01	General Serial Bonds	10-C	\$ 326,495,000.00	\$ 285,440,000.00
Accounts Receivable:				County College Serial Bonds - Chapter 12, P.L. 1971:			
Municipal Easements	7-C	6,927,337.90	4,149,897.87	State Share	11-C	14,205,000.00	12,690,000.00
Child Advocacy Center	3-C	750,000.00		New Jersey Economic Development Authority			
Insurance Reimbursement	4-C	2,340,383.18		Public School Facilities Loan Program	12-C	1,611,530.65	1,859,420.91
State of New Jersey - State Agencies	5-C	18,375,746.13	17,014,728.48	Green Trust Loan Program:			
State of New Jersey - County College - Capital				Other Program Agreements	13-C	7,083,616.44	8,501,731.20
Capital Projects, Chapter 12, P.L. 1971	6-C	14,205,000.00	12,690,000.00	Reserve for Scrip Redemption	14-C	1,508.63	1,509.63
		<u>42,598,467.21</u>	<u>33,854,626.35</u>	Improvement Authorizations:			
Deferred Charges To Future Taxation:				Funded	15-C	128,989,734.47	98,214,482.76
Funded	8-C	335,190,147.09	295,801,152.10	Unfunded	15-C	119,660,000.00	115,790,000.00
Unfunded	9-C	119,660,000.00	115,790,000.00	Contractors' Retainage	16-C	73,191.61	73,191.61
		<u>454,850,147.09</u>	<u>411,591,152.10</u>	Interest Due State of New Jersey	17-C	34,877.80	246,560.55
Total Assets		<u>\$ 615,526,753.04</u>	<u>\$ 537,202,410.46</u>	Capital Improvement Fund	18-C	2,092,766.72	1,926,766.72
				Reserve for Insurance Reimbursement	19-C		6,471,173.70
				Fund Balance	C-1	<u>15,279,526.72</u>	<u>5,987,573.38</u>
				Total Liabilities, Reserves and Fund Balance		<u>\$ 615,526,753.04</u>	<u>\$ 537,202,410.46</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE STATEMENT OF FUND BALANCE - REGULATORY BASIS

Years ended December 31, 2007 and 2006

	<u>Reference</u>		
Balance, December 31, 2006	C		\$ 5,987,573.38
Increased By:			
Premium on Sale of Bonds	1-C	\$ 2,113,169.40	
Improvement Authorizations Cancelled	15-C	9,359,595.12	
Municipal A/R (Excess) From			
Ordinance 05-03, #7	1-C	444,188.81	
Loan Payable - Green Acres Trust,			
Ordinance 94-01 (Rounding)	C-1	<u>0.01</u>	
			<u>11,916,953.34</u>
			17,904,526.72
Decreased By:			
Appropriated To Finance			
Improvement Authorizations	15-C		<u>2,625,000.00</u>
Balance, December 31, 2007	C		<u><u>\$ 15,279,526.72</u></u>

See accompanying notes.

RECLAMATION CENTER UTILITY FUND

EXHIBITS

COUNTY OF MONMOUTH, NEW JERSEY

RECLAMATION CENTER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities, Reserves and Fund Balances</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Operating Fund:				Operating Fund:			
Cash and Cash Equivalents	1-D	\$ 70,672,101.17	\$ 66,501,887.57	Appropriation Reserves	D-4,10-D	\$ 6,703,994.48	\$ 5,967,407.90
Change Fund	D	<u>1,350.00</u>	<u>1,350.00</u>	Appropriation Reserves Committed	D-4	6,498,507.69	6,361,673.18
		<u>70,673,451.17</u>	<u>66,503,237.57</u>	Landfill Closure Tax	5-D	5,914,843.28	5,237,404.68
Receivables with Full Reserves:				Accrued Interest on Bonds and Notes	7-D	363,195.20	410,505.21
Receivable From Haulers	3-D	<u>713,898.63</u>	<u>709,945.80</u>	Prepaid Utility Fees	9-D	620,542.76	858,691.41
Prepaid Host Community Benefit Tax	6-D	<u>173,897.77</u>	<u>110,747.63</u>	Reserve for:			
Total Operating Fund		<u>71,561,247.57</u>	<u>67,323,931.00</u>	Receivable - Haulers	3-D	713,898.63	709,945.80
				Environmental Impairment Liability	8-D	7,000,000.00	7,000,000.00
Capital Fund:				Accounts Payable	11-D	73,685.05	461,530.54
Cash and Cash Equivalents	1-D	5,242,396.48	7,114,026.60	Fund Balance	D-1	<u>43,672,580.48</u>	<u>40,316,772.28</u>
Accounts Receivable:				Total Operating Fund		<u>71,561,247.57</u>	<u>67,323,931.00</u>
NJBPU - Clean Energy Rebate Program	13-D	885,000.00		Capital Fund:			
Fixed Capital	14-D	106,525,454.04	811,120.00	Serial Bonds	16-D	18,970,000.00	21,830,000.00
Fixed Capital Authorized and Uncompleted	15-D	<u>3,450,000.00</u>	<u>43,420,000.00</u>	Improvement Authorizations:			
Total Capital Fund		<u>116,102,850.52</u>	<u>51,345,146.60</u>	Funded	17-D	1,727,813.00	1,823,989.08
				Deferred Reserve for Amortization	18-D		21,590,000.00
Utility Grant Fund:				Reserve for Amortization	19-D	91,005,454.04	811,120.00
Cash and Cash Equivalents	1-D	852,778.19	988,319.14	Fund Balance	D-2	<u>4,399,583.48</u>	<u>5,290,037.52</u>
Receivable with Full Reserve - Grant Receivable	21-D	<u>2,061.86</u>	<u>2,061.86</u>	Total Capital Fund		<u>116,102,850.52</u>	<u>51,345,146.60</u>
Total Utility Grant Fund		<u>854,840.05</u>	<u>990,381.00</u>	Utility Grant Fund:			
				Appropriated Reserves Payable Committed	22-D	38,312.76	44,553.02
Total Assets		<u>\$ 188,518,938.14</u>	<u>\$ 119,659,458.60</u>	Appropriated Reserves Payable	22-D	<u>816,527.29</u>	<u>945,827.98</u>
				Total Utility Grant Fund		<u>854,840.05</u>	<u>990,381.00</u>
				Total Liabilities, Reserves and Fund Balances		<u>\$ 188,518,938.14</u>	<u>\$ 119,659,458.60</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY

RECLAMATION CENTER UTILITY FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS

Years ended December 31, 2007 and 2006

	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Revenue and Other Income Realized:			
Operating Surplus Anticipated	D-3	\$ 17,500,000.00	\$ 17,500,000.00
Reclamation Center Utility Fees	D-3	30,658,261.72	31,505,608.36
Miscellaneous Revenue Not Anticipated	D-3	4,752,620.42	4,166,300.25
Unexpended Balance of Appropriation Reserves	10-D	6,672,856.43	4,284,270.82
NJDEP Release of Landfill Tax Escrow	D-1		3,748,858.51
Accounts Payable Cancelled	11-D	272,946.63	2,751.84
Reserve for Receivables - Prepaid Closure Taxes	D-1		1,771.78
		<u>59,856,685.20</u>	<u>61,209,561.56</u>
Expenditures:			
Appropriations	D-4	39,000,000.00	37,500,000.00
Reserve for Receivables - Prepaid Closure Taxes	4-D	877.00	
		<u>39,000,877.00</u>	<u>37,500,000.00</u>
Excess in Revenue		20,855,808.20	23,709,561.56
Fund Balance, January 1	D	<u>40,316,772.28</u>	<u>34,107,210.72</u>
		61,172,580.48	57,816,772.28
Decreased By:			
Utilized as Anticipated Revenue	D-1	<u>17,500,000.00</u>	<u>17,500,000.00</u>
Fund Balance, December 31	D	<u>\$ 43,672,580.48</u>	<u>\$ 40,316,772.28</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY

RECLAMATION CENTER UTILITY FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

Year ended December 31, 2007

	<u>Reference</u>	
Balance, December, 31, 2006	D	\$ 5,290,037.52
Increased By:		
Funded Improvement Authorizations		
Cancelled	17-D	<u>1,674,545.96</u>
		6,964,583.48
Decreased By:		
Appropriated To Finance Improvement		
Authorizations	17-D	<u>2,565,000.00</u>
Balance, December 31, 2007	D	<u>\$ 4,399,583.48</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY

RECLAMATION CENTER UTILITY FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2007

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 17,500,000.00	\$ 17,500,000.00	
Miscellaneous Revenues:				
Utility Fees	D-1	30,000,000.00	30,658,261.72	\$ 658,261.72
Non-Budget Revenues:				
Unanticipated Revenues	D-1		<u>4,752,620.42</u>	<u>4,752,620.42</u>
Total		<u>\$ 47,500,000.00</u>	<u>\$ 52,910,882.14</u>	<u>\$ 5,410,882.14</u>

Analysis of Non-Budget Revenue:

Interest on Investments and Deposits	\$ 3,753,650.01
Grass Clippings	43,547.08
Gas Utility Fees	693,237.00
Rentals	3,853.00
Utility Reimbursements	2,115.75
Recycling Commissions	254,858.30
Miscellaneous	<u>1,359.28</u>
	<u>\$ 4,752,620.42</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY
 RECLAMATION CENTER UTILITY FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS
 Year ended December 31, 2007

	<u>Budget</u>	<u>Cancelled</u>	<u>Budget Modified</u>	<u>Expended</u>	
				<u>Paid or Charged</u>	<u>Reserved</u>
Operating:					
Salaries and Wages	\$ 6,200,000.00		\$ 6,200,000.00	\$ 5,701,161.68	\$ 498,838.32
Other Expenses	<u>36,658,105.01</u>	<u>\$ 8,500,000.00</u>	<u>28,158,105.01</u>	<u>22,491,440.80</u>	<u>5,666,664.21</u>
Total Operating	<u>42,858,105.01</u>	<u>8,500,000.00</u>	<u>34,358,105.01</u>	<u>28,192,602.48</u>	<u>6,165,502.53</u>
Capital Improvements:					
Capital Outlay	<u>833,205.00</u>		<u>833,205.00</u>	<u>294,713.05</u>	<u>538,491.95</u>
Total Capital Improvements	<u>833,205.00</u>		<u>833,205.00</u>	<u>294,713.05</u>	<u>538,491.95</u>
Debt Service:					
Payment of Bond Principal	2,860,000.00		2,860,000.00	2,860,000.00	
Interest on Bonds	<u>948,689.99</u>		<u>948,689.99</u>	<u>948,689.99</u>	
Total Debt Service	<u>3,808,689.99</u>		<u>3,808,689.99</u>	<u>3,808,689.99</u>	
	<u>\$ 47,500,000.00</u>	<u>\$ 8,500,000.00</u>	<u>\$ 39,000,000.00</u>	<u>\$ 32,296,005.52</u>	<u>\$ 6,703,994.48</u>
<u>Reference</u>	D-4	D-4	D-1		D
Analysis of Paid or Charged:					
Committed	D			\$ 6,498,507.69	
Paid	1-D			<u>25,797,497.83</u>	
				<u>\$ 32,296,005.52</u>	

See accompanying notes.

GENERAL FIXED ASSETS ACCOUNT GROUP

EXHIBIT

COUNTY OF MONMOUTH, NEW JERSEY
 GENERAL FIXED ASSETS ACCOUNT GROUP
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Land	1-E	\$ 286,339,953.03	\$ 261,936,130.03				
Buildings	1-E	286,583,209.36	278,209,131.00				
Furniture, Fixtures and Equipment	1-E	41,344,896.67	40,225,099.29				
Vehicles	1-E	<u>63,436,327.46</u>	<u>63,036,557.87</u>	Investment in General Fixed Assets	1-E	<u>\$ 677,704,386.52</u>	<u>\$ 643,406,918.19</u>
Total Assets		<u>\$ 677,704,386.52</u>	<u>\$ 643,406,918.19</u>	Total Liabilities		<u>\$ 677,704,386.52</u>	<u>\$ 643,406,918.19</u>

See accompanying notes.

OFFICE OF THE SURROGATE

EXHIBIT

COUNTY OF MONMOUTH, NEW JERSEY

OFFICE OF THE SURROGATE

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
General Fund:				General Fund:			
Cash	1-F	\$ 41,868.10	\$ 49,245.35	Reserve for Lawyer's Deposits	3-F	\$ 41,868.10	\$ 49,245.35
Trust Fund:				Trust Fund:			
Cash	4-F	26,972,933.19	27,740,473.40	Reserve for Awards and Legacies To Minors and Incompetents	4-F	26,972,933.19	27,740,473.40
Total Assets		<u>\$ 27,014,801.29</u>	<u>\$ 27,789,718.75</u>	Total Liabilities and Reserves		<u>\$ 27,014,801.29</u>	<u>\$ 27,789,718.75</u>

See accompanying notes.

OFFICE OF THE SHERIFF

EXHIBIT

COUNTY OF MONMOUTH, NEW JERSEY

OFFICE OF THE SHERIFF

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
				General Account:			
				Deposits on Sheriff's Sales	2-G	\$ 1,745,745.27	\$ 6,811,223.25
				Summons and Complaints	3-G	4,073.22	3,489.58
				Wage Execution Account	4-G	50,123.33	32,694.43
				General Writs (Levies)	5-G	<u>128,524.51</u>	<u>14,624.11</u>
General Account:							
Cash	1-G	<u>\$ 1,928,466.33</u>	<u>\$ 6,862,031.37</u>			<u>1,928,466.33</u>	<u>6,862,031.37</u>
Appropriation Account:				Appropriation Account:			
Cash	1-G	<u>4,887.15</u>	<u>3,080.84</u>	Reserve for Witness Fees	6-G	<u>4,887.15</u>	<u>3,080.84</u>
Total Assets		<u>\$ 1,933,353.48</u>	<u>\$ 6,865,112.21</u>	Total Liabilities and Reserves		<u>\$ 1,933,353.48</u>	<u>\$ 6,865,112.21</u>

See accompanying notes.

OFFICE OF THE COUNTY ADJUSTER

EXHIBIT

COUNTY OF MONMOUTH, NEW JERSEY

OFFICE OF THE COUNTY ADJUSTER

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Cash	1-H	\$ 5,141.44	\$ 5,398.74	Balance Due County Treasurer	1-H	\$ 5,141.44	\$ 5,398.74
Accounts Receivable - Patients	2-H	<u>170,025.72</u>	<u>170,695.72</u>	Reserve for Patients' Receivables	2-H	<u>170,025.72</u>	<u>170,695.72</u>
Total Assets		<u>\$ 175,167.16</u>	<u>\$ 176,094.46</u>	Total Liabilities and Reserves		<u>\$ 175,167.16</u>	<u>\$ 176,094.46</u>

See accompanying notes.

JOHN L. MONTGOMERY DIVISION

EXHIBIT

COUNTY OF MONMOUTH, NEW JERSEY

MONMOUTH COUNTY CARE CENTER

JOHN L. MONTGOMERY DIVISION

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Geriatric Unit:				Geriatric Unit:			
Cash - General Account	1-I	\$ 19,947.18	\$ 19,802.11	Reserves for:			
Accounts Receivable	2-I	2,322,992.39	1,799,310.59	Patient Care Receivables	2-I	\$ 2,322,992.39	\$ 1,799,310.59
Due From County Treasurer	5-I		48,868.18	Trust Accounts	3-I	64,870.02	66,142.34
		2,342,939.57	1,867,980.88	Due To:			
Patients Trust Accounts	3-I	64,870.02	66,142.34	Patients	4-I		20,286.29
				Medicare	4-I		48,384.00
				County Treasurer	5-I	19,947.18	
Total Geriatric Unit		<u>2,407,809.59</u>	<u>1,934,123.22</u>	Total Geriatric Unit		<u>2,407,809.59</u>	<u>1,934,123.22</u>
Young Adult Care:				Young Adult Care:			
Cash - General Account	1-I		1,648.60	Reserves for:			
Accounts Receivable	2-I	462,207.70	486,352.62	Patient Care Receivables	2-I	462,207.70	486,352.62
Due From County Treasurer	5-I		1,924.60	Trust Accounts	3-I	2,017.67	2,820.61
		462,207.70	489,925.82	Due To Patients	4-I		3,573.20
Patients Trust Accounts	3-I	2,017.67	2,820.61				
Total Young Adult Care		<u>464,225.37</u>	<u>492,746.43</u>	Total Young Adult Care		<u>464,225.37</u>	<u>492,746.43</u>
Total:				Total:			
Cash - General Account	1-I	19,947.18	21,450.71	Reserves for:			
Accounts Receivable	2-I	2,785,200.09	2,285,663.21	Patient Care Receivables	2-I	2,785,200.09	2,285,663.21
Due From County Treasurer	5-I		50,792.78	Trust Accounts	3-I	66,887.69	68,962.95
		2,805,147.27	2,357,906.70	Due To:			
Patients Trust Accounts	3-I	66,887.69	68,962.95	Patients	4-I		23,859.49
				Medicare	4-I		48,384.00
				County Treasurer	5-I	19,947.18	
Total Assets		<u>\$ 2,872,034.96</u>	<u>\$ 2,426,869.65</u>	Total Liabilities and Reserves		<u>\$ 2,872,034.96</u>	<u>\$ 2,426,869.65</u>

See accompanying notes.

GERALDINE L. THOMPSON DIVISION

EXHIBIT

COUNTY OF MONMOUTH, NEW JERSEY

MONMOUTH COUNTY CARE CENTER

GERALDINE L. THOMPSON DIVISION

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
				Reserve for:			
				Patients Care	2-J	\$ 1,835,418.23	\$ 1,735,570.61
Cash - General Account	1-J	\$ 3,199.31	\$ 55,959.69	Trust Accounts		39,213.39	44,952.45
Accounts Receivable	2-J	1,835,418.23	1,735,570.61	Due To County Treasurer	5-J	3,164.31	26,915.09
Patient Trust Account	3-J	<u>39,178.39</u>	<u>44,952.45</u>	Accounts Payable	4-J	<u> </u>	<u>29,044.60</u>
Total Assets		<u>\$ 1,877,795.93</u>	<u>\$ 1,836,482.75</u>	Total Liabilities and Reserves		<u>\$ 1,877,795.93</u>	<u>\$ 1,836,482.75</u>

See accompanying notes.

DEPARTMENT OF PARKS AND RECREATION
EXHIBIT

COUNTY OF MONMOUTH, NEW JERSEY
 DEPARTMENT OF PARKS AND RECREATION
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
				Reserve for:			
				Checking Account		\$ 1,500.00	\$ 1,500.00
				Change Fund		52,875.00	52,875.00
				Lost and Found			87.03
Cash		\$ 307,774.32	\$ 333,178.05	Interest - Sales Tax		9.99	9.99
Change Fund		<u>52,875.00</u>	<u>52,875.00</u>	Boat Contract Security		<u>306,264.33</u>	<u>331,581.03</u>
Total Assets	1-K	<u>\$ 360,649.32</u>	<u>\$ 386,053.05</u>	Total Liabilities and Reserves	1-K	<u>\$ 360,649.32</u>	<u>\$ 386,053.05</u>

See accompanying notes.

YOUTH DETENTION CENTER

EXHIBIT

COUNTY OF MONMOUTH, NEW JERSEY

YOUTH DETENTION CENTER

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
				Due To:			
				Residents Inmates		\$ 2,074.77	\$ 1,980.49
Cash		<u>\$ 2,419.69</u>	<u>\$ 2,204.18</u>	County - Interest		<u>344.92</u>	<u>223.69</u>
Total Assets	L	<u><u>\$ 2,419.69</u></u>	<u><u>\$ 2,204.18</u></u>	Total Liabilities and Reserves	L	<u><u>\$ 2,419.69</u></u>	<u><u>\$ 2,204.18</u></u>

See accompanying notes.

OFFICE OF THE PROSECUTOR

EXHIBIT

COUNTY OF MONMOUTH, NEW JERSEY

OFFICE OF THE PROSECUTOR

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Cash - Emergency Fund	1-M		\$ 210.99				
Cash - Extradition Fund	1-M	<u> </u>	<u> 53.49</u>	Due To County Treasurer	1-M	<u> </u>	<u>\$ 264.48</u>
Total Assets		<u>\$ 0.00</u>	<u>\$ 264.48</u>	Total Liabilities		<u>\$ 0.00</u>	<u>\$ 264.48</u>

See accompanying notes.

COUNTY OF MONMOUTH, NEW JERSEY
 DEPARTMENT OF CORRECTIONS
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
				Due To:			
				State of New Jersey	\$	10,829.67	\$ 6,122.27
				County:			
				Postage		129.67	100.98
				Medical		2,832.23	1,011.03
				Processing Fees		15,840.66	18,848.71
				Commission		31,656.46	24,725.26
				Miscellaneous		276.95	1,527.25
				Commissary Company		76,640.17	36,497.72
Inmates' Checking Account		\$ 277,747.14	\$ 218,969.65	Accounts Payable - Inmate Accounts		187,450.53	152,597.98
Due From County		47,909.20	22,461.55	Reserve for Receivable - Inmates		2,988,116.58	2,642,495.24
Accounts Receivable - Inmates		<u>2,988,116.58</u>	<u>2,642,495.24</u>				
Total Assets	N	<u>\$ 3,313,772.92</u>	<u>\$ 2,883,926.44</u>	Total Liabilities and Reserves	N	<u>\$ 3,313,772.92</u>	<u>\$ 2,883,926.44</u>

See accompanying notes.

OFFICE OF THE COUNTY CLERK

EXHIBIT

COUNTY OF MONMOUTH, NEW JERSEY

OFFICE OF THE COUNTY CLERK

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
				Registry Department:			
				Reserve for:			
				Compensating Balances	O	\$ 12,364.28	\$ 27,051.28
				Cash Drawers	O	200.00	500.00
				Due To:			
				County Treasurer:			
				Current Fund	2-O	3,423,443.15	3,559,725.70
				Current Fund Interest	2a-O	11,807.02	12,016.27
				Trust Fund	2c-O	20,562.00	25,232.00
Registry Department:				State for Trade Names	4-O	2,275.00	3,437.50
Cash	1-O	\$ 3,832,477.19	\$ 3,994,320.37	Reserve for Lawyer's Deposits	3a-O	375,030.02	392,293.90
Accounts Receivable - Lawyers	3-O	<u>13,204.28</u>	<u>25,936.28</u>				
Total Assets		<u>\$ 3,845,681.47</u>	<u>\$ 4,020,256.65</u>	Total Liabilities and Reserves		<u>\$ 3,845,681.47</u>	<u>\$ 4,020,256.65</u>

See accompanying notes.

TUBERCULOSIS CONTROL PROGRAM

EXHIBIT

COUNTY OF MONMOUTH, NEW JERSEY

TUBERCULOSIS CONTROL PROGRAM

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Cash - General Account	1-P	\$ 955.60	\$ 820.72	Due To County - General	3-P	\$ 955.60	\$ 820.72
Accounts Receivable	2-P	<u>540.00</u>	<u>468.00</u>	Reserve for Accounts Receivable	P	<u>540.00</u>	<u>468.00</u>
Total Assets		<u>\$ 1,495.60</u>	<u>\$ 1,288.72</u>	Total Liabilities and Reserves		<u>\$ 1,495.60</u>	<u>\$ 1,288.72</u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

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 accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types 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 and practices applicable to municipalities prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The accompanying financial statements are presented in the format prescribed by the State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and are a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the County accounts for its financial transactions through the following separate funds:

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

B. Description of Funds (continued)

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

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

Years ended December 31, 2007 and 2006

1. 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. They utilize a main frame computer as well as PC's to record all records.

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

B. Description of Funds (continued)

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

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

Department of Corrections - The Department of Corrections operates the County jail. Some prisoners are held on behalf of the State of New Jersey ("NJDOC"), US Marshals Service ("USMS"), Immigration Customs Enforcement ("ICE") and the City of Philadelphia due to overcrowding at their facilities. 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.

T.B. Clinic - The T. B. 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.

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

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. The more significant differences follow.

A modified accrual basis of accounting is followed by the County. Modifications from the accrual basis follow:

Revenues

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

Expenditures

- (a) Disbursements for Current Fund inventory-type items are considered expenditures at the time of purchase;
- (b) Prepaid expenses are not recorded;
- (c) Interest on long-term debt included in the General Capital Fund is recorded as an expenditure when paid;
- (d) The encumbrance method of accounting, which records commitments such as purchase orders and contracts as a charge against the current year's budget in addition to expenditures made or accrued, is utilized. The cash basis of accounting, however, is followed for recording the County's share of contributions for fringe benefits, such as retirement plans, accrued sick leave and vacation leave.

Appropriation reserves are recorded at December 31 for unexpended appropriation balances except for amounts which, according to state statutes, may be cancelled by the governing body. The appropriation reserves are available to satisfy specific claims, commitments or contracts incurred during the preceding fiscal year. At the end of the succeeding fiscal year, the remaining unexpended balances lapse to fund balance through other credits to revenue.

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

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.

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.

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

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.

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.

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

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.

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.

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

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. The date of tax sale is at the discretion of the tax collector.

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. Interfund Receivables

Interfund receivables created by cash transfers from the Current Fund are recorded with offsetting reserves created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in other funds are not offset by reserves.

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

J. 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.

K. Pension Plans

Substantially, all County employees participate in the Public Employees' Retirement System ("PERS") and the Police and Fireman's Retirement System ("PFRS"). The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plans are cost sharing multiple-employer defined benefit plans and as such do not maintain separate records for each municipality in the state and, therefore, the actuarial data for the County is not available. The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, PERS and PFRS bill the County annually at an actuarially determinable rate for its required contribution. The current rate is 5.0% for PERS and 8.5% for PFRS of annual covered payroll.

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2007	\$ 12,877,379.81	\$ 11,796,340.42
2006	10,369,874.44	8,599,037.64

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits, the State of New Jersey Cash Management Fund and government money market mutual funds through registered broker/dealers and banks. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5 percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

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

The carrying amount of the County's cash and cash equivalents at December 31, 2007 was \$515,801,607.77 and the bank balance was \$527,749,740.24. Of the bank balance, \$2,208,402.65 was covered by federal depository insurance, \$797.68 was on deposit with the State of New Jersey Cash Management Fund, and the remaining \$525,540,539.91 was covered under the unit certificate of eligibility as required by New Jersey statutes.

<u>Depository Account</u>	<u>2007</u>	<u>Bank Balance</u>	<u>2006</u>
Insured:			
FDIC	\$ 2,208,402.65		\$ 2,608,168.40
Collateralized:			
GUDPA	<u>525,540,539.91</u>		<u>483,962,103.16</u>
	<u>\$ 527,748,942.56</u>		<u>\$ 486,570,271.56</u>

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The County does not have a formal policy for custodial credit risk. As of December 31, 2007, the County's bank balance was not exposed to custodial credit risk.

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments

New Jersey statutes establish the following securities as eligible for the investment of County funds:

- (a) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (b) Government Money Market Mutual Funds.
- (c) 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.
- (d) Bonds or other obligations of the County, or bonds or other obligations of school districts of which the County is a part or within which the school district is located.
- (e) Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.
- (f) Local Government Investment Pools.
- (g) Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1977, C. 281 (C.52:18A:90.4).

Repurchase agreements (15.1(a)(8)) must comply with the following conditions:

- (a) The underlying securities are permitted investments, pursuant to the list contained in (a) and (c) above.
- (b) The custody of the collateral is transferred to a third party. This means the bank must contract with a trusted third party to hold the collateral to ensure it is not pledged against any other investments.
- (c) The maturity of the agreement is not more than 30 days.
- (d) The underlying securities are purchased through a GUDPA bank.
- (e) A master repurchase agreement providing for the custody and security of collateral is executed.

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments (continued)

Local Government Investment Pools ("LGIP") (15.1(e)(2)) are subject to the following requirements:

- (a) It is managed in accordance with the SEC's government money market rules (2a-7).
- (b) It is rated in the highest category by a nationally recognized statistical rating organization.
- (c) Have their portfolio limited to U.S. Government securities as defined in 2a-7 and repurchase agreements that are collateralized by such U.S. Government securities.

Every local unit must have a Cash Management Plan ("Plan"); the Plan is subject to audit. In addition, when the Plan permits investments for more than one year, the investment must approximate the prospective use of funds. This primarily relates to U.S. securities and local bond issue purchases. The law also requires that cash management plans provide for the CFO to give the governing body a monthly report that summarizes:

- (a) All investments made or redeemed over the past month.
- (b) Each organization holding local unit funds.
- (c) The amount of securities purchased or sold, class or type of securities purchased, book value, earned income, fees incurred, and market value of all investments as of the report date.
- (d) Other information that may be required by the governing body.

During the year, the County had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the County.

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 that 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.

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments (continued)

Categories of Credit Risk

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following three categories described below:

Category 1 are deposits covered by the federal depository insurance, or by collateral held by the County or its agent, in the County's name.	\$ 525,540,539.91
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Category 2 are deposits covered by collateral held by the pledging financial institution's trust department, or by its agent, in the County's name.	0.00
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Category 3 are deposits covered by collateral held by the pledging financial institution or trust department, or its agent, but not in the County's name.	9,005,808.68
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As of December 31, 2007, 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 funds 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.

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

2. Interfund Balances and Activity

Not applicable.

3. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the years 2007 and 2006.

<u>2007</u>	Balance, December 31, <u>2006</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2007</u>
Land	\$ 261,936,130.03	\$ 24,403,823.00		\$ 286,339,953.03
Buildings	278,209,131.00	8,488,078.36	\$ 114,000.00	286,583,209.36
Furniture, Fixtures, and Equipment	40,225,099.29	1,493,548.33	373,750.95	41,344,896.67
Vehicles	<u>63,036,557.87</u>	<u>1,482,463.00</u>	<u>1,082,693.41</u>	<u>63,436,327.46</u>
Total	<u>\$ 643,406,918.19</u>	<u>\$ 35,867,912.69</u>	<u>\$ 1,570,444.36</u>	<u>\$ 677,704,386.52</u>

<u>2006</u>	Balance, December 31, <u>2005</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2006</u>
Land	\$ 239,150,826.03	\$ 22,785,304.00		\$ 261,936,130.03
Buildings	277,009,370.00	1,199,761.00		278,209,131.00
Furniture, Fixtures, and Equipment	31,725,458.50	9,063,488.86	\$ 563,848.07	40,225,099.29
Vehicles	<u>62,385,864.87</u>	<u>1,067,949.55</u>	<u>417,256.55</u>	<u>63,036,557.87</u>
Total	<u>\$ 610,271,519.40</u>	<u>\$ 34,116,503.41</u>	<u>\$ 981,104.62</u>	<u>\$ 643,406,918.19</u>

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

4. Long-Term Debt

Summary of County Debt

	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 340,700,000.00	\$ 298,130,000.00	\$ 288,645,000.00
Reclamation Center Utility:			
Capital Fund:			
Bonds and Notes	18,970,000.00	21,830,000.00	24,595,000.00
Green Trust Bonds NJDEP	7,083,616.44	8,501,731.20	10,107,442.17
Voc Tech. School District NJDEP	1,611,530.65	1,859,420.91	2,102,141.22
Mon. County Improvement Auth.	<u>67,010,000.00*</u>	<u>60,360,000.00*</u>	<u>77,545,000.00*</u>
Total Debt Issued	<u>435,375,147.09</u>	<u>390,681,152.11</u>	<u>402,994,583.39</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>119,660,000.00</u>	<u>115,790,000.00</u>	<u>112,305,000.00</u>
Total Authorized But Not Issued	<u>119,660,000.00</u>	<u>115,790,000.00</u>	<u>112,305,000.00</u>
Total Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 555,035,147.09</u>	<u>\$ 506,471,152.11</u>	<u>\$ 515,299,583.39</u>

Summary of Statutory Debt Condition - Annual Debt Statement

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

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 536,065,147.09	\$ 159,025,000.00	\$ 377,040,147.09
Reclamation Center Utility	<u>18,970,000.00</u>	<u>18,970,000.00</u>	<u> </u>
	<u>\$ 555,035,147.09</u>	<u>\$ 177,995,000.00</u>	<u>\$ 377,040,147.09</u>

Net Debt \$377,040,147.09 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$115,608,888,074.00 = 0.3261%.

* Guaranteed by County only - Included in deduction

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

4. Long-Term Debt (continued)

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

2.0% of Equalized Valuation Basis (State)	\$ 2,312,177,761.48
Less: Net Debt	<u>377,040,147.09</u>

Remaining Borrowing Power	<u>\$ 1,935,137,614.39</u>
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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, 2007 was .3246% and its remaining borrowing power in dollars was \$1,936,947,614.30.

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	\$ 52,910,882.14
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Deductions: Operating and Maintenance Costs	<u>39,000,877.00</u>
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Excess Revenue	<u>\$ 13,910,005.14</u>
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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.

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

4. Long-Term Debt (continued)

General Capital Fund

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance, December 31, <u>2007</u>
General Improvements	Serial Bonds	07/01/98	08/01/13	4.500%	\$ 12,760,000.00
General Improvements	Serial Bonds	07/15/99	07/15/14	4.800%	13,720,000.00
General Improvements	Serial Bonds	07/15/00	07/15/15	5.000%	17,000,000.00
General Improvements	Serial Bonds	07/15/01	07/15/16	4.100-4.700%	18,945,000.00
General Improvements	Serial Bonds	07/15/02	07/15/17	3.250-4.350%	30,000,000.00
Pension Refunding	Serial Bonds	07/15/03	07/15/08	2.625%	3,580,000.00
General Improvements	Serial Bonds	03/01/03	03/01/18	2.400-5.000%	30,705,000.00
General Improvements	Serial Bonds	04/27/04	01/15/16	4.000-5.000%	18,235,000.00
Refunding Bonds	Serial Bonds	04/27/04	09/01/12	5.000-5.250%	22,930,000.00
General Improvements	Serial Bonds	04/19/05	01/15/20	3.000-5.000%	23,285,000.00
General Improvements	Serial Bonds	06/06/06	01/15/21	4.000-5.000%	38,485,000.00
General Improvements	Serial Bonds	09/12/07	09/15/22	4.000-5.000%	<u>50,000,000.00</u>
					<u>\$ 279,645,000.00</u>

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance, December 31, <u>2007</u>
County College:					
General Improvements	Serial Bonds	07/15/99	07/15/09	4.75-4.80%	\$ 1,440,000.00
General Improvements	Serial Bonds	07/15/01	07/15/11	4.00-4.20%	2,410,000.00
General Improvements	Serial Bonds	07/15/02	07/15/12	3.25-4.00%	2,265,000.00
General Improvements	Serial Bonds	04/19/05	01/15/15	3.00-5.00%	3,620,000.00
General Improvements	Serial Bonds	09/12/07	09/15/17	4.00-5.00%	<u>4,470,000.00</u>
					<u>\$ 14,205,000.00</u>

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance, December 31, <u>2007</u>
Open Space Preservation	Serial Bonds	06/29/05	12/01/20	3.00-4.00%	\$ 26,850,000.00
Open Space Preservation	Serial Bonds	09/12/07	09/15/22	4.00-5.00%	<u>20,000,000.00</u>
					<u>\$ 46,850,000.00</u>

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

4. Long-Term Debt (continued)

General Capital Fund (continued)

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance, December 31, 2007</u>
Green Acres Trust					
Loan Program:					
Valley Stream	Installments	12/20/96	06/20/06	2.00%	\$ 4,003,420.25
Clayton Park		01/21/00	01/21/13	2.00%	990,133.78
Bayshore Park		11/13/99	05/13/13	2.00%	<u>2,090,062.41</u>
					<u>7,083,616.44</u>
Economic Development:					
Authorities Facilities Loan:					
Assistance Program	Installments	07/01/93	07/15/13	1.500%	805,765.33
		07/01/93	07/15/13	5.288%	<u>805,765.32</u>
					<u>1,611,530.65</u>
Total General Capital Fund Long-Term Debt Issued and Outstanding					<u>\$ 349,395,147.09</u>

Reclamation Utility Capital Fund

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance, December 31, 2007</u>
Reclamation Utility Bonds	Serial Bonds	07/15/02	07/15/17	3.25-4.30%	\$ 6,950,000.00
Reclamation Utility Bonds	Serial Bonds	04/27/04	09/01/10	5.00-5.25%	5,820,000.00
Reclamation Utility Bonds	Serial Bonds	04/19/05	01/15/17	3.50-5.00%	<u>6,200,000.00</u>
Total Reclamation Utility Fund Debt Issued and Outstanding					<u>\$ 18,970,000.00</u>

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

4. Long-Term Debt (continued)

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

<u>Year</u>	<u>General Capital Fund</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2008	\$ 31,771,139.00	\$ 11,511,139.00	\$ 43,282,278.00
2009	31,066,579.00	10,142,927.00	41,209,506.00
2010	29,852,947.00	8,838,191.00	38,691,138.00
2011	30,478,683.00	7,600,870.00	38,079,553.00
2012	27,400,713.00	6,294,273.00	33,694,986.00
2013	24,906,391.00	5,082,225.00	29,988,616.00
2014	22,216,626.00	4,019,721.00	26,236,347.00
2015	20,202,069.00	3,062,826.00	23,264,895.00
2016	17,555,000.00	2,197,906.00	19,752,906.00
2017	11,915,000.00	1,503,490.00	13,418,490.00
2018	10,005,000.00	1,013,865.00	11,018,865.00
2019	7,305,000.00	647,328.00	7,952,328.00
2020	7,405,000.00	328,057.00	7,733,057.00
2021	2,845,000.00	60,456.00	2,905,456.00
	<u>\$ 274,925,147.00</u>	<u>\$ 62,303,274.00</u>	<u>\$ 337,228,421.00</u>

<u>Year</u>	<u>Reclamation Capital Fund</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2008	\$ 2,830,000.00	\$ 859,850.00	\$ 3,689,850.00
2009	2,790,000.00	721,275.00	3,511,275.00
2010	2,750,000.00	587,125.00	3,337,125.00
2011	1,200,000.00	461,200.00	1,661,200.00
2012	1,550,000.00	406,700.00	1,956,700.00
2013	1,550,000.00	340,950.00	1,890,950.00
2014	1,550,000.00	271,450.00	1,821,450.00
2015	1,550,000.00	201,150.00	1,751,150.00
2016	1,600,000.00	128,800.00	1,728,800.00
2017	1,600,000.00	54,800.00	1,654,800.00
	<u>\$ 18,970,000.00</u>	<u>\$ 4,033,300.00</u>	<u>\$ 23,003,300.00</u>

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

Years ended December 31, 2007 and 2006

4. Long-Term Debt (continued)

A summary of the activity in the County's principal debt is as follows:

	Balance, December 31, <u>2006</u>	<u>Additions</u>	<u>Principal Payments</u>	Balance, December 31, <u>2007</u>
General Bonds and Notes Outstanding	\$ 285,440,000.00	\$ 70,000,000.00	\$ 28,945,000.00	\$ 326,495,000.00
County College Bonds	12,690,000.00	4,470,000.00	2,955,000.00	14,205,000.00
Reclamation Center Utility Bonds & Notes	<u>21,830,000.00</u>	<u> </u>	<u>2,860,000.00</u>	<u>18,970,000.00</u>
Total	<u>\$ 319,960,000.00</u>	<u>\$ 74,470,000.00</u>	<u>\$ 34,760,000.00</u>	<u>\$ 359,670,000.00</u>

5. 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 sufficiently 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.

<u>Issuing Entity</u>	<u>Purpose</u>	<u>Bond Series</u>	<u>Defeased Balance</u>
Primary Government:			
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	<u>15,900,000.00</u>
			<u>\$ 37,795,000.00</u>

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

6. Bonds and Notes Authorized But Not Issued

At December 31, 2007, the County had authorized but not issued bonds and notes as follows:

General Capital Fund	\$ 119,660,000.00
Monmouth County Improvement Authority	<u>67,010,000.00</u>
Net Bonds and Notes Authorized But Not Issued	<u>\$ 186,670,000.00</u>

7. Fund Balance Appropriated

Current Fund

The fund balance at December 31, 2007 was \$87,303,368.34, of which \$48,500,000.00 was appropriated and included as anticipated revenue for the year ended December 31, 2008.

Reclamation Utility Operating Fund

The fund balance at December 31, 2007 was \$43,672,580.48, of which \$28,000,000.00 was appropriated and included as anticipated revenue for the year ended December 31, 2008.

8. Deferred Charges to be Raised in Succeeding Years' Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2007, there were no deferred charges shown on the various balance sheets.

9. 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.

The County has also earned unspent vacation and compensatory time pay in the amount of \$93,401.00 and \$924,802.00 respectively, which is also part of the unfunded liability.

While the County does not accrue this liability, the unfunded liability at December 31, 2007 is \$4,657,015.00 based on the eligible employees.

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

10. 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.

11. Post-Employment Healthcare Plan

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

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

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

January 1, 2007 Net OPEB Obligation	\$ 0.0
Plus:	
Annually Required Contributions	21,999.7
Less:	
County Contributions	<u>6,859.5</u>
December 31, 2007 Net OPEB Obligations	<u>\$ 15,140.2</u>

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

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
12/31/07	\$ 21,999.7	31.1%	\$ 15,140.2

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

11. Post-Employment Healthcare Plan (continued)

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

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability - Projected Unit Credit</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll*</u>	<u>Unfunded Actuarial Accrued Liability as % of Covered Payroll</u>
01/01/07	\$ 0	\$ 403,585.5	\$ 403,585.5	0%	\$ 180,536.5	218%

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

This is the County's transition year of implementing GASB 45. In future years, this schedule will present multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

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

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

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

12. Capital Leases

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

<u>Year</u>	Minimum Rental Payments Correctional Facility
2008	\$ 4,022,750.00
2009	4,017,250.00
2010	4,018,750.00
2011	<u>4,021,500.00</u>
	16,080,250.00
Less: Interest	<u>1,825,250.00</u>
	<u>\$ 14,255,000.00</u>

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

13. 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, 2007, the bonds included the following issues:

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Rate</u>	<u>Balance, December 31, 2007</u>
08/01/91	\$ 5,435,000.00	6.400-6.600%	\$ 75,000.00
08/15/97	11,390,000.00	4.625-6.000%	255,000.00
08/30/99	20,590,000.00	4.100-5.000%	4,070,000.00
10/31/01	16,885,000.00	4.150-5.000%	4,805,000.00
08/01/03	16,180,000.00	3.450-5.000%	10,070,000.00
10/01/05	21,905,000.00	3.250-5.000%	19,470,000.00
07/12/07	19,940,000.00	4.000-5.000%	19,940,000.00

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

14. Arbitrage

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

For its \$60,445,000 bond issue of April 17, 2004, the County has determined that there is an arbitrage rebate liability of \$369,782.86. A reserve has been set-up for the total of \$812,673.19.

For its \$30,000,000 bond issue of June 29, 2005, the County has determined that there is an arbitrage rebate liability of \$419,813.19.

For its \$40,000,000 bond issue of June 6, 2006, the County has determined that there is an arbitrage rebate liability of \$23,077.14.

15. 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:

<u>Coverage</u>	<u>Self-Insured Retention</u>	<u>Excess Insurance</u>
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
Joseph W. Oxley, Sheriff		50,000.00
Rosemarie D. Peters, Surrogate		50,000.00
Mark E. Acker, Treasurer		1,500,000.00

In respect to the excess insurance, the County's settled claims have not exceeded the commercial coverage in the past three years. At December 31, 2007, the amount on deposit in the Trust Fund was \$3,672,186.02.

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

16. 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, 2007, the reserve, which management considered to be adequate in terms of its risk, amounted to \$7,000,000.00.

17. 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.

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

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, 2007	\$ 1,357,052.60
December 31, 2006	1,362,716.88
December 31, 2005	1,317,349.60
December 31, 2004	1,269,035.57
December 31, 2003	965,768.77

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

18. 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, 2007, 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 2007, and post balance sheet period through June 26, 2008.

19. Change Orders

Monmouth County approved the following change orders during 2007:

1. Resolution #07-44 for One Source Energy Services, Inc., authorizing additional expenditure (over 20%) for the furnishing of preventative maintenance, parts, repairs and labor of chillers located at various County buildings for the period February 1, 2005 to January 31, 2007.
2. Resolution #07-136 for Edwards Tire Comp., Inc., authorizing additional expenditure (over 20%) for tires, tubes and roadside service for various County departments for the period September 1, 2005 to December 31, 2006.
3. Resolution #07-495 for Constellation New Energy, authorizing additional expenditure (over 20%) for commercial and industrial pricing account electrical supply service for the period May, 2005 to July, 2007.
4. Resolution #07-694 for Constellation New Energy, authorizing additional expenditure (over 20%) for commercial and industrial pricing account electrical supply service for the period May, 2005 to July, 2007.

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

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

20. 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.

21. FASB Pronouncements Policy

The County adheres to all FASB policies unless otherwise indicated.

22. 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.

23. 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, 2007. They have issued a separate report, and as such, we do not express an opinion on those compliance requirements.

24. Prior-Period Adjustments

The following prior-period adjustments were made to the December 31, 2006 balances:

	Ending Balance December 31, <u>2006</u>	Adjustments To Ending Balance	Adjusted Balance December 31, <u>2006</u>
<u>Reclamation Center Utility Fund</u>			
Fixed Capital	\$ 811,120.00	\$ 100,388,880.00	\$ 101,200,000.00
Fixed Capital Authorized But Not Completed	43,420,000.00	(32,970,000.00)	10,450,000.00
Reserve for Amortization	811,120.00	87,334,334.04	88,145,454.04
Deferred Reserve for Amortization	21,590,000.00	(19,915,454.04)	1,674,545.96

COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

24. Prior-Period Adjustments (continued)

	Ending Balance December 31, <u>2006</u>	Adjustments To Ending <u>Balance</u>	Adjusted Balance December 31, <u>2006</u>
<u>John L. Montgomery Division</u>			
Cash	\$ 21,450.71	\$ (1,648.60)	\$ 19,802.11
Accounts Receivable	2,285,663.21	(51,581.43)	2,234,081.78
Patient Trust Accounts	68,962.95	(2,193.52)	66,769.43
Due From Treasurer	50,792.78	(70,594.89)	(19,802.11)
Reserve for Receivables	(2,285,663.21)	51,581.43	(2,234,081.78)
Reserve for Trust Accounts	(68,962.95)	2,193.52	(66,769.43)
Due To Medicare	(48,384.00)	48,384.00	0.00
Due To Patients	(23,859.49)	23,859.49	0.00
<u>Geraldine L. Thompson Division</u>			
Cash	55,959.69	(53,204.90)	2,754.79
Accounts Receivable	1,735,570.61	(27,413.85)	1,708,156.76
Reserve for Receivables	(1,735,570.61)	27,413.85	(1,708,156.76)
Due To Treasurer	26,915.09	26,915.09	0.00
Accounts Payable	29,044.60	26,289.81	2,754.79

25. Subsequent Events

On January 10, 2008, the County adopted Ordinance #08-01, appropriating \$6,000,000.00 for the construction of Area V, Phase III Landfill Liner.

On April 24, 2008, the County adopted Ordinance #08-02, appropriating \$8,890,000.00 for various capital improvements.

APPENDIX B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE is made as of September 23, 2008 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 Bonds, Series 2008, dated September 23, 2008 in the aggregate principal amount of \$30,000,000 (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 September 9, 2008; 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 various information repositories; and

WHEREAS, the Issuer represented in its Notice of Sale dated August 28, 2008 (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 various information repositories required to be disclosed on a continual basis pursuant to Rule 15c2-12; and

WHEREAS, on September 9, 2008, the Issuer accepted the bid of PNC Capital Markets LLC, 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.

“Central Post Office” shall mean, in accordance with the Securities and Exchange Commission Interpretative Letter dated September 7, 2004 ("Interpretative Letter") regarding www.DisclosureUSA.org – Texas MAC’s Central Post Office, DisclosureUSA, an internet based filing system where issuers of tax-exempt bonds and other filers on behalf of such issuers can upload for immediate transmission to the Repositories information and notices required to be filed with the Repositories pursuant to continuing disclosure undertakings designed to assist underwriters in complying with Rule 15c2-12.

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

“Disclosure Event Notice” means the notice to the Repositories and 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 September 9, 2008 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. The address of the MSRB as of the date of this Certificate is:

1900 Duke Street, Suite 600
Alexandria, Virginia 22314

“National Repository” means a “nationally recognized municipal securities information repository” within the meaning of Rule 15c2-12. As of the date of this Certificate, the National Repositories recognized by the SEC in accordance with Rule 15c2-12 are:

- (a) Standard & Poor’s Securities Evaluations, Inc.
55 Water Street, 45th Floor
New York, New York 10041
Phone: (212) 438-4595
Telecopier: (212) 438-3975
- (b) Bloomberg Municipal Repository
100 Business Park Drive
Skillman, New Jersey 08558
Phone: (609) 279-3225
Telecopier: (609) 279-5962
- (c) DPC Data Inc.
One Executive Drive
Fort Lee, New Jersey 07024
Phone: (201) 346-0701
Telecopier: (201) 947-0107

- (d) Interactive Data Pricing and Reference Data, Inc.
Attn: NRMSIR
100 Williams Street, 15th Floor
New York, New York 10038
Phone: (212) 771-6999
Telecopier: (212) 771-7390 (Secondary Market Information)
(212) 771-7391 (Primary Market Information)

“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”.

“Repository” means each National Repository and each State Repository.

“State” means the State of New Jersey.

“State Depository” means any public or private repository or entity designated by the State as a state information depository for purposes of Rule 15c2-12. As of the date of this Certificate, there is no State Repository.

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, 2008, an Annual Report to each Repository;

(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 each Repository;

(d) In a timely manner, to each National Repository or to the MSRB, and to the appropriate State Depository, if any, notice of any of the following events with respect to the Bonds, if material (each, a “Disclosure Event”);

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults;
- (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 or events affecting the tax-exempt status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds;
- (viii) Bond calls;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds; and
- (xi) Rating changes.

(e) In a timely manner, to each National Repository or to the MSRB and to the appropriate State Depository, if any, 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 each of the Repositories 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 each National Repository or with the MSRB and the State Repository (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:

- (i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any; and

- (ii) 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 and listing all the Repositories to which 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 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.

(d) The Issuer or the Dissemination Agent, if applicable, may satisfy its obligations hereunder by filing any information required to file hereunder with any "central post office" or similar entity, assuming or charged with responsibility for accepting notices, documents or information for transmission to such Repository or State Depository, to the extent permitted by the SEC or SEC staff or required by the SEC. For this purpose, permission shall be deemed to have been granted by the SEC staff if and to the extent the agent or conduit has received an interpretive letter, which has not been revoked, from the SEC staff to the effect that using the agent or conduit to transmit information to the Repositories and the State Depository will be treated for purposes of Rule 15c2-12 as if such information were transmitted directly to the Repositories and the State Depository. Therefore, any such filing under this Certificate may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at <http://www.disclosureusa.org> unless the SEC has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004.

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, Hall of Records, Finance Department, Freehold, New Jersey 07728, Attention: Mark E. Acker.

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 each of the Repositories 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 each of the Repositories 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: _____
Mark E. Acker, Director of Finance

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APPENDIX C

NOTICE OF SALE

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NOTICE OF SALE

\$30,000,000

**COUNTY OF MONMOUTH
NEW JERSEY**

GENERAL OBLIGATION BONDS, SERIES 2008

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 September 9, 2008 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 \$30,000,000 General Obligation Bonds, Series 2008 (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 September 23, 2008) and will bear interest at the rate per annum specified by the successful bidder therefor in accordance herewith, payable on March 1, 2009 and semi-annually thereafter on the first day of September and March 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 September 1 of each of the following years and in the following aggregate amounts:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2009	\$1,645,000	2017	\$2,180,000
2010	1,095,000	2018	2,180,000
2011	1,095,000	2019	2,180,000
2012	2,185,000	2020	2,180,000
2013	2,180,000	2021	2,180,000
2014	2,180,000	2022	2,180,000
2015	2,180,000	2023	2,180,000
2016	2,180,000		

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.

Optional Redemption Provisions

The Bonds maturing on or prior to September 1, 2018 shall not be subject to redemption prior to their respective maturity dates. The Bonds maturing on or after September 1, 2019 shall be subject to redemption prior to their respective maturity dates, on or after September 1, 2018 at the option of the County, either in whole or in part at any time in any order of maturity at par (the "Redemption Price") and accrued interest thereon to the date of redemption.

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. 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. 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 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, 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 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 any integral multiple 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 11:30 a.m., New York City time, on September 9, 2008, 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, September 23, 2008 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). 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 11:00 a.m., New York City time, on the last business day prior to any announced date for receipt of bids, and an alternative sale date and time will be announced 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 a financial surety bond (the "Financial Surety Bond") in the amount of \$600,000 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 Financial Security Assurance Inc. 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 10:30 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 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. 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 AND (II) 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. A printed version is also available upon request made to the Director of Finance of the County at the Hall of Records, Finance Department, Third Floor, 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.

Mark E. Acker
Director of Finance

Dated: August 28, 2008

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APPENDIX D

**FORM OF OPINION OF GIBBONS P.C., BOND COUNSEL
TO THE COUNTY OF MONMOUTH, NEW JERSEY**

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September __, 2008

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 \$30,000,000 General Obligation Bonds, Series 2008 dated the date of delivery (the "Series 2008 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 August 14, 2008 (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 September 1 in the principal amounts as set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2009	\$1,645,000	2017	\$2,180,000
2010	1,095,000	2018	2,180,000
2011	1,095,000	2019	2,180,000
2012	2,185,000	2020	2,180,000
2013	2,180,000	2021	2,180,000
2014	2,180,000	2022	2,180,000
2015	2,180,000	2023	2,180,000
2016	2,180,000		

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 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,

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