

In the opinion of Gibbons P.C., Bond Counsel to the County (as defined herein), assuming continuing compliance by the County with certain tax covenants described herein, under existing law, interest on the Series 2015 Bonds (as defined herein) is excluded from the gross income of the owners of the Series 2015 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 2015 Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. In the case of certain corporate holders of the Series 2015 Bonds, interest on the Series 2015 Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Series 2015 Bonds in "adjusted current earnings" of certain corporations. Under existing law, interest on the Series 2015 Bonds and net gains from the sale of the Series 2015 Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax. See "TAX MATTERS" herein.

\$92,180,000
COUNTY OF MONMOUTH
New Jersey
General Obligation Bonds, Series 2015
Consisting of
\$73,790,000 General Improvement Bonds, Series 2015
\$5,000,000 Open Space Bonds, Series 2015
\$5,805,000 Reclamation Center Utility Bonds, Series 2015
\$4,385,000 County Vocational School Bonds, Series 2015
(New Jersey School Bond Reserve Act, P.L. 1980, c. 72)
\$1,600,000 County College Bonds, Series 2015
and
\$1,600,000 County College Bonds, Series 2015
(County College Bond Act, P.L. 1971, c. 12)

Dated: Date of Delivery

Due: July 15, as shown on the inside front cover

The \$92,180,000 General Obligation Bonds, Series 2015, consisting of \$73,790,000 General Improvement Bonds, Series 2015, \$5,000,000 Open Space Bonds, Series 2015, \$5,805,000 Reclamation Center Utility Bonds, Series 2015, \$4,385,000 County Vocational School Bonds, Series 2015 (New Jersey School Bond Reserve Act, P.L. 1980, c. 72), \$1,600,000 County College Bonds, Series 2015 and \$1,600,000 County College Bonds, Series 2015 (County College Bond Act, P.L. 1971, c. 12) (collectively, the "Series 2015 Bonds") will be issued by the County of Monmouth, New Jersey (the "County") in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house transactions, which will act as securities depository for the Series 2015 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 or any integral multiple thereof. Provided DTC or its nominee Cede is the registered owner of the Series 2015 Bonds, principal of, redemption premium, if any, and interest (payable semi-annually on July 15, 2016 and on each January 15 and July 15 thereafter until maturity or prior redemption), on the Series 2015 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 2015 Bonds. See "OTHER INFORMATION - The DTC Book-Entry-Only System."

The Series 2015 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"), and where appropriate, Title 18A, Education of the New Jersey Statutes, as amended, 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 2015 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 2015 Bonds. The Series 2015 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 2015 Bonds are subject to redemption prior to maturity as set forth herein.

The issuance of the Series 2015 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 2015 Bonds will be available for delivery to DTC on or about December 1, 2015, in New York, New York, or at such other place and time as may be agreed to by the County.

**COUNTY OF MONMOUTH
STATE OF NEW JERSEY**

\$73,790,000 GENERAL IMPROVEMENT BONDS, SERIES 2015

<u>Year</u>	<u>Amount</u>	<u>Interest</u>		<u>Year</u>	<u>Amount</u>	<u>Interest</u>	
		<u>Rate</u>	<u>Yield</u>			<u>Rate</u>	<u>Yield</u>
2016	\$2,545,000	2.00%	0.28%	2024	\$5,090,000	5.00%	2.06%
2017	5,085,000	4.00	0.64	2025	5,090,000	5.00	2.17
2018	5,085,000	5.00	0.88	2026	5,090,000	3.00	2.31*
2019	5,085,000	5.00	1.06	2027	5,090,000	3.00	2.47*
2020	5,090,000	5.00	1.27	2028	5,090,000	3.00	2.82*
2021	5,090,000	5.00	1.49	2029	5,090,000	3.00	2.95*
2022	5,090,000	5.00	1.70	2030	5,090,000	3.25	3.03*
2023	5,090,000	5.00	1.91				

\$5,000,000 OPEN SPACE BONDS, SERIES 2015

<u>Year</u>	<u>Amount</u>	<u>Interest</u>		<u>Year</u>	<u>Amount</u>	<u>Interest</u>	
		<u>Rate</u>	<u>Yield</u>			<u>Rate</u>	<u>Yield</u>
2016	\$330,000	2.00%	0.28%	2024	\$335,000	5.00%	2.06%
2017	330,000	4.00	0.64	2025	335,000	5.00	2.17
2018	330,000	5.00	0.88	2026	335,000	3.00	2.31*
2019	330,000	5.00	1.06	2027	335,000	3.00	2.47*
2020	330,000	5.00	1.27	2028	335,000	3.00	2.82*
2021	335,000	5.00	1.49	2029	335,000	3.00	2.95*
2022	335,000	5.00	1.70	2030	335,000	3.25	3.03*
2023	335,000	5.00	1.91				

\$5,805,000 RECLAMATION CENTER UTILITY BONDS, SERIES 2015

<u>Year</u>	<u>Amount</u>	<u>Interest</u>		<u>Year</u>	<u>Amount</u>	<u>Interest</u>	
		<u>Rate</u>	<u>Yield</u>			<u>Rate</u>	<u>Yield</u>
2016	\$385,000	2.00%	0.28%	2024	\$385,000	5.00%	2.06%
2017	385,000	4.00	0.64	2025	390,000	5.00	2.17
2018	385,000	5.00	0.88	2026	390,000	3.00	2.31*
2019	385,000	5.00	1.06	2027	390,000	3.00	2.47*
2020	385,000	5.00	1.27	2028	390,000	3.00	2.82*
2021	385,000	5.00	1.49	2029	390,000	3.00	2.95*
2022	385,000	5.00	1.70	2030	390,000	3.25	3.03*
2023	385,000	5.00	1.91				

**\$4,385,000 COUNTY VOCATIONAL SCHOOL BONDS, SERIES 2015
(NEW JERSEY SCHOOL BOND RESERVE ACT, P.L. 1980, c. 72)**

<u>Year</u>	<u>Amount</u>	<u>Interest</u>		<u>Year</u>	<u>Amount</u>	<u>Interest</u>	
		<u>Rate</u>	<u>Yield</u>			<u>Rate</u>	<u>Yield</u>
2016	\$365,000	2.00%	0.28%	2022	\$365,000	5.00%	1.70%
2017	365,000	4.00	0.64	2023	365,000	5.00	1.91
2018	365,000	5.00	0.88	2024	365,000	5.00	2.06
2019	365,000	5.00	1.06	2025	365,000	5.00	2.17
2020	365,000	5.00	1.27	2026	365,000	3.00	2.31*
2021	365,000	5.00	1.49	2027	370,000	3.00	2.47*

\$1,600,000 COUNTY COLLEGE BONDS, SERIES 2015

<u>Year</u>	<u>Amount</u>	<u>Interest</u>		<u>Year</u>	<u>Amount</u>	<u>Interest</u>	
		<u>Rate</u>	<u>Yield</u>			<u>Rate</u>	<u>Yield</u>
2016	\$160,000	2.00%	0.28%	2021	\$160,000	5.00%	1.49%
2017	160,000	4.00	0.64	2022	160,000	5.00	1.70
2018	160,000	5.00	0.88	2023	160,000	5.00	1.91
2019	160,000	5.00	1.06	2024	160,000	5.00	2.06
2020	160,000	5.00	1.27	2025	160,000	5.00	2.17

**\$1,600,000 COUNTY COLLEGE BONDS, SERIES 2015
(COUNTY COLLEGE BOND ACT, P.L. 1971, c. 12)**

<u>Year</u>	<u>Amount</u>	<u>Interest</u>		<u>Year</u>	<u>Amount</u>	<u>Interest</u>	
		<u>Rate</u>	<u>Yield</u>			<u>Rate</u>	<u>Yield</u>
2016	\$160,000	2.00%	0.28%	2021	\$160,000	5.00%	1.49%
2017	160,000	4.00	0.64	2022	160,000	5.00	1.70
2018	160,000	5.00	0.88	2023	160,000	5.00	1.91
2019	160,000	5.00	1.06	2024	160,000	5.00	2.06
2020	160,000	5.00	1.27	2025	160,000	5.00	2.17

* Priced to the July 15, 2025 optional call date.

COUNTY OF MONMOUTH
STATE OF NEW JERSEY

BOARD OF CHOSEN FREEHOLDERS

Gary J. Rich, Sr.	Director of the Board
Serena DiMaso, Esq.	Deputy Director
Lillian G. Burry	Freeholder
John P. Curley	Freeholder
Thomas A. Arnone	Freeholder

COUNTY OFFICIALS

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

PROFESSIONALS

Gibbons P.C.	Bond Counsel
Holman Frenia Allison, P.C.	Independent Auditor
Public Resources Advisory Group	Financial Advisor

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations with respect to the Series 2015 Bonds, other than those contained in this Official Statement, in connection with the offering of the Series 2015 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 2015 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 2015 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 2015 Bonds. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the County since the date hereof or any earlier date as of which any information contained herein is given.

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

COUNTY OF MONMOUTH, NEW JERSEY

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

**Relating to its
\$92,180,000 General Obligation Bonds, Series 2015
Consisting of
\$73,790,000 General Improvement Bonds, Series 2015
\$5,000,000 Open Space Bonds, Series 2015
\$5,805,000 Reclamation Center Utility Bonds, Series 2015
\$4,385,000 County Vocational School Bonds, Series 2015
(New Jersey School Bond Reserve Act, P.L. 1980, c. 72)
\$1,600,000 County College Bonds, Series 2015
and
\$1,600,000 County College Bonds, Series 2015
(County College Bond Act, P.L. 1971, c. 12)**

I. DESCRIPTION OF THE SERIES 2015 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 \$92,180,000 aggregate principal amount of the County’s General Obligation Bonds, Series 2015, consisting of \$73,790,000 General Improvement Bonds, Series 2015, \$5,000,000 Open Space Bonds, Series 2015, \$5,805,000 Reclamation Center Utility Bonds, Series 2015, \$4,385,000 County Vocational School Bonds, Series 2015 (New Jersey School Bond Reserve Act, P.L. 1980, c.72), \$1,600,000 County College Bonds, Series 2015 and \$1,600,000 County College Bonds, Series 2015 (County College Bond Act, P.L. 1971, c. 12) (collectively, the “Series 2015 Bonds”), dated the date of delivery.

The Series 2015 Bonds are issued pursuant to the Local Bond Law of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended (the “Local Bond Law”), and where appropriate, Title 18A, Education of the New Jersey Statutes, as amended. The Series 2015 Bonds have been authorized by various ordinances duly adopted by the County and a resolution of the County adopted at meeting of the Board of Freeholders of the County (the “County Board”) on October 22, 2015. The Series 2015 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 2015 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 2015 Bonds will be dated the date of delivery, and will mature on July 15 in the years and in the amounts set forth on the inside cover page hereof. The Series 2015 Bonds will bear interest payable semi-annually on July 15, 2016 and on each January 15 and July 15 thereafter until maturity or optional redemption.

Denomination and Place of Payment

The Series 2015 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 2015 Bonds under its book-entry-only system (the “DTC Book-Entry-Only System”). An individual purchaser (the “Beneficial Owner”) may purchase a Series 2015 Bond in book-entry form (without certificates) in denominations of \$5,000 or any integral multiple thereof.

Provided Cede is the registered owner of the Series 2015 Bonds, the principal, redemption premium, if any, and interest on, the Series 2015 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 January 1 and July 1 (the “Record Dates” for the payment of interest on the Series 2015 Bonds). See “OTHER INFORMATION - The DTC Book-Entry-Only System” herein.

Optional Redemption Provisions

The Series 2015 Bonds maturing on or prior to July 15, 2025 shall not be subject to redemption prior to their respective maturity dates. The Series 2015 Bonds maturing on or after July 15, 2026 shall be subject to redemption prior to their respective maturity dates, on or after July 15, 2025 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 first class mail in a sealed envelope with postage prepaid to the registered owners of such Series 2015 Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the County, at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. However, so long as DTC (or any successor thereto) acts as Securities Depository (as defined herein) for the Series 2015 Bonds, Notices of Redemption shall be sent to such depository and shall not be sent to the beneficial owners of the Series 2015 Bonds, and will be done in accordance with DTC procedures. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the County determines to redeem a portion of the Series 2015 Bonds of a maturity, such Series 2015 Bonds shall be selected by lot. If Notice of Redemption has been given as described herein, the Series 2015 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 2015 Bonds redeemed.

Authorization

The Series 2015 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 2015 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 2015 Bonds by the County.

Security for the Series 2015 Bonds

The Series 2015 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 2015 Bonds.

Additional Security for the County Vocational School Bonds, Series 2015 (New Jersey School Bond Reserve Act, P.L. 1980, c.72)

The County Vocational School Bonds, Series 2015 (New Jersey School Bond Reserve Act, P.L. 1980, c.72) will be secured by the School Bond Reserve (“School Bond Reserve”) established in the Fund for the Support of Free Public Schools of the State of New Jersey (the “Fund”) and in accordance with the New Jersey School Bond Reserve Act, P.L. 1980, c. 72, approved July 16, 1980 (the “School Bond Reserve Act” and codified at N.J.S.A. 18A:56-17 et. seq.). The School Bond Reserve shall consist of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least one and one-half (1 1/2 %) per cent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes for all such indebtedness issued prior to July 1, 2003, exclusive of bonds the debt service for which is provided by the State, provided such amounts do not exceed the moneys available in the old school bond reserve account. The new school bond reserve account shall be funded in an amount equal to at least one (1%) per cent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes for all such indebtedness issued on and after July 1, 2003, exclusive of bonds the debt service for which is provided by State appropriations.

The School Bond Reserve Act provides that the School Bond Reserve shall be composed entirely of direct obligations of the United States Government or obligations guaranteed by the full faith and credit of the United States Government. Securities representing at least one-third of the minimal market value to be held in the School Bond Reserve shall be due to mature within one year of issuance or purchase. The trustees of the Fund are to determine, on or before September 15 of each year the aggregate amount of school purpose bonds issued and outstanding

and to maintain the old school bond reserve account and the new school bond reserve account for the ensuing year at appropriate levels based upon market valuation of the obligations invested. The funds that are set aside in the old school bond reserve account constitute a reserve for the prompt payment to holders of bonds issued for school purposes by counties, municipalities or school districts of the principal of and interest of bonds issued prior to July 1, 2003 for school purposes in the event of the inability of the issuer to make payments. The funds that are set aside in the new school bond reserve account constitute a reserve for the prompt payment to holders of bonds issued for school purposes by counties, municipalities or school districts of the principal of and interest of bonds issued on and after July 1, 2003 for school purposes in the event of the inability of the issuer to make payments. In the event that the amount held in the old school bond reserve account exceeds the amount required to be held pursuant to the School Bond Reserve Act, the excess may be transferred by the State Treasurer to the new school bond reserve account. In the event that the amounts in either the old school bond reserve account or the new school bond reserve account fall below the amount required to make payments on bonds, the amounts in both the old school bond reserve account and new school bond reserve account shall be available to make payments for bonds secured by the reserve.

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

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

Additional Security for the County College Bonds, Series 2015 (County College Bond Act, P.L. 1971, c. 12)

The County College Bonds, Series 2015 (County College Bond Act, P.L. 1971, c. 12) are entitled to the benefits of the provisions of the County College Bond Act, P.L. 1971, c.12 (N.J.S.A. 18A:64A-22.1 *et seq.*) (the "County College Bond Act"). Under the provisions of the Act, the State shall appropriate and pay annually on behalf of the County an amount equal to the amount of principal and interest due on the County College Bonds, Series 2015 (County College Bond Act, P.L. 1971, c. 12). The amount paid by the State pursuant to the Act are paid directly to the paying agent for the County College Bonds, Series 2015 (County College Bond Act, P.L.

1971, c. 12) and therefore must be used for the payment of the principal of and interest on the County College Bonds, Series 2015 (County College Bond Act, P.L. 1971, c. 12). Any obligations issued by the County that are entitled to the benefits of the provisions of the County College Bond Act are not debts or liabilities of the State, but are dependent for repayment upon appropriations by law from time to time.

Purpose of the Issue

The proceeds of the Series 2015 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 2015 Bonds Originally Authorized</u>	<u>Amount of Series 2015 Bonds Issued</u>	<u>Adoption Dates</u>
Various Improvements (Ord. No. 99-01), as amended and as reappropriated	\$ 24,460,000	\$ 550,000	February 25, 1999
Various Improvements (Ord. No. 02-02), as amended and as reappropriated	43,910,000	35,000	February 14, 2002
Various Improvements (Ord. No. 04-01), as amended and as reappropriated	49,200,000	54,000	February 26, 2004
Various Improvements (Ord. No. 06-02), as amended and as reappropriated	31,085,000	300,000	March 23, 2006
Various Improvements (Ord. No. 08-03), as amended and as reappropriated	71,055,000	1,105,000	May 22, 2008
Various Improvements (Ord. No. 09-02), as amended and as reappropriated	81,417,000	4,756,000	June 11, 2009
Various Improvements (Ord. No. 10-02), as amended	47,500,000	855,000	June 24, 2010
Open Space (Ord. No. 12-01)	20,000,000	5,000,000	May 10, 2012
Reclamation Center Improvements (Ord. No. 12-04)	9,700,000	2,000,000	May 10, 2012
Various Improvements (Ord. No. 12-05), as amended and as reappropriated	32,690,000	10,980,000	May 10, 2012
Various Improvements (Ord. No. 13-01)	25,195,000	3,135,000	June 27, 2013
Various Improvements (Ord. No. 13-02)	2,899,000	1,930,000	June 27, 2013
Reclamation Center Improvements (Ord. No. 13-06)	5,075,000	2,325,000	June 27, 2013
Various Improvements (Ord. No. 14-02)	10,000,000	8,310,000	June 12, 2014
Various Improvements (Ord. No. 14-03), as amended	13,440,000	12,565,000	June 12, 2014
Vocational School Improvements (Ord. No. 14-05)	1,485,000	1,485,000	July 10, 2014

<u>Project</u>	Amount of Series 2015 Bonds Originally Authorized	Amount of Series 2015 Bonds Issued	<u>Adoption Dates</u>
Vocational School Improvements (Ord. No. 15-02)	2,900,000	2,900,000	May 14, 2015
Various Improvements (Ord. No. 15-03)	6,825,000	6,825,000	May 28, 2015
Various Improvements (Ord. No. 15-05)	44,195,000	21,610,000	May 28, 2015
Reclamation Center Improvements (Ord. No. 15-06)	1,480,000	1,480,000	May 28, 2015
County College Improvements (Ord. No. 15-07)	3,200,000	3,200,000	October 8, 2015
Various Improvements (Ord. No. 15-08)	780,000	780,000	October 22, 2015
TOTAL	<u>\$528,491,000</u>	<u>\$92,180,000</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, is located in central New Jersey and is bordered on the west by Mercer and Middlesex Counties, on the south by Burlington and Ocean Counties, on the east by 27 miles of Atlantic Ocean Beachfront and on the north by 26 miles of Raritan and Sandy Hook Bay Shorelines. The County consists of fifty-three (53) municipalities, whose populations range from 194 to 66,522 (2010 Census).

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>
Gary J. Rich, Sr.	Director of the Board	January 2018
Serena DiMaso, Esq.	Deputy Director	January 2017
Lillian G. Burry	Freeholder	January 2018
John P. Curley	Freeholder	January 2016
Thomas A. Arnone	Freeholder	January 2017

County Officials

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

Reclamation Center Utility

On February 14, 1985, the Board of Chosen Freeholders unanimously approved the creation of the Monmouth County Reclamation Center Utility to operate the County landfill and various recycling and reclamation programs. The Reclamation Center Utility is currently a self-liquidating utility under the Local Bond Law and its activity has been shown as a separate fund in each year beginning with calendar year 1985. See “Reclamation Center Utility Fund - Statement of Operations and Change in Fund Balance (2010-2014)” 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 395,404 tons during 2014 and, at current monthly deliveries, is expected to accept a similar amount during 2015. Much of the waste has been baled since the MCRC opened in 1976, making more efficient use of the available capacity. A Materials Processing and Recovery Facility (MPRF) began operation in December 1996, and now accepts all municipal and bulky waste brought to the facility. Trucks dump regular and bulky waste in separate areas of an enclosed building, where waste is inspected, and some recyclables removed, before waste is baled. Bulky waste is crushed and transferred to an out-of-state landfill. The 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 2028. 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 around 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.

In 2014 the MCRC began construction on a design, build, operate contract to build a Leachate Pretreatment Facility. This facility will treat the leachate, and then dispose of it directly into the sewer system. This will eliminate a 4+ million dollar trucking contract with a net savings of about 2 million dollars annually. The County anticipates that this project will be completed by the end of 2015.

Transportation

The County’s transportation network provides convenient access to destinations within New Jersey and the major cities beyond: New York, Boston, Philadelphia and Washington, D.C. There are in excess of 2,700 highway miles in Monmouth County. The Garden State Parkway runs the length of the County with seven interchanges located in the County. State Highways 9, 18, 33, 34, 35, 36 and 79 and Interstate 195 traverse the County. Other transportation facilities include the New Jersey coast railroad line with fourteen stations, a network of local and regional

bus services, ferry service to New York City, and the Monmouth County Executive Airport. The Monmouth County Executive Airport has all weather flight capabilities and serves as a base for business travel.

Tropical Storm Sandy

On October 29, 2012, Tropical Storm Sandy made landfall five miles south of Atlantic City, New Jersey. The resulting storm surge and winds caused catastrophic damage to many coastal and riverfront communities, as well as widespread physical damage (including loss of electrical power and other utilities) throughout the State. In the days following the storm, most schools and businesses -- and many roads, bridges and public transportation systems -- were closed. The full extent of the damage caused by Tropical Storm Sandy has yet to be ascertained. The County expects to secure substantial federal assistance, including reimbursement of certain associated costs from the Federal Emergency Management Agency ("FEMA") to allow the County to recover a substantial portion of storm-related losses.

Currently, the State, its counties, including the County, and municipal governments are in the process of tabulating the associated costs and expenses as a result of the storm preparation, evacuation and shut down as well as the costs for remediation, clean-up, mitigation and the restoration of services. These costs will be categorized by agency and expense type and according to FEMA allowances, and the County intends to maximize its recovery from all available FEMA sources, subject to any sublimits and retentions. The amount and timing for receipt of funds from FEMA cannot be predicted at this time.

The County submitted requests for financial assistance from FEMA in the amount of \$18,310,769.48 of which approximately 90% of such requests, \$16,504,785.82, will be reimbursed to the County. As of October 22, 2015, \$9,483,630.96 has been paid by FEMA and received by the County. Of the \$7,021,154.86 that has not been paid, \$3,501,066.90 is for three projects that have been set up as grants, and for which the County has not yet expended any funds. The remaining \$3,520,087.96 is spread over twenty-two open projects, of which twelve are going through the closeout process.

Sale of Care Centers

On October 20, 2015, the County conducted public auctions for the sale of the Geraldine L. Thompson and John L. Montgomery care centers. The public auctions resulted in a high bid of \$15,000,000 for the Geraldine L. Thompson Care Center and a high bid of \$17,400,000 for the John L. Montgomery Care Center. The Board of Chosen Freeholders approved and accepted the high bid for each care center at its meeting on October 22, 2015. The County anticipates the closing of each sale to occur by December 31, 2015.

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. 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. 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 for 2014 is 0.5%. 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. (“the Property Tax Act”) requiring the calculation of another limitation (a 4% limitation) on county and municipal tax levies, with certain exceptions and subject to a number of adjustments. The Property Tax Act has now been amended by the provisions of P.L. 2010, c. 44 (the “Amendment”). The Amendment reduces the tax levy cap from 4% to 2%, limits exclusions only to capital expenditures, including debt service, certain increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare cost increases in excess of 2% and extraordinary costs related to a declared emergency. Waivers from the Division of Local Government Services or the Local Finance Board are no longer available under the Amendment.

ASSESSED VALUATION OF REAL PROPERTY AND EQUALIZED VALUATIONS TAXABLE AND TAX RATES

<u>Year</u>	<u>Net Valuation Taxable (Assessed)</u>	<u>Net Valuation Divided by Apportionment Valuation (Equalized)</u>	<u>Apportionment Valuation (Equalized)</u>	<u>Apportionment Rate Per \$100</u>
2011	\$106,195,811,067	87.67	\$121,128,479,054	0.251651163
2012	103,713,568,700	88.73	116,890,083,775	0.260599447
2013	102,127,763,540	91.25	111,915,603,801	0.271867993
2014	102,544,897,101	93.29	109,923,061,080	0.276942939
2015	107,164,139,697	95.00	112,803,695,100	0.273530233

Source: Abstract of Ratables County of Monmouth

DISTRIBUTION OF ASSESSED VALUATION

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Vacant Land	\$ 1,805,921,460	\$ 1,673,185,900	\$ 1,787,285,650	\$ 1,672,004,600	\$ 1,599,466,850
Residential	88,182,251,391	86,172,534,370	84,739,312,210	85,060,752,219	89,295,912,975
Farm Regular	908,951,600	871,894,200	880,607,400	883,572,100	907,985,900
Farm Qualified	29,655,000	29,528,600	28,876,200	28,727,400	28,926,625
Commercial	12,064,274,320	11,864,907,850	11,710,919,660	11,879,666,126	12,159,534,800
Industrial	1,138,740,500	1,108,813,300	1,065,741,400	1,065,995,100	1,062,810,900
Apartments	<u>1,864,675,800</u>	<u>1,852,308,000</u>	<u>1,821,266,900</u>	<u>1,874,377,500</u>	<u>2,025,914,400</u>
	<u>\$105,994,470,071</u>	<u>\$103,573,172,220</u>	<u>\$102,034,009,420</u>	<u>\$102,465,095,045</u>	<u>\$107,080,552,450</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, 2014**

	<u>Owner of Record</u>	<u>Property Location</u>	<u>2014 Total Assessed Value</u>	<u>2014 Tax Rate Per \$100</u>	<u>Total 2014 Taxes</u>
1	Freehold Mall				
	Freemall Associates, LLC	Freehold Township	\$ 344,230,400	2.349	\$ 8,085,972
	Macys East, Inc	Freehold Township	21,984,700	2.349	516,421
	Nordstrom, Inc.	Freehold Township	14,780,600	2.349	347,196
	JC Penney Properties, Inc.	Freehold Township	13,436,300	2.349	315,619
	State St. Bank Co of Conn	Freehold Township	13,010,300	2.349	305,612
	Trustees of SRC Facilities	Freehold Township	12,655,600	2.349	297,280
	LT Propco LLC % NRDC Equity Partner	Freehold Township	11,154,200	2.349	262,012
	HD Development of Maryland, Inc.%	Freehold Township	10,350,000	2.349	243,122
	200-220 Trotters Way LLC	Freehold Township	8,638,000	2.349	202,907
	TRU 2005 RE I, LLC, % Toys "R" Us	Freehold Township	6,500,000	2.349	152,685
	500 Trotters Way Fee, LLC	Freehold Township	3,100,000	2.349	<u>72,819</u>
					\$ 10,801,644
2	Monmouth Mall				
	Eatontown Monmouth Mall LLC	Eatontown	\$ 167,855,000	2.256	\$ 3,786,809
	VM Kushner, LLC	Eatontown	23,812,600	2.256	537,212
	Macy's East Federated Dept. Stores	Eatontown	22,944,000	2.256	517,617
	JC Penney 1150-0 Property Tax Office	Eatontown	18,400,000	2.256	415,104
	LT Propco LLC c/o NRDC Equity Ptnrs	Eatontown	14,450,000	2.256	<u>325,992</u>
					\$ 5,582,734
3	AT&T Corporate Park				
	At Middletown NJ Landlord LLC	Middletown	\$ 203,420,200	2.189	\$ 4,452,868
	Four Ponds	Middletown	25,000,000	2.189	547,250
	199 Laurel Assoc. c/o Steiner Equity Group	Middletown	885,000	2.189	<u>19,373</u>
					\$ 5,019,491
4	Assisted Living Facility				
	Assisted Living Facility	Tinton Falls	\$ 159,490,400	2.097	<u>\$ 3,344,514</u>
					\$ 3,344,514
5	Jersey Shore Premium Outlets				
	Jersey Shore Premium Outlets	Tinton Falls	\$ 142,895,800	2.097	<u>\$ 2,996,525</u>
					\$ 2,996,525
6	New Jersey Sports & Exposition Authority				
	New Jersey Sports & Exposition Authority	Oceanport	\$ 90,279,000	2.045	<u>\$ 1,846,206</u>
					\$ 1,846,206
7	Pier Village Development I, LLC				
	Pier Village Development I, LLC	Long Branch	\$ 76,176,800	2.113	<u>\$ 1,609,616</u>
					\$ 1,609,616

**LIST OF MONMOUTH COUNTY TWELVE LARGEST TAXPAYERS
DECEMBER 31, 2014**

<u>Owner of Record</u>	<u>Property Location</u>	<u>2014 Total Assessed Value</u>	<u>2014 Tax Rate Per \$100</u>	<u>Total 2014 Taxes</u>
8 Seaview Square Mall				
Seaview Acquisition LLC c/o Wharton	Ocean Township	\$ 53,000,000	2.221	\$ 1,177,130
Sears, Roebuck & Co. D/768Tax, B2107A	Ocean Township	14,097,900	2.221	<u>313,114</u>
				\$ 1,490,244
9 Bellcore Research Facility				
Bellcore Research Facility	Middletown	\$ 65,545,800	2.189	<u>\$ 1,434,798</u>
				\$ 1,434,798
10 Shopping Center – The Grove				
Shopping Center	Shrewsbury Boro	\$ 51,917,100	2.271	<u>\$ 1,179,037</u>
				\$ 1,179,037
11 Ocean Place Hilton				
Ocean Place Hilton	Long Branch	\$ 55,384,000	2.113	<u>\$ 1,170,264</u>
				\$ 1,170,264
12 Shopping Center				
Shopping Center	Holmdel	\$ 53,500,000	2.090	<u>\$ 1,118,150</u>
				\$ 1,118,150

Source: Monmouth County Board of Taxation (April 20, 2015).

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

The foundation of the New Jersey local finance system is the annual budget. Every local unit must adopt an operating budget in the form required by the Division of Local Government Services, New Jersey Department of Community Affairs (the “Division”). Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division (“Director”) prior to final adoption of the budget. The budget law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

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

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

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

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

Miscellaneous Revenues

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

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

Deferral of Current Expenses

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

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

Under the amended "CAP" law, emergency resolutions aggregating less than 3% of the previous year's final current operating appropriations may be raised in that portion of the budget outside the "CAP" if approved by at least two-thirds of the members of the Board of Freeholders and the Director of the Division of Local Government Services. Emergency resolutions that aggregate more than 3% of the previous year's final current operating appropriations must be raised within the "CAP". Emergency resolutions for debt service, capital improvements, the County's share of Federal or State grants and other statutorily permitted items are outside the "CAP".

Budget Transfers

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

Capital Budget

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

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

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

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

The report of Holman Frenia Allison, P.C., the County’s 2014 independent auditor, for the calendar year ending December 31, 2014 appears in Appendix B to this Official Statement.

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues and Other Additions:					
Fund Balance Utilized	\$ 44,850,000	\$ 43,865,000	\$ 43,865,000	\$ 46,000,000	\$ 43,000,000
Miscellaneous Revenue					
Anticipated	177,442,518	181,145,322	174,603,791	183,229,646	184,868,989
Miscellaneous Revenue Not					
Anticipated	17,691,672	13,119,952	9,994,793	13,400,057	13,890,900
Receipts from Current Taxes	302,475,000	302,475,000	302,475,000	302,475,000	302,475,000
Other Credits to Revenue	5,147,336	83,469	72,155	30,167	738,343
Unexpended Balance of					
Appropriations Lapsed	17,555,455	23,789,107	28,554,126	24,025,930	14,704,221
Total Revenues and Other Additions	\$565,161,981	\$564,477,850	\$559,564,865	\$569,160,800	\$559,677,453
Expenditures:					
Budget Appropriations*	\$527,255,337	\$520,343,278	\$513,777,542	\$526,268,410	\$526,457,263
Other Charges	--	7,652,297	12,679,321	(12,679,321)	--
Total Expenditures	\$527,255,337	\$527,995,575	\$526,456,863	\$513,589,089	\$526,457,263
Excess in Revenue	37,906,644	36,482,275	41,063,148	55,571,711	33,220,190
Adjustment to Income Before					
Surplus: Emergency	--	--	--	--	--
Authorization					
Fund Balance, January 1	83,764,239	76,820,883	69,438,158	66,636,306	76,208,017
	121,670,883	113,303,158	110,501,306	122,208,017	109,428,207
Decreased by:					
Utilized as Anticipated Revenue	44,850,000	43,865,000	43,865,000	46,000,000	43,000,000
Fund Balance, December 31	\$76,820,883	\$69,438,158	\$66,636,306	\$76,208,017	\$66,428,207
Fund Balance, as a percentage					
of Total Expenditures	14.57%	13.15%	12.66%	14.84%	12.62%
* Paid or Charged	\$503,825,317	\$493,485,776	\$489,793,879	\$513,796,714	\$508,510,038
Appropriation Reserves	23,430,020	26,857,502	23,983,663	12,471,696	17,947,225
Current Appropriations Cancelled	-	-	-	-	-
	\$527,255,337	\$520,343,278	\$513,777,542	\$526,268,410	\$526,457,263

Current Fund operating results reflect a policy of conservatively estimating revenues and closely controlling expenditures. As a result, fund balances have generally been utilized less than the budgeted amounts. Fund balance, as a percentage of expenditures, has ranged in recent years from 12.62% in 2014 to 14.84% in 2013, while the tax levy has remained stable.

FIVE YEAR SUMMARY OF CURRENT FUND BUDGET AND ACTUAL RESULTS

	2010		2011		2012		2013		2014	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:										
County Clerk	\$ 10,716,000	\$ 9,924,290	\$ 9,920,140	\$ 9,570,851	\$ 9,465,035	\$ 10,789,247	\$ 10,401,740	\$ 11,820,101	\$ 11,790,477	\$ 11,136,723
Interest on Investments	4,000,000	1,884,814	1,200,000	1,110,415	1,000,000	1,031,262	1,000,000	795,276	700,000	1,069,278
Parks & Recreation	6,985,324	7,006,135	6,880,126	6,745,981	6,693,123	7,319,961	6,970,505	7,073,373	7,008,281	7,166,347
Medical Homes	24,215,000	23,905,124	23,550,000	24,122,932	22,250,000	19,603,891	19,600,000	18,540,921	18,540,000	18,500,951
Division of Social Services	25,735,927	23,568,151	23,100,440	24,595,899	23,272,068	22,550,705	21,974,551	21,874,516	21,650,703	21,298,211
State of N.J. - Social Service Reimbursement	22,662,478	22,662,478	22,808,216	22,808,216	23,540,540	23,540,540	24,880,263	24,880,263	26,142,091	26,142,091
State of N.J. - Inmate Reimbursement	1,900,000	805,499	600,000	255,181	75,000	104,765	75,000	44,162	35,000	21,799
State of N.J. - Remaining Aid	2,500,277	2,868,522	2,416,840	2,813,131	1,743,805	2,134,900	1,809,481	2,199,640	2,013,571	2,184,095
State & Federal Grants	45,100,548	45,100,548	40,973,020	40,973,020	36,907,177	36,907,177	52,966,034	52,966,034	54,332,320	54,332,320
Miscellaneous Revenue	36,114,783	57,408,629	42,554,496	61,269,647	42,490,795	50,621,343	38,115,836	56,435,417	38,769,819	43,017,174
Fund Balance Utilized	44,850,000	44,850,000	43,865,000	43,865,000	43,865,000	43,865,000	46,000,000	46,000,000	43,000,000	43,000,000
County Tax Levy	<u>302,475,000</u>	<u>302,475,000</u>	<u>302,475,000</u>	<u>302,475,000</u>	<u>302,475,000</u>	<u>302,475,000</u>	<u>302,475,000</u>	<u>302,475,000</u>	<u>302,475,000</u>	<u>302,475,000</u>
TOTAL REVENUES	\$527,255,337	\$542,459,189	\$520,343,278	\$540,605,274	\$513,777,543	\$520,943,791	\$526,268,410	\$545,104,703	\$526,457,262	\$530,343,989
Appropriations:										
General Government	\$26,218,181	\$24,279,751	\$25,079,957	\$23,445,798	\$ 25,730,470	\$ 23,602,092	\$ 29,262,490	\$ 27,345,059	\$ 27,674,674	\$ 26,056,966
Public Works & Engineering	31,942,821	29,941,850	31,990,245	30,394,920	31,157,304	29,467,608	31,681,678	30,494,531	33,388,365	31,557,348
Health & Human Services	99,054,796	89,552,383	95,618,386	87,423,312	93,317,488	86,682,753	90,871,340	86,627,085	91,542,706	85,886,480
Education	45,889,060	45,572,282	39,646,019	39,521,149	39,166,467	39,025,862	39,027,999	38,880,077	37,590,188	37,478,892
Parks & Recreation	19,164,312	18,471,393	19,183,732	18,742,016	18,392,372	18,207,289	18,559,307	18,420,326	18,643,480	18,123,398
State & Federal Grants	46,400,548	45,779,701	42,273,020	41,769,879	38,207,177	37,659,942	54,266,034	53,652,009	55,382,320	54,652,112
Capital Improvements	2,750,000	2,597,744	250,000	94,118	2,250,000	2,117,076	1,250,000	1,092,681	750,000	615,519
Debt Service	49,717,468	49,717,468	50,853,005	50,853,005	50,670,738	50,670,738	54,382,195	54,382,194	53,263,364	53,263,364
Statutory Expenditures	34,750,000	33,796,045	39,100,000	38,552,339	36,540,000	35,957,694	35,235,000	34,659,956	36,162,000	34,856,759
Unclassified/Contingent	490,380	353,823	1,508,721	613,054	715,301	642,177	1,163,840	1,096,111	764,316	666,459
Public Safety	94,481,664	92,557,242	94,845,929	92,347,829	97,719,883	94,625,071	92,426,358	91,480,015	91,127,198	89,654,920
Land Use Administration	1,663,175	1,551,196	1,650,168	1,527,398	1,356,462	1,240,542	1,142,415	1,048,905	1,101,716	1,032,836
Code Enforcement	374,732	351,032	399,159	377,291	372,681	367,933	379,754	355,788	341,935	341,733
Insurance	61,750,000	57,279,604	65,921,736	56,154,023	65,573,000	59,456,641	65,220,000	63,578,463	67,050,000	63,159,327
Utility Expenses	12,608,200	12,023,802	12,023,200	11,669,646	12,608,200	10,070,461	11,400,000	10,683,514	11,675,000	11,163,924
Deferred Charges	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL APPROPRIATIONS	\$527,255,337	\$503,825,317	\$520,343,278	\$493,485,776	\$513,777,543	\$489,793,879	\$526,268,410	\$513,796,714	\$526,457,262	\$508,510,037
Excess in Revenues		\$38,633,873		\$47,119,498		\$31,149,912		\$31,307,989		\$21,833,952
Appropriation Reserve		<u>23,430,020</u>		<u>26,857,502</u>		<u>23,983,664</u>		<u>12,471,696</u>		<u>17,947,225</u>
Excess in Revenues, Net		\$15,203,852		\$20,261,996		\$ 7,166,248		\$18,836,293		\$ 3,886,727
Other Credits/(Debits) to Income:										
Unexpended Balance of Previous Year										
Appropriation Reserve		\$17,555,455		\$23,789,107		\$28,554,126		\$24,025,930		\$14,704,221
Emergency Authorization		-0-		-0-		-0-		-0-		-0-
Other		<u>5,147,336</u>		<u>(7,568,828)</u>		<u>(4,652,020)</u>		<u>12,709,488</u>		<u>14,629,242</u>
Total Excess in Revenues, Net + Other Credits to Income		\$37,906,643		\$36,482,275		\$41,063,148		\$55,571,711		\$33,220,190
Fund Balance, Beginning of Year		<u>\$38,914,239</u>		<u>\$32,955,883</u>		<u>\$25,573,158</u>		<u>\$20,636,306</u>		<u>\$33,208,017</u>
Fund Balance, End of Year		\$76,820,883		\$69,438,158		\$66,636,306		\$76,208,017		\$66,428,207

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

	<u>2014⁽¹⁾</u>	<u>2015⁽²⁾</u>
Anticipated Revenues:		
Fund Balance Utilized	\$ 43,000,000	\$ 40,000,000
State Aid	46,317,585	50,125,313
State and Federal Grants	8,775,058	10,013,762
Miscellaneous Revenue	80,332,357	80,860,925
County Tax Levy	<u>302,475,000</u>	<u>307,000,000</u>
Total Anticipated Revenues	<u>\$480,900,000</u>	<u>\$488,000,000</u>
Appropriations:		
Operations	\$389,536,636	\$394,971,497
Capital Improvements	750,000	2,250,000
Debt Service	53,263,364	54,653,503
Pension Contributions and Social Security Taxes	<u>37,350,000</u>	<u>36,125,000</u>
Total Appropriations	<u>\$480,900,000</u>	<u>\$488,000,000</u>

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- (1) The 2014 County Budget was adopted by the Board of Chosen Freeholders on April 10, 2014.
- (2) The 2015 County Budget was adopted by the Board of Chosen Freeholders on April 23, 2015.

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>REVENUES</u>					
Fund Balance	\$19,700,000	\$19,500,000	\$19,700,000	\$20,400,000	\$20,200,000
Grant	--	800,000	0	386,100	792,000
Utility Fees	26,825,140	27,084,755	25,994,128	25,919,609	25,948,238
Miscellaneous Revenue					
Anticipated	747,400	--	--	--	--
Miscellaneous Revenue					
Not Anticipated	1,956,751	1,967,930	2,379,797	1,973,371	1,987,392
Other Income	161,663	19,347	250	81,311	48,089
Unexpended Appropriations	7,553,844	7,903,418	5,347,234	6,346,419	4,813,404
Total Revenue	<u>\$56,944,798</u>	<u>\$57,275,450</u>	<u>\$53,421,409</u>	<u>\$55,106,810</u>	<u>\$53,789,123</u>
<u>EXPENDITURES</u>					
Operations with Reserves	\$36,179,822	\$35,898,343	\$35,563,628	\$35,222,771	\$34,771,180
Other Expenditures and Commitments	--	--	--	--	--
Total Expenditures	<u>\$36,179,822</u>	<u>\$35,898,343</u>	<u>\$35,563,628</u>	<u>\$35,222,771</u>	<u>\$34,771,180</u>
Net Revenues	<u>\$20,764,976</u>	<u>\$21,377,107</u>	<u>\$17,857,781</u>	<u>\$19,884,039</u>	<u>\$19,017,943</u>
Debt Service	<u>3,267,578</u>	<u>1,901,657</u>	<u>2,136,372</u>	<u>2,477,229</u>	<u>3,135,820</u>
Change in Fund Balance	\$17,497,398	\$19,475,450	\$15,721,409	\$17,406,810	\$15,882,123
Fund Balance, January 1	<u>\$31,167,784</u>	<u>\$28,965,182</u>	<u>\$28,940,632</u>	<u>\$24,962,041</u>	<u>\$21,968,851</u>
	\$48,665,182	\$48,440,632	\$44,662,041	\$42,368,851	\$37,850,974
Utilized as Revenue	<u>19,700,000</u>	<u>19,500,000</u>	<u>19,700,000</u>	<u>20,400,000</u>	<u>20,200,000</u>
Fund Balance, December 31	<u><u>\$28,965,182</u></u>	<u><u>\$28,940,632</u></u>	<u><u>\$24,962,041</u></u>	<u><u>\$21,968,851</u></u>	<u><u>\$17,650,974</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 adopted by the Board of Freeholders on April 23, 2015 calls for expenditures of \$307,021,296 through the year 2020. Of this \$307,021,296 total, \$23,701,296 is anticipated to be paid from cash and reappropriation of funds remaining under prior ordinances; the remaining \$283,320,000 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 September 30, 2015, is presented in the table below:

<u>Type of Security</u>	<u>Amount</u>	<u>Percent</u>
Bank Money Market Accounts	\$213,792,006.96	97.27%
Taxable Bond/Tax Anticipation Notes ⁽¹⁾	5,996,200.00	2.73

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

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

Pension Funds

County employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions; Treasury Department of the State of New Jersey. The three plans are: The Public Employees' Retirement System, the Police and Firemen's Retirement System, and the Defined Contribution Retirement Program (DCRP) of New Jersey. During 2007, the State through the enactment of P.L. 2007, c. 92 created the DCRP for certain public employees and established its membership requirements. The Division annually charges counties and other participating governmental units for their respective contributions to the plans based upon actuarial methods, except for the new DCRP which is a percentage set by legislation. A portion of the cost is contributed by the employees. The County's share of pension costs, which is based upon the annual billings received from the State, as well as retroactive billings received from the State, amounted to \$22,322,998 for 2013, \$22,660,915 for 2014, and \$22,573,365 for 2015.

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 October 22, 2015 is 0.3982% 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, other than a short-term bond anticipation note in the amount of \$22,237,000 issued on December 30, 2013 which was subsequently paid off on March 27, 2014 with a portion of the proceeds of the County's General Obligation Bonds, Series 2014.

COUNTY OF MONMOUTH
STATEMENT OF STATUTORY NET DEBT AS OF OCTOBER 22, 2015
(Unaudited)

GROSS DEBT:	
General Bonds Issued and Outstanding	\$312,418,500.00
Open Space Bonds Issued and Outstanding	38,475,000.00
Self-Liquidating Utility	15,460,000.00
County College Bonds Issued and Outstanding	13,921,500.00
County Vocational Bonds/Notes Issued and Outstanding	6,110,000.00
NJDEP-Green Trust Program	46,292.44
Installment Purchase Agreement Notes Payable	<u>2,655,000.00</u>
	\$389,086,292.44

BONDS/NOTES AUTHORIZED:	
General Improvements:	
Notes Issued	-0-
Authorized but not Issued	\$563,923,500.00
Open Space:	
Notes Issued	-0-
Authorized but not Issued	5,000,000.00
Self-Liquidating Utility:	
Notes Issued	-0-
Authorized but not Issued	5,805,000.00
	<u>574,728,500.00</u>
TOTAL GROSS DEBT	\$963,814,792.44

LESS: STATUTORY DEDUCTIONS:	
Guaranteed Equipment Lease Program - M.C.I.A.	32,850,000.00 ⁽¹⁾
Guaranteed Govt. Loan Refunding Rev. Bonds - M.C.I.A.	133,380,000.00 ⁽¹⁾
Guaranteed Pooled Loan Program - M.C.I.A.	227,228,500.00 ⁽¹⁾
Guaranteed Lease Revenue Bonds - BCC - M.C.I.A.	41,210,000.00 ⁽¹⁾
Guaranteed Lease Rev. Refunding Bonds - Asb. Park - M.C.I.A.	9,215,000.00 ⁽¹⁾
Guaranteed Lease Revenue Bonds - Mon. Bch. - M.C.I.A.	900,000.00 ⁽¹⁾
County College Bonds	8,636,500.00 ⁽²⁾
Self-Liquidating Utility	21,265,000.00 ⁽³⁾
Open Space Acquisition Bonds	43,475,000.00 ⁽⁴⁾
IPA Cash on Hand (Market Value as of 9/30/15)	1,158,408.22 ⁽⁵⁾
	<u>519,318,408.22</u>

STATUTORY NET DEBT	<u>\$444,496,384.22</u>
Three-Year Average (2012-2014)	
Equalized Valuation of Real Property (Pursuant to N.J.S.A. 15:1-35.1)	\$111,636,136,974.33
Net Debt Expressed as a Percentage of Average Equalized Valuation of Real Property	0.3982%
Debt Limitation Per N.J.S.A. 40A:2-6 (Counties) 2% of Three-Year Average Equalized Valuation	\$2,232,722,739.48
Total Net Debt	<u>444,496,384.22</u>

Remaining Net Debt Capacity \$1,788,226,355.26

- (1) The County has unconditionally guaranteed \$19,475,000 M.C.I.A. Capital Equipment Pooled Lease Revenue Bonds, \$87,105,000 M.C.I.A. Governmental Loan Refunding Revenue Bonds, \$201,415,000 M.C.I.A. Governmental Pooled Loan Revenue Bonds, \$41,210,000 M.C.I.A. Lease Revenue Bonds For Brookdale Community College, and \$9,215,000 M.C.I.A. Lease Revenue Refunding Bonds For Asbury Park, which are outstanding. The County has also unconditionally guaranteed \$900,000 M.C.I.A. Lease Revenue Bonds For Monmouth Beach First Aid/Fire Company, \$46,275,000 M.C.I.A. Governmental Pooled Loan Refunding Revenue Bonds, \$25,813,500 M.C.I.A. Governmental Pooled Loan Revenue Bonds which have not yet been sold as of October 22, 2015, and \$13,375,000 M.C.I.A. Capital Equipment Pooled Lease Revenue Bonds which were sold on October 8, 2015 but have not yet closed. The guaranty is an allowable deduction from gross debt pursuant to the Local Bond Law and the County Improvement Authorities Law (N.J.S.A. 40:37A-80).
- (2) The County College Bonds are an allowable deduction pursuant to the County College Bond Act (N.J.S.A. 18A:64A-22.4).
- (3) The MCRC indebtedness is an allowable deduction for self-liquidating purposes pursuant to the Local Bond Law (N.J.S.A. 40A:2-44 (c)).
- (4) The Open Space Acquisition Bonds are an allowable deduction pursuant to Local Bond Law (N.J.S.A. 40A:2-44(h)).
- (5) The cash on hand to retire the IPA Notes Payable is an allowable deduction pursuant to the Local Bond Law (N.J.S.A. 40A:2-44(f)).

**COUNTY OF MONMOUTH
SCHEDULE OF DEBT SERVICE**

DECEMBER 31, 2014

<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>
2015	\$ 40,665,000.00	\$ 2,670,000.00	\$1,140,000.00	\$162,069.11	\$ 44,637,069.11	\$ 15,614,896.11	\$ 60,251,965.22	\$ 2,575,000.00	\$ 600,380.00	\$ 63,427,345.22
2016	41,835,000.00	2,215,000.00	540,000.00	-	44,590,000.00	13,863,577.50	58,453,577.50	2,610,000.00	507,267.50	61,570,845.00
2017	39,770,000.00	2,215,000.00	540,000.00	-	42,525,000.00	12,031,765.00	54,556,765.00	2,600,000.00	411,555.00	57,568,320.00
2018	38,160,000.00	1,765,000.00	540,000.00	-	40,465,000.00	10,329,727.50	50,794,727.50	975,000.00	340,550.00	52,110,277.50
2019	35,503,500.00	1,766,500.00	540,000.00	-	37,810,000.00	8,812,427.50	46,622,427.50	975,000.00	301,910.00	47,899,337.50
2020	36,070,000.00	1,640,000.00	540,000.00	-	38,250,000.00	7,296,845.11	45,546,845.00	975,000.00	265,285.00	46,787,130.00
2021	31,900,000.00	1,420,000.00	535,000.00	-	33,855,000.00	5,786,508.75	39,641,508.75	895,000.00	228,500.00	40,765,008.75
2022	29,140,000.00	1,420,000.00	535,000.00	-	31,095,000.00	4,468,667.50	35,563,667.50	895,000.00	194,800.00	36,653,467.50
2023	22,850,000.00	570,000.00	435,000.00	-	23,855,000.00	3,243,540.00	27,098,540.00	895,000.00	163,200.00	28,156,740.00
2024	20,670,000.00	570,000.00	435,000.00	-	21,675,000.00	2,287,415.00	23,962,415.00	895,000.00	131,600.00	24,989,015.00
2025	15,395,000.00	-	435,000.00	-	15,830,000.00	1,451,597.50	17,281,597.50	900,000.00	102,300.00	18,283,897.50
2026	11,250,000.00	-	435,000.00	-	11,685,000.00	871,587.50	12,556,587.50	900,000.00	73,200.00	13,529,787.50
2027	11,250,000.00	-	-	-	11,250,000.00	497,062.50	11,747,062.50	900,000.00	44,100.00	12,691,162.50
2028	5,150,000.00	-	-	-	5,150,000.00	247,843.75	5,397,843.75	480,000.00	23,100.00	5,900,943.75
2029	5,150,000.00	-	-	-	5,150,000.00	83,687.50	5,233,687.50	480,000.00	7,800.00	5,721,487.50
	<u>\$384,758,500.00</u>	<u>\$16,251,500.00</u>	<u>\$6,650,000.00</u>	<u>\$162,069.11</u>	<u>\$407,822,069.11</u>	<u>\$86,887,148.61</u>	<u>\$494,709,217.72</u>	<u>\$17,950,000.00</u>	<u>\$3,395,547.50</u>	<u>\$516,054,765.22</u>

V. DEBT ANALYSIS

	<u>December 31, 2010⁽¹⁾</u>	<u>December 31, 2011⁽²⁾</u>	<u>December 31, 2012⁽²⁾</u>	<u>December 31, 2013⁽²⁾</u>	<u>December 31, 2014⁽²⁾</u>
Full Valuation Per Capita	\$204,352.00	\$192,152.00	\$185,428.00	\$177,537.00	\$174,376.00
County Net Debt as a Percentage of Full Value	0.39%	0.38%	0.39%	0.40%	0.39%
County Net Debt Per Capita	\$793.33	\$724.76	\$729.69	\$718.55	\$680.14
Overlapping Net Debt as a Percentage of Full Value	1.57%	1.59%	1.57%	1.63%	1.68%
Overlapping Net Debt Per Capita	\$3,210.57	\$3,058.65	\$2,913.18	\$2,887.15	\$2,933.18

⁽¹⁾ Per capita figures for 2010 utilizing 2000 Census Data.

⁽²⁾ Per capita figures for 2011 through 2014 utilizing 2010 Census Data.

COUNTY OF MONMOUTH
GROSS DEBT AND NET DEBT OF CONSTITUENT MUNICIPALITIES
December 31, 2014

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Aberdeen Township	\$ 13,624,115.00	\$ 11,605,913.00	\$ 24,052,800.00	\$ 13,624,115.00	\$11,605,913.00	\$ 59,823.00	\$ 23,992,977.00	\$ 2,045,228,788.00	1.1731%
Allenhurst Borough	0.00	86,000.00	5,199,124.00	0.00	0.00	0.00	5,285,124.00	554,548,649.00	0.9530
Allentown Borough	6,901,461.00	3,759,600.00	2,993,171.00	6,901,461.00	3,759,600.00	90,015.00	2,903,156.00	188,557,111.00	1.5397
Asbury Park City	2,925,000.00	34,942,445.00	16,046,353.00	2,925,000.00	32,705,247.00	451,374.00	17,832,178.00	1,280,693,056.00	1.3924
Atlantic Highlands Borough	6,499,862.00	18,836,941.00	13,971,011.00	6,499,862.00	18,836,941.00	66,278.00	13,904,733.00	750,041,481.00	1.8539
Avon-By-The-Sea Borough	6,075,000.00	3,662,385.00	5,875,750.00	6,075,000.00	3,662,385.00	1,543,750.00	4,331,999.00	986,743,469.00	0.4390
Belmar Borough	2,360,000.00	17,294,522.00	17,698,786.00	2,360,000.00	17,294,522.00	0.00	17,698,786.00	1,553,601,828.00	1.1392
Bradley Beach Borough	0.00	5,480,215.00	7,514,124.00	0.00	5,480,215.00	9,742.00	7,504,382.00	1,099,705,205.00	0.6824
Brielle Borough	2,800,000.00	4,490,604.00	2,615,907.00	2,800,000.00	4,490,604.00	0.00	2,615,907.00	1,406,236,464.00	0.1860
Colts Neck Township	19,070,870.00	0.00	12,247,874.00	19,070,870.00	0.00	2,310,646.00	9,937,227.00	3,073,303,870.00	0.3233
Deal Borough	0.00	792,787.00	3,641,288.00	0.00	792,787.00	0.00	3,641,288.00	2,157,598,658.00	0.1688
Eatontown Borough	25,416,966.00	0.00	17,348,958.00	25,416,966.00	0.00	6,142,958.00	11,206,000.00	2,049,197,113.00	0.5468
Englishtown Borough	1,697,874.00	565,000.00	2,005,234.00	1,697,874.00	565,000.00	0.00	2,005,234.00	225,326,647.00	0.8899
Fair Haven Borough	7,927,633.00	0.00	4,746,823.00	7,927,633.00	0.00	0.00	4,746,823.00	1,478,447,223.00	0.3211
Farmingdale Borough	3,388,362.00	1,352,007.00	537,776.00	3,388,362.00	1,352,007.00	0.00	537,776.00	139,919,409.00	0.3843
Freehold Borough	3,746,046.00	3,042,100.00	9,341,900.00	3,746,046.00	3,042,100.00	577,947.00	8,763,953.00	983,854,230.00	0.8908
Freehold Township	52,926,171.00	17,555,096.00	53,462,229.00	52,926,171.00	17,555,096.00	6,755,765.00	46,706,464.00	5,935,409,833.00	0.7869
Hazlet Township	6,070,000.00	94,000.00	11,398,697.00	6,070,000.00	94,000.00	104,000.00	11,294,697.00	2,290,614,325.00	0.4931

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Highlands Borough	3,191,899.00	7,599,062.00	14,187,273.00	3,191,899.00	7,599,062.00	0.00	14,187,273.00	647,335,122.00	2.1916
Holmdel Township	14,415,000.00	1,525,260.00	19,770,960.00	14,415,000.00	1,525,260.00	0.00	19,770,960.00	4,066,915,638.00	0.4861
Howell Township	44,245,533.00	0.00	64,710,451.00	44,245,533.00	0.00	6,214,000.00	58,496,451.00	6,215,984,544.00	0.9411
Interlaken Borough	0.00	0.00	1,204,601.00	0.00	0.00	0.00	1,204,601.00	251,480,143.00	0.4790
Keansburg Borough	0.00	6,827,386.00	16,381,928.00	0.00	6,827,386.00	0.00	16,381,928.00	553,089,936.00	2.9619
Keyport Borough	4,775,000.00	9,754,956.00	15,373,941.00	4,775,000.00	9,754,956.00	3,022,561.00	12,351,380.00	663,484,617.00	1.8616
Lake Como Borough	0.00	2,812,500.00	735,272.00	0.00	2,812,500.00	0.00	735,272.00	372,144,363.00	0.1976
Little Silver Borough	8,019,739.00	0.00	3,268,789.00	8,019,739.00	0.00	0.00	3,268,789.00	1,609,492,722.00	0.2031
Loch Arbour Village	393,549.00	0.00	1,815,291.00	393,549.00	0.00	0.00	1,815,291.00	153,673,192.00	1.1813
Long Branch City	0.00	0.00	105,833,774.00	0.00	0.00	2,765,577.00	103,068,196.00	4,456,894,605.00	2.3126
Manalapan Township	46,021,341.00	84,901.00	19,451,767.00	46,021,341.00	84,901.00	2,825,000.00	16,626,767.00	6,107,540,301.00	0.2722
Manasquan Borough	6,590,000.00	10,852,608.00	8,394,201.00	6,590,000.00	9,573,088.00	0.00	9,673,721.00	1,948,844,578.00	0.4964
Marlboro Township	26,372,150.00	36,495,458.00	36,156,655.00	26,372,150.00	36,495,458.00	76,328.00	36,080,327.00	7,091,978,512.00	0.5087
Matawan Borough	6,235,885.00	14,398,298.00	13,590,766.00	6,235,885.00	14,398,298.00	0.00	13,590,766.00	936,120,333.00	1.4518
Middletown Township	72,759,000.00	0.00	61,433,285.00	72,759,000.00	0.00	148,943.00	61,284,342.00	10,290,535,007.00	0.5955
Millstone Township	33,240,000.00	0.00	20,692,832.00	33,240,000.00	0.00	6,736,596.00	13,956,236.00	1,750,133,731.00	0.7974
Monmouth Beach Borough	5,472,243.00	0.00	6,525,919.00	5,472,243.00	0.00	118,544.00	6,407,375.00	1,292,477,658.00	0.4957
Neptune City Borough	6,760,000.00	156,500.00	2,592,100.00	6,760,000.00	156,500.00	0.00	2,592,100.00	488,950,072.00	0.5301
Neptune Township	0.00	9,973,685.00	25,586,018.00	0.00	9,973,685.00	0.00	25,586,018.00	3,525,421,352.00	0.7258
Ocean Township	40,525,451.00	0.00	35,516,316.00	40,525,451.00	0.00	1,932,081.00	33,584,236.00	4,522,326,918.00	0.7426

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Oceanport Borough	4,434,414.00	0.00	27,882,276.00	4,434,414.00	0.00	1,239,537.00	26,642,739.00	1,145,929,085.00	2.3250
Red Bank Borough	4,847,827.00	11,609,815.00	13,916,512.00	4,847,827.00	11,609,815.00	502,138.00	13,414,374.00	2,010,030,116.00	0.6674
Roosevelt Borough	844,156.00	4,352,979.00	362,250.00	844,156.00	4,352,979.00	0.00	362,250.00	84,012,091.00	0.4312
Rumson Borough	8,829,367.00	0.00	16,516,178.00	8,829,367.00	0.00	36,547.00	16,479,630.00	3,346,423,574.00	0.4925
Sea Bright Borough	1,802,846.00	2,227,000.00	6,298,235.00	1,802,846.00	1,858,500.00	250,773.00	6,415,962.00	699,270,103.00	0.9175
Sea Girt Borough	0.00	4,513,980.00	4,080,750.00	0.00	4,513,980.00	199,928.00	3,880,822.00	2,081,529,317.00	0.1864
Shrewsbury Borough	3,317,434.00	0.00	8,071,992.00	3,317,434.00	0.00	10,688.00	8,061,304.00	1,035,839,464.00	0.7782
Shrewsbury Township	215,889.00	0.00	1,361,970.00	215,889.00	0.00	0.00	1,361,971.00	55,424,131.00	2.4574
Spring Lake Borough	965,400.00	12,763,119.00	4,346,372.00	965,400.00	12,763,119.00	431,947.00	3,914,425.00	3,398,973,080.00	0.1152
Spring Lake Heights Borough	3,285,000.00	506,883.00	2,098,188.00	3,285,000.00	506,883.00	8,090.00	2,090,099.00	1,097,346,515.00	0.1905
Tinton Falls Borough	11,569,145.00	400,000.00	24,433,720.00	11,569,145.00	400,000.00	3,065,290.00	21,368,430.00	2,970,088,107.00	.7195
Union Beach Borough	0.00	2,086,539.00	9,966,753.00	0.00	2,086,539.00	0.00	9,966,753.00	539,610,302.00	1.8470
Upper Freehold Township	44,648,539.00	0.00	21,690,993.00	44,648,539.00	0.00	4,529,078.00	17,161,915.00	1,219,857,603.00	1.4069
Wall Township	26,660,000.00	11,749,972.00	35,438,090.00	26,660,000.00	11,749,972.00	0.00	35,438,090.00	5,585,176,102.00	0.6345
West Long Branch Borough	4,858,496.00	0.00	11,656,379.00	4,858,496.00	0.00	243,364.00	11,413,015.00	1,249,134,171.00	0.9137
TOTAL	\$596,724,663.00	\$274,250,516.00	\$872,040,602.00	\$596,724,663.00	\$270,279,298.00	\$ 52,469,308.00	\$ 823,542,512.00	\$111,662,494,464.00	0.7375%

OTHER COUNTY OBLIGATIONS

Monmouth County Improvement Authority Capital Equipment Pooled Lease Revenue Bonds

The \$21,905,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2005, the \$19,940,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2007, the \$7,490,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2009, the \$11,510,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2011, and the \$18,820,000 Capital Equipment Lease Program, Series 2013 (the “Pooled Lease Bonds”) are limited obligations of the Authority secured by a pledge of certain property, which includes the Authority’s right to receive payments of principal and interest on bonds issued by the Authority (“Local Unit Bond”) to finance the acquisition of equipment for lease to certain governmental units located within the County (the “Local Units”). The principal and interest on each Local Unit Bond is secured by a pledge of lease payments made by the applicable Local Unit pursuant to the terms and provisions of a lease agreement between the Authority and such Local Unit, with respect to the equipment leased by such Local Unit. Payment of principal and interest on each Local Unit Bond is unconditionally and irrevocably guaranteed by each of the Local Units. In addition, payment of principal and interest on each Local Unit Bond is unconditionally and irrevocably guaranteed by the County. As of October 22, 2015, \$19,475,000 of the bonds were outstanding.

Maturities of Pooled Lease Bonds Outstanding October 22, 2015

<u>Date</u>	<u>Amount</u>
10/1/16	\$6,490,000
10/1/17	4,915,000
10/1/18	3,880,000
10/1/19	1,150,000
10/1/20	935,000
10/1/21	920,000
10/1/22	580,000
10/1/23	605,000

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

The \$21,670,000 Governmental Loan Refunding Revenue Bonds, Series 2006, the \$14,470,000 Governmental Loan Refunding Revenue Bonds, Series 2011, the \$62,315,000 Governmental Loan Refunding Revenue Bonds, Series 2012, the \$9,460,000 Governmental Loan Refunding Revenue Bonds, Series 2014 and the \$15,530,000 Governmental Loan Refunding Revenue Bonds, Series 2015 (the “Pooled Loan Refunding Bonds”) are limited obligations of the Authority issued to (a) currently refund the Authority’s Pooled Governmental Loan Program Bonds, 1986 Series, (b) refund a portion of the Authority’s Governmental Loan Revenue Bonds, Series 1995, Series 1998, Series 2000, Series 2001 and Series 2002, (c) refund a portion of the Authority’s Governmental Loan Revenue Bonds, Series 1995, Series 1998, Series 2001, Series 2002, Series 2002 (Howell Township Board of Education Improvement Project), Series 2003, Series 2004, and Series 2005, and the Borough of Allentown’s General Obligation Bonds, Series 1978, the Township of Colts Neck’s General Obligation Bonds, Series 2002A, the Borough of Keyport’s General Obligation Bonds, Series 2003, The Board of Education of the Borough of Avon-By-The-Sea’s School District Bonds, Series 2006, The Board of Education of the Borough of Little Silver’s Refunding Bonds, Series 2005, and the Borough of Red Bank’s General Improvement Bonds, Series 2007 and Water/Sewer Utility Bonds, Series 2007, and (d) refund a portion of the Authority’s Governmental Loan Revenue Bonds, Series 2006, respectively, and are secured by a pledge of certain property, which includes the Authority’s right to receive payments of principal and interest on bonds (the “Refunding Borrower Bonds”) issued by certain governmental units located within the County (the “Refunding Borrowers”) to refinance various capital improvements of the Refunding Borrowers. The principal and interest on each Refunding Borrower Bond is a direct and general obligation of each respective Refunding Borrower. Payment of principal and interest on the Pooled Loan Refunding Bond is unconditionally and irrevocably guaranteed by the County. As of October 22, 2015, \$87,105,000 of the bonds were outstanding.

Maturities of Pooled Loan Refunding Bonds
Outstanding October 22, 2015

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
12/1/2015	\$ 7,735,000	12/1/2023	\$3,715,000
2/1/2016	1,135,000	2/1/2024	265,000
8/1/2016	195,000	12/1/2024	2,660,000
12/1/2016	9,165,000	2/1/2025	275,000
2/1/2017	2,195,000	12/1/2025	1,560,000
12/1/2017	10,175,000	2/1/2026	285,000
2/1/2018	2,265,000	12/1/2026	235,000
12/1/2018	8,445,000	2/1/2027	300,000
2/1/2019	1,395,000	2/1/2028	305,000
12/1/2019	7,885,000	2/1/2029	315,000
2/1/2020	1,410,000	2/1/2030	330,000
12/1/2020	6,960,000	2/1/2031	335,000
2/1/2021	1,435,000	2/1/2032	345,000
12/1/2021	6,010,000	2/1/2033	360,000
2/1/2022	1,430,000	2/1/2034	375,000
12/1/2022	6,565,000	2/1/2035	385,000*
2/1/2023	255,000	2/1/2036	405,000*

*Represents sinking fund payments

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

The \$40,075,000 Governmental Loan Revenue Bonds, Series 2008, the \$14,180,000 Governmental Loan Revenue Bonds, Series 2009, the \$9,355,000 Governmental Loan Revenue Bonds, Series 2010 (Atlantic Highlands Project), the \$40,325,000 Governmental Loan Revenue Bonds, Series 2011, the \$14,850,000 Governmental Loan Revenue Bonds, Series 2011B, the \$9,720,000 Governmental Loan Revenue Bonds, Series 2012, the \$20,655,000 Governmental Loan Revenue Bonds, Series 2013A, the \$9,110,000 Governmental Loan Revenue Bonds, Series 2013A (Howell Township School District Refunding Project) (Federally Taxable), the \$34,715,000 Governmental Loan Revenue Bonds, Series 2013B and the \$39,495,000 Governmental Loan Revenue Bonds, Series 2014 (the “Loan Revenue Bonds”), are limited obligations of the Authority secured by a pledge of certain property, which includes the Authority’s right to receive payments of principal and interest on bonds (the “Borrower Bonds”) issued by certain governmental units located within the County (the “Borrowers”) to refinance various capital improvements of the Borrowers. The principal and interest on each Borrower Bond is a direct and general obligation of each respective Borrower. Payment of principal and interest on the Loan Revenue Bonds is unconditionally and irrevocably guaranteed by the County. As of October 22, 2015, \$201,415,000 of the bonds is outstanding.

Maturities of Loan Revenue Bonds
Outstanding October 22, 2015

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
12/1/15	\$ 8,020,000	12/1/20	\$10,695,000	1/15/27	\$2,035,000
1/15/16	1,875,000	1/15/21	2,200,000	2/1/27	595,000
2/1/16	375,000	2/1/21	445,000	8/1/27	1,265,000
7/15/16	1,635,000	8/1/21	1,150,000	12/1/27	6,140,000
8/1/16	1,005,000	12/1/21	10,450,000	1/15/28	2,150,000
12/1/16	8,300,000	1/15/22	1,655,000	2/1/28	630,000
1/15/17	1,950,000	2/1/22	470,000	8/1/28	1,285,000
2/1/17	385,000	8/1/22	1,165,000	12/1/28	5,045,000
7/15/17	1,650,000	12/1/22	10,225,000	1/15/29	2,250,000
8/1/17	1,115,000	1/15/23	1,815,000	2/1/29	655,000
12/1/17	9,590,000	2/1/23	500,000	8/1/29	815,000
1/15/18	2,045,000	8/1/23	1,185,000	12/1/29	3,550,000
2/1/18	400,000	12/1/23	9,690,000	1/15/30	2,360,000
7/15/18	1,670,000	1/15/24	1,905,000	2/1/30	685,000
8/1/18	1,120,000	2/1/24	515,000	8/1/30	815,000
12/1/18	9,950,000	8/1/24	1,200,000	12/1/30	2,675,000
1/15/19	2,160,000	12/1/24	8,020,000	1/15/31	2,005,000
2/1/19	415,000	1/15/25	2,005,000	8/1/31	820,000
7/15/19	1,695,000	2/1/25	540,000	12/1/31	2,585,000
8/1/19	1,130,000	8/1/25	1,220,000	1/15/32	485,000
12/1/19	10,275,000	12/1/25	7,410,000	8/1/32	820,000*
1/15/20	2,275,000	1/15/26	2,110,000	12/1/32	2,240,000
2/1/20	430,000	2/1/26	570,000	8/1/33	820,000*
7/15/20	1,725,000	8/1/26	1,240,000	12/1/33	800,000
8/1/20	1,145,000	12/1/26	6,860,000	12/1/34	315,000

*Represents sinking fund payments

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

The \$27,850,000 Lease Revenue Bonds, Series 2008 (Monmouth County Guaranteed) (Brookdale Community College Project), the \$11,250,000 Lease Revenue Bonds, Series 2009 (Monmouth County Guaranteed) (Brookdale Community College Refunding Project), the \$7,660,000 Lease Revenue Refunding Bonds, Series 2012 (Monmouth County Guaranteed) (Brookdale Community College Project) and the \$24,530,000 Lease Revenue Refunding Bonds, Series 2015 (Monmouth County Guaranteed) (Brookdale Community College Project) (the “Brookdale Bonds”) are limited obligations of the Authority secured primarily by those revenues of the Authority which are derived by the Authority from rentals to be paid by Brookdale Community College (the “College”) pursuant to a lease agreement, as well as a pledge of certain other property, to provide funds for various improvements to the facilities of the College. Payment of principal and interest on the Brookdale Bonds is unconditionally and irrevocably guaranteed by the County. As of October 22, 2015, \$41,210,000 of the bonds were outstanding.

**Maturities of Brookdale Bonds
Outstanding October 22, 2015**

<u>Date</u>	<u>Amount</u>
08/1/16	\$1,630,000
08/1/17	1,585,000
08/1/18	1,660,000
08/1/19	1,725,000
08/1/20	1,795,000
08/1/21	1,860,000
08/1/22	1,940,000
08/1/23	2,020,000*
08/1/24	2,095,000*
08/1/25	2,195,000*
08/1/26	2,290,000*
08/1/27	1,730,000*
08/1/28	1,815,000*
08/1/29	1,900,000*
08/1/30	1,990,000*
08/1/31	2,080,000*
08/1/32	1,400,000
08/1/33	1,445,000
08/1/34	1,495,000
08/1/35	1,555,000
08/1/36	1,605,000*
08/1/37	1,670,000*
08/1/38	1,730,000*

*Includes sinking fund payments

**Monmouth County Improvement Authority
Wastewater Treatment Facilities Lease Revenue Refunding Bonds
Asbury Park Project**

The \$9,405,000 Wastewater Treatment Facilities Lease Revenue Refunding Bonds, Series 2014 (Asbury Park Project), consisting of \$2,415,000 Wastewater Treatment Facilities Lease Revenue Refunding Bonds, Tax-Exempt Series 21014A and \$6,990,000 Wastewater Treatment Facilities Lease Revenue Refunding Bonds, Federally Taxable Series 2014B (the “Asbury Park Bonds”) are limited obligations of the Authority secured primarily by those revenues of the Authority which are derived by the Authority from lease payments to be paid by the City of Asbury Park (the “City”) pursuant to a lease agreement, as well as a pledge of certain other property, to provide funds to provide for the refinancing of various improvements to its wastewater treatment plant. Payment of principal and interest on the Asbury Park Bonds is unconditionally and irrevocably guaranteed by the County. As of October 22, 2015, \$9,215,000 of the bonds were outstanding.

Maturities of Asbury Park Bonds
Outstanding October 22, 2015

<u>Date</u>	<u>Amount</u>
12/15/15	\$ 520,000
12/15/16	1,675,000
12/15/17	1,700,000
12/15/18	1,730,000
12/15/19	1,775,000
12/15/20	1,815,000

VI. 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), 38.7% from 1960 to 1970 (463,929), 8.6% from 1970 to 1980 (504,007), 10.0% from 1980 to 1990 (554,210), 11.3% from 1990 to 2000 (616,849) and 2.3% from 2000 to 2010 (630,745). The Census Bureau reported the 2014 single year Monmouth County's population at 629,279.

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>
2010	203,666	(0.5)%
2011	205,216	0.8
2012	207,942	1.3
2013	210,298	1.1
2014	213,046	1.3

Source: Bureau of Labor Statistics.

The economy of Monmouth County, as reflected in the number of jobs/industrial sector, is well diversified. In 2014, the service industry sector employs the greatest portion of people in the County at 59.4%, with retail trade next at 17.7% and finance, insurance and real estate at 6.1%. A breakdown of the data follows:

EMPLOYMENT BY INDUSTRIAL SECTOR

<u>Sector</u>	<u>Number Employed 2013</u>	<u>Percentage of Total</u>	<u>Number Employed 2014</u>	<u>Percentage of Total</u>
Services*	123,556	58.75%	127,461	59.4%
Retail Trade	37,626	17.89	37,967	17.7
Manufacturing	8,779	4.18	8,854	4.1
Finance, Insurance and Real Estate	13,120	6.24	13,039	6.1
Construction	12,109	5.76	12,612	5.9
Wholesale Trade	7,792	3.70	7,849	3.7
Utilities	1,401	0.67	1,425	0.67
Transportation and Warehousing	4,903	2.33	4,675	2.2
Agriculture	765	0.36	780	0.36
Unclassified Entities	<u>262</u>	<u>0.12</u>	n/a	n/a
Total	210,313	100.00%	214,662	100.00%

Source: Quarterly Census of Employment, Bureau of Labor Statistics, New Jersey Department of Labor.

*Services includes Professional and Technical services, Management, Administrative and Waste Management, Education and Health services, Arts, Entertainment and Recreation, Food and Accommodation, Information, and All Other Services.

MAJOR EMPLOYERS - MONMOUTH COUNTY

The leading industries in the County by number of employees as of July 2015 are as follows:

<u>Employer</u>	<u>Municipality</u>	<u>Number Of Employees</u>
Meridian Health Care (1)	Various Locations	10,197
County of Monmouth	Various Locations	3,255
Saker Shoprites Inc. (2)	Various Locations	3,186
Centra State Healthcare Systems	Freehold Township	2,669
Monmouth Medical Center	Long Branch	2,400
Commvault	Tinton Falls	1,973
Monmouth University	West Long Branch	1,375
Vonage Holdings Corp.	Holmdel	1,258
NJ Resources	Wall	963
Brookdale Community College	Lincroft	825
Food Circus Supermarkets Inc.	Middletown	750
Visiting Nurse Assn of Central NJ	Red Bank	713
Seabrook Village	Tinton Falls	700

Source: Monmouth County Department of Economic Development.

NOTES:

- 1) Jersey Shore Medical Center, Riverview Medical Center, K. Hovnanian Children's Hospital, Bayshore Community Hospital and other facilities in Monmouth County
- 2) Shop Rite Supermarkets

**COUNTY OF MONMOUTH
LABOR FORCE DATA**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Labor Force	330,314	330,034	331,466	327,805	328,655
Employment	301,441	301,884	302,699	303,388	309,086
Unemployment	28,873	28,150	28,767	24,417	19,569
Unemployment Rate	8.7%	8.5%	8.7%	7.4%	6.0%
New Jersey					
Unemployment Rate	9.5%	9.3%	9.3%	8.2%	6.6%
United States					
Unemployment Rate	9.6%	8.9%	8.1%	7.4%	6.2%

Source: Bureau of Labor Statistics.

Median Family Income

According to the U.S. Census Bureau, the median family income in the County was \$76,823 in 2000 and \$105,971 in 2010, as opposed to \$65,370 in 2000 and \$87,347 in 2010 for New Jersey and \$50,046 in 2000 and \$64,719 in 2010 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>
2009	\$56,965	144.7%	\$50,266	127.6%	\$39,379
2010	57,387	143.0	50,941	126.9	40,144
2011	59,875	141.4	53,323	126.0	42,332
2012	61,997	140.3	54,932	124.3	44,200
2013	62,901	140.5	55,386	123.7	44,765

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

Housing and Construction Values

The U.S. Census Bureau estimates 2010 census housing units in the County at 258,574, compared to the 2000 census housing units of 240,884, an increase of 7.3%. 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>
2010	915	13,535	6.8%
2011	864	12,952	6.7
2012	1,034	17,939	5.8
2013	1,663	24,209	6.9
2014	1,480	28,117	5.3

RESIDENTIAL CONSTRUCTION VALUES

(Thousands)

<u>Year</u>	<u>County of Monmouth</u>	<u>State of New Jersey</u>	<u>Monmouth's Percentage of State Construction Value</u>
2010	\$164,153	\$2,036,521	8.1%
2011	167,631	2,043,169	8.2
2012	183,890	2,388,654	7.7
2013	267,181	3,211,185	8.3
2014	246,922	4,059,844	6.1

Sources: U.S. Bureau of the Census; Building Permit Estimates.

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>
2010	\$82,214,099	\$ 884,975	\$29,211,787	\$47,023,660	\$159,334,521
2011	54,941,533	1,298,803	23,420,311	67,155,765	146,816,412
2012	54,892,481	10,153,364	22,783,750	26,519,556	114,349,151
2013	80,609,237	14,590,038	23,093,965	18,156,830	136,450,070
2014	80,516,098	6,880,385	21,424,899	19,275,994	128,097,376

Source: Monmouth County Department of Economic Development.

VII. LEGAL MATTERS

Legality of the Series 2015 Bonds

The legality of the Series 2015 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 2015 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 2015 Bonds and the interest thereon without limitation as to rate or amount.

Tax Matters

Exclusion of Interest on the Series 2015 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 the date of issuance and on a continuing basis subsequent to the issuance of the Series 2015 Bonds in order to assure that interest on the Series 2015 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 2015 Bonds to lose the exclusion from gross income for Federal income tax purposes, retroactive to the date of the issuance of the Series 2015 Bonds. The County will make certain representations in its Tax Certificate, which will be executed on the date of issuance of the Series 2015 Bonds, as to various tax requirements. The County has covenanted to comply with the provisions of the Code applicable to the Series 2015 Bonds and has covenanted not to take any action or fail to take any action that would cause the interest on the Series 2015 Bonds to lose the exclusion from gross income under Section 103 of the Code or cause interest on the Series 2015 Bonds to be treated as an item of tax preference under Section 57 of the Code. Gibbons P.C., Bond Counsel to the County, has relied upon the representations of the County made in the Tax Certificate and has assumed continuing compliance by the County with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Series 2015 Bonds from gross income for federal income tax purposes and with respect to the treatment of interest on the Series 2015 Bonds for the purposes of alternative minimum tax.

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, under existing law, interest on the Series 2015 Bonds is excluded from the gross income of the owners of the Series 2015 Bonds for Federal income tax purposes pursuant to Section 103 of the Code and interest on the Series 2015 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 2015 Bonds, interest on such Series 2015 Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Series 2015 Bonds in “adjusted current earnings” of certain corporations.

Prospective purchasers of the Series 2015 Bonds should be aware that ownership of, accrual of, receipt of, interest on, or disposition of, tax-exempt obligations, such as the Series 2015 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. Prospective purchasers of the Series 2015 Bonds should consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Bond Counsel expresses no opinion regarding any Federal tax consequences other than its opinions with regard to the exclusion of interest on the Series 2015 Bonds from gross income pursuant to Section 103 of the Code and interest on the Series 2015 Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Series 2015 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 2015 Bonds.

State Taxation. Bond Counsel to the County is of the opinion that, under existing law, interest on the Series 2015 Bonds and net gains from the sale of the Series 2015 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 2015 Bonds, the exclusion of interest on the Series 2015 Bonds from gross income, alternative minimum taxable income, state taxable income, or any combination from the date of issuance of the Series 2015 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 2015 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 2015 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 2015 Bonds, and such Series 2015 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 2015 Bonds offered for sale or the levy or collection of any taxes to pay interest or principal of the Series 2015 Bonds, or in any manner questioning the authority of proceedings for the issuance of the Series 2015 Bonds or for the levy or collection of said taxes or adversely affecting the financial position of the County.

VIII. OTHER INFORMATION

Report of Independent Public Accountants

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

Ratings

Fitch, Inc., Moody's Investors Service, Inc., and Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, have assigned the Series 2015 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 2015 Bonds.

The DTC Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2015 Bonds. The Series 2015 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 2015 Bond certificate will be issued for each issue of the Series 2015 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 rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2015 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 2015 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 2015 Bonds, except in the event that use of the book-entry system for the Series 2015 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015 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 2015 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 2015 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2015 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 2015 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2015 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2015 Bonds may wish to ascertain that the nominee holding the Series 2015 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 2015 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 2015 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 2015 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Series 2015 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 and principal and interest 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 2015 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 2015 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 2015 Bonds, unless the Participating Underwriter has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and event notices to the Municipal Securities Rulemaking Board (the "MSRB") (the "Continuing Disclosure Requirements").

On the date of delivery of the Series 2015 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 2015 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 the first day of the ninth month after the end of each Fiscal Year of the County, commencing with the first Fiscal Year of the County ending after January 1, 2015 (which ends on December 31, 2015) (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the County with the MSRB through the internet facilities of the Electronic Municipal Market Access system (“EMMA”). The notices of material events will be filed by the County with the MSRB through the internet facilities of EMMA. The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in “Appendix B - Form of Continuing Disclosure Certificate”. These covenants have been made in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

The County has executed continuing disclosure agreements in connection with certain of the prior bond issuances of the Monmouth County Improvement Authority (the “Authority Prior Issuances”) and in connection with certain of the County’s prior bond issuances (the “County Prior Issuance”), covenanting to file the Annual Report with the nationally recognized municipal securities information repositories or the MSRB, as applicable, not later than 240 days after the end of each fiscal year or the first day of the ninth month after the end of each fiscal year since September 1, 2014 for Authority Prior Issuances, and not later than September 1 of each fiscal year for County Prior Issuances. As of the date hereof and during the past five years in connection with County Prior Issuances: the County timely filed its Annual Report in each of the years 2012 and 2013, however in 2011, the County untimely filed its Annual Report on September 2, 2011. In 2014 and 2015, the County timely filed its Annual Report on August 11, 2014 and on August 10, 2015 in connection with County Prior Issuances. As of the date hereof and during the past five years in connection with the Authority Prior Issuances: the County failed to timely file its Annual Report by not attaching its Annual Report (which was timely filed in connection with County Prior Issuances) with Authority CUSIP numbers in each of the years 2011 and 2012, and subsequently filed such Annual Report on August 12, 2014, August 14, 2014 and August 15, 2014; and in 2013, the County timely filed its Annual Report on August 22, 2013. In 2014 and 2015, the County timely filed its Annual Report on August 11, 2014 and on August 10, 2015 in connection with Authority Prior Issuances. The County has implemented procedures to ensure timely Annual Report filings on a going forward basis in connection with its continuing disclosure obligations with respect to Authority Prior Issuances and County Prior Issuances.

Additional Information

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to the Director of Finance, Craig R. Marshall, County of

Monmouth, Hall of Records, One East Main Street, 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 2015 Bonds.

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

THE COUNTY OF MONMOUTH

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

Dated: November 17, 2015

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APPENDIX A

COUNTY OF MONMOUTH

REPORT ON AUDITS OF FINANCIAL STATEMENTS

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COUNTY OF MONMOUTH

**AUDIT REPORT FOR THE YEAR
FOR THE YEAR ENDED DECEMBER 31, 2014**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Director and Members
of the Board of Chosen Freeholders
County of Monmouth
Freehold, New Jersey 07728

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the County of Monmouth, State of New Jersey as of December 31, 2014 and 2013 and the related comparative statement of operations and changes in fund balance--regulatory basis for the years then ended, the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2014.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

As discussed in Note 1 to the financial statements, the County of Monmouth prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between these regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the County of Monmouth, State of New Jersey, as of December 31, 2014, or the results of its operations and changes in fund balance for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the County of Monmouth, State of New Jersey, as of December 31, 2014, and the results of its operations and changes in fund balance of such funds--regulatory basis for the year then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2014 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2015, on our consideration of the County of Monmouth's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Monmouth's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.



Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Freehold, New Jersey
June 19, 2015

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Director and Members
of the Board of Chosen Freeholders
County of Monmouth
Freehold, New Jersey 07728

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the County of Monmouth as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 19, 2015.

Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.



Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Freehold, New Jersey
June 19, 2015

BASIC FINANCIAL STATEMENTS

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**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Cash and Cash Equivalents	A-4	\$ 114,511,573.32	\$ 97,062,078.82
Short-Term Investments	A-5	1,544,050.00	23,188,350.00
Change Funds	A-7	<u>630.00</u>	<u>630.00</u>
		<u>116,056,253.32</u>	<u>120,251,058.82</u>
Receivables and Other Assets With Full Reserves:			
Added and Omitted Taxes Receivable	A-9	1,492,562.32	1,205,419.54
Revenue Accounts Receivable	A-10	<u>4,340,837.13</u>	<u>1,171,372.22</u>
		<u>5,833,399.45</u>	<u>2,376,791.76</u>
		<u>121,889,652.77</u>	<u>122,627,850.58</u>
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-6	6,292,864.44	2,113,706.83
Grants Receivable	A-16	<u>52,935,597.15</u>	<u>55,234,507.02</u>
		<u>59,228,461.59</u>	<u>57,348,213.85</u>
Total Assets		<u><u>\$ 181,118,114.36</u></u>	<u><u>\$ 179,976,064.43</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3	\$ 17,947,224.50	\$ 12,471,695.68
Encumbrances Payable	A-3	25,445,850.10	26,119,673.38
Accounts Payable	A-12	1,447,401.80	1,833,297.41
Due To State of New Jersey -			
Realty Transfer Fees	A-13	4,607,723.24	3,316,255.12
Contractors Retainage	A-14	19,653.00	19,653.00
Reserve for Arbitrage Rebates	A-15	-	102,494.07
Reserve for Due to FEMA	A-19	160,193.19	179,966.48
Reserve for Due to Vendor	A-20	-	7.00
		<hr/>	<hr/>
		49,628,045.83	44,043,042.14
		<hr/>	<hr/>
Reserve for Receivables	A	5,833,399.45	2,376,791.76
Fund Balance	A-1	66,428,207.49	76,208,016.68
		<hr/>	<hr/>
		121,889,652.77	122,627,850.58
		<hr/>	<hr/>
Federal and State Grant Fund:			
Reserve for Encumbrances	A-17	29,489,344.29	33,075,565.65
Reserve for Grants - Appropriated	A-17	29,722,675.30	24,220,827.20
Reserve for Grants - Unappropriated	A-18	16,442.00	51,821.00
		<hr/>	<hr/>
		59,228,461.59	57,348,213.85
		<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balance		<u>\$ 181,118,114.36</u>	<u>\$ 179,976,064.43</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

<u>Revenue and Other Income Realized</u>	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Fund Balance Utilized	A-2	\$ 43,000,000.00	\$ 46,000,000.00
Miscellaneous Revenue Anticipated	A-2	184,868,988.66	183,229,645.27
Receipts From Current Taxes	A-2	302,475,000.00	302,475,000.00
Non-Budget Revenue	A-2	13,890,981.25	13,400,056.49
Other Credits To Income:			
Cancelled Arbitrage Rebate	A-15	798.14	-
Unexpended Balance of Appropriation Reserves	A-11	14,704,221.11	24,025,930.03
Interfunds Returned	A	-	12,679,321.64
Cancelled Accounts Payable	A-12	737,463.18	30,167.35
		<u>559,677,452.34</u>	<u>581,840,120.78</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations:			
Salaries and Wages	A-3	171,178,713.43	172,904,439.93
Other Expenses	A-3	265,103,183.78	262,496,775.61
Capital Improvements	A-3	750,000.00	1,250,000.00
Debt Service	A-3	53,263,364.32	54,382,194.54
Deferred Charges and Statutory Expenditures	A-3	36,162,000.00	35,235,000.00
		<u>526,457,261.53</u>	<u>526,268,410.08</u>
Excess in Revenue		33,220,190.81	55,571,710.70
Fund Balance, January 1	A	<u>76,208,016.68</u>	<u>66,636,305.98</u>
		109,428,207.49	122,208,016.68
Decreased By:			
Utilized as Anticipated Revenue	A-1,A-2	<u>43,000,000.00</u>	<u>46,000,000.00</u>
Fund Balance, December 31	A	<u>\$ 66,428,207.49</u>	<u>\$ 76,208,016.68</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014

	Anticipated Budget	Special N.J.S. 40A:4-87	Amount Realized	Excess/ (Deficit)
Fund Balance Anticipated	\$ 43,000,000.00	\$ -	\$ 43,000,000.00	\$ -
Miscellaneous Revenues - Local Revenues:				
County Clerk	9,000,000.00	-	9,057,762.99	57,762.99
Surrogate	450,000.00	-	478,732.51	28,732.51
Sheriff	1,330,000.00	-	1,885,248.82	555,248.82
Interest on Investments and Deposits	700,000.00	-	1,069,277.67	369,277.67
Parks and Recreation	7,008,281.37	-	7,166,347.28	158,065.91
Monmouth County Care Center - Geraldine L. Thompson Division	8,425,000.00	-	8,513,426.94	88,426.94
Monmouth County Care Center - John L. Montgomery Division	10,115,000.00	-	9,987,523.94	(127,476.06)
Receipts, Rental of County Owned Properties	400,000.00	-	535,026.87	135,026.87
Indirect Cost Recovery	6,065,000.00	-	7,019,096.50	954,096.50
Recovery of Fringe Benefits	9,000,000.00	-	8,945,439.14	(54,560.86)
Intoxicated Driver Resource Center	200,000.00	-	320,701.50	120,701.50
Reimbursement - Federal Inmates at Correctional Institution	2,000,000.00	-	3,174,780.00	1,174,780.00
Police Radio Municipal Receipts - 911 Service	3,250,000.00	-	3,531,592.24	281,592.24
MCDOT - Agency Receipts	750,000.00	-	1,064,196.56	314,196.56
Division of Social Services	3,523,780.00	-	3,910,241.98	386,461.98
Total Miscellaneous Revenues - Local Revenues	62,217,061.37	-	66,659,394.94	4,442,333.57
Miscellaneous Revenues - State Aid:				
State Aid - County College Bonds (N.J.S.A. 18A:64A-22.6)	1,770,022.82	-	1,770,022.79	(0.03)
Reimbursement - Mental Health Administrator's Salary	12,000.00	-	12,000.00	-
Reimbursement - State Inmates at Correctional Institution	35,000.00	-	21,799.08	(13,200.92)
Division of Economic Assistance - Earned Income Credit	17,340,000.00	-	16,534,438.62	(805,561.38)
Total Miscellaneous Revenues - State Aid	19,157,022.82	-	18,338,260.49	(818,762.33)
Miscellaneous Revenues - State Assumption of Costs of County Social and Welfare Services and Psychiatric Facilities:				
Social and Welfare Services (C. 66, P.L. 1990):				
Department of Children and Families	3,415,954.00	-	3,415,954.00	-
Supplemental Social Security Income	786,923.00	-	853,530.00	66,607.00
Psychiatric Facilities (C.73, P.L. 1990):				
Maintenance of Patients in State Institutions for:				
Mental Diseases	7,049,674.00	-	7,049,674.00	-
Mentally Challenged	15,676,463.00	-	15,676,463.00	-
County Adjuster - State Psychiatric Hospital Maintenance Rec.	4,015.00	-	6,283.40	2,268.40
Division of Development Disabilities Assessment Program	227,533.00	-	395,789.14	168,256.14
Total Miscellaneous Revenues - State Assumption of Costs of County Social and Welfare Services and Psychiatric Facilities	27,160,562.00	-	27,397,693.54	237,131.54
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	2,671,611.00	1,325,228.00	3,996,839.00	-
CAP/NJEH Medicaid Case Management	713,740.00	-	713,740.00	-
Donations - OOA Title III Transportation - CY 2014	100.00	-	100.00	-
Alcoholism Services Plan - CY2014, 13-535-ADA-O	1,205,773.00	-	1,205,773.00	-
State of New Jersey - Governor's Council on Alcohol and Drug Abuse:				
Alliance Prevention - CY2013	326,747.00	-	326,747.00	-
Alliance Prevention - CY2014		739,035.00	739,035.00	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014**

	Anticipated Budget	Special N.J.S. 40A:4-87	Amount Realized	Excess/ (Deficit)
State of New Jersey - Department of Community Affairs:				
LIHEAP - CWA FY 2014	12,458.00	-	12,458.00	-
Universal Service Fund (USF) - CWA, FY2014	8,657.00	-	8,657.00	-
State of New Jersey - New Jersey Transit Corporation:				
FTA:				
JARC Route 836 Shuttle, FFY 2011, Round 13	-	50,000.00	50,000.00	-
Section 5311 - FY2015	-	149,811.00	149,811.00	-
Freehold SCAT Transfer Facility, FY 2009-2012	55,082.44	-	55,082.44	-
Senior Citizen and Disabled Resident Transportation Grant (CASINO) - CY2014	1,261,056.00	-	1,261,056.00	-
North Jersey Transportation Planning Authority:				
NJIT:				
Sub-Regional Transportation Planning Program - FY2015	-	123,822.00	123,822.00	-
State of New Jersey - Department of Transportation:				
FHA, CR6 Bridge (MA-14) (Design)	-	140,273.00	140,273.00	-
Bridge O-10 Design	-	235,000.00	235,000.00	-
Bridge O-10	-	10,651,777.00	10,651,777.00	-
Bridge R-13	-	1,000,000.00	1,000,000.00	-
Bridge MT-4	-	1,000,000.00	1,000,000.00	-
Bridge W-38	-	1,000,000.00	1,000,000.00	-
CR40A	-	933,384.00	933,384.00	-
CR524	-	343,086.00	343,086.00	-
Bridge S-32,CR520	-	847,103.00	847,103.00	-
Bridge MN-28	-	1,000,000.00	1,000,000.00	-
Bridge W-9	-	1,600,000.00	1,600,000.00	-
Bridge MT-9	-	1,000,000.00	1,000,000.00	-
TTF - Annual Transportation Program - FY 2014	-	5,031,700.00	5,031,700.00	-
State of New Jersey - Department of Children and Families:				
DYFS:				
Youth Detention Center - CY2014 - 13BFNC	41,840.00	-	41,840.00	-
Family Court, Grants-In-Aid - CY2013 - 13CNNC	7,870.00	-	7,870.00	-
CSOC:				
CIACC - CY 2014, 14CCNR	44,556.00	-	44,556.00	-
CIACC - Superstorm Sandy Initiative - CY2014, 14CCNZ	27,000.00	-	27,000.00	-
State of New Jersey - Department of Human Services:				
DFD:				
Special Initiative and Transportation - FY2015	-	90,383.00	90,383.00	-
Social Services for the Homeless - CY2014 - SH10013	451,565.00	-	451,565.00	-
Social Services for the Homeless - CY2015 - SH10013	-	894,282.00	894,282.00	-
Social Services for the Homeless - SSBG - SHRAP - SH13013	-	5,817,600.00	5,817,600.00	-
DMHS:				
Project Transition/Path and NJMAP - CY2014 - 20203	195,502.00	-	195,502.00	-
State of New Jersey - Office of the Attorney General:				
DLPS - DCJ:				
Victim of Crime Act (VOCA), SFY 2014-2015, V-13-11	-	269,557.00	269,557.00	-
Stop Violence Against Women, 2015 15-VAWA-82	-	38,902.00	38,902.00	-
SANE/SART, VS-34-13, FY2014	83,888.00	-	83,888.00	-
JAG Task Force - FY2015, #JAG 1-13TF-12	-	84,856.00	84,856.00	-
LLEBG, Megan's Law, FFY 2014, JAG-1-16-11	-	15,121.00	15,121.00	-
Body Armor Replacement Fund (BARF) - FY2014	-	46,037.51	46,037.51	-
LEOTEF - SFY2014 Part 1	10,244.00	36,133.00	46,377.00	-
DLPS - OIFP				
Insurance Fraud Reimbursement Program, CY 2014	100,000.00	-	100,000.00	-
DLPS - DSP:				
Hazardous Materials Emergency Preparedness	-	50,000.00	50,000.00	-
DSP EMPG/EMAA FY 2013	-	75,000.00	75,000.00	-

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014

	<u>Anticipated Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Amount Realized</u>	<u>Excess/ (Deficit)</u>
DLPS - DHTS:				
NJOHSP - UASI FFY 2014	-	62,500.00	62,500.00	-
SER. Accident Team	-	4,000.00	4,000.00	-
DLPS - JJC:				
State/Community Partnership - CY2014 - SCP-PM/PS-13-13	457,539.00	-	457,539.00	-
Juvenile Detention Alternatives Initiative (JDAI), Innovations, CY2014	120,000.00	-	120,000.00	-
Family Court - CY2014, FC-14-13	386,754.00	-	386,754.00	-
Juvenile Accountability Incentive Block Grant - FFY2013 - 13-13	22,577.00	-	22,577.00	-
NJDFD/CWA SNAP CASE BANKING	-	30,000.00	30,000.00	-
State of New Jersey - Office of Homeland Security and Preparedness:				
Homeland Security Grant Program (HSGP), FFY2014	-	292,809.50	292,809.50	-
Shared Services Agreements - Various Municipalities:				
MCOEM - Shrewsbury Flood Warning, FY2013 and 2014	12,000.00	-	12,000.00	-
State of New Jersey - Department of Environmental Protection:				
Clean Communities Program - FY2014	-	103,528.92	103,528.92	-
CDBG-DR Mosquito Control Sandy	-	77,568.60	77,568.60	-
Recycling Program - REC-94-13 - Project Income	7,990.00	-	7,990.00	-
State of New Jersey - Department of State:				
Division of Travel and Tourism - Cooperative Marketing Grant FY 2014	20,000.00	-	20,000.00	-
Division of Travel and Tourism - Cooperative Marketing Grant FY 2015	-	20,250.00	20,250.00	-
State of New Jersey - Department of Labor and Workforce Development:				
Workforce Investment Act:				
WIA (14A, B, D & F) PY2014	-	5,632,728.00	5,632,728.00	-
WIA, Hurricane Sandy NEG (12H) - PY 2012	-	1,974,812.00	1,974,812.00	-
WIA, Hurricane Sandy NEG (12H) - PY 2013	360,000.00	-	360,000.00	-
Work First New Jersey (WFNJ), TANF/GA/SNAP (13J) - SFY 2014	4,013.00	-	4,013.00	-
Workforce Learning Link (WLL) (13K) - SFY2015	-	95,000.00	95,000.00	-
WIB/WIA Scholarship Fund	-	7,673.00	7,673.00	-
WIB, Alumni Awards Fund	-	2,100.00	2,100.00	-
Brookdale Community College:				
New Jersey Consortium Health Professionals Pathway, FY 2013	-	19,820.00	19,820.00	-
US Department of Housing and Urban Development:				
NYC - MCDSS, HOPWA	-	466,827.00	466,827.00	-
US Department of Justice:				
Bureau of Justice Assistance (BJA) - SCAAP, FFY 2014	-	1,070,863.00	1,070,863.00	-
Rutgers University:				
USHUD - Together North Jersey Local Govt. Capacity Grant- Sandy	20,000.00	-	20,000.00	-
Naval Weapons Station Earle:				
M.C. Mosquito Extermination Commission, ISA, FY 2014	-	14,750.00	14,750.00	-
County Clerks - Interlocal Service Agreements (ISA's):				
Document Summary Management System, E-Recording FY2006-2014	129,926.00	269,181.00	399,107.00	-
Monmouth County Municipalities - Interlocal Service Agreements:				
Open Public Records Search, Records Information Management (RIM) Maintenance	16,520.00	7,080.00	23,600.00	-
National Children's Alliance:				
Monmouth County Child Advocacy Center Training, CY 2012	-	9,000.00	9,000.00	-
Friend of the MCCAC	-	800,000.00	800,000.00	-
Donations:				
Consumer Bowl	-	500.00	500.00	-
NJNG/FEC: Project Lifesaver, Sheriff's Office K-9	50.00	8,180.00	8,230.00	-

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014**

	Anticipated Budget	Special N.J.S. 40A:4-87	Amount Realized	Excess/ (Deficit)
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	8,775,058.44	45,557,261.53	54,332,319.97	-
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	2,790,477.00	-	2,078,959.95	(711,517.05)
Surrogate	465,358.00	-	305,852.23	(159,505.77)
Sheriff	129,219.00	-	142,886.00	13,667.00
Capital Fund Surplus	4,500,000.00	-	4,500,000.00	-
Library Indirect Cost Recovery	2,883,000.00	-	3,767,128.00	884,128.00
IRS - Build America Bonds 35% Subsidy on Debt Service	1,387,906.37	-	1,387,158.54	(747.83)
Motor Vehicle Fines for Roads and Bridges Trust Fund	1,700,000.00	-	1,700,000.00	-
Weights and Measures Trust Fund	100,000.00	-	100,000.00	-
Open Space Trust Fund	4,159,335.00	-	4,159,335.00	-
Total Special Items of General Revenue Anticipated With Prior Written Consent of the Director of Local Government Services - Other Special Items	18,115,295.37	-	18,141,319.72	26,024.35
Total Miscellaneous Revenues	135,425,000.00	45,557,261.53	184,868,988.66	3,886,727.13
Subtotal General Revenues	178,425,000.00	45,557,261.53	227,868,988.66	3,886,727.13
Amount To Be Raised By Taxation - County Purpose Tax	302,475,000.00		302,475,000.00	-
Total General Revenues	480,900,000.00	45,557,261.53	530,343,988.66	3,886,727.13
Non-Budget Revenues	-	-	13,890,981.25	13,890,981.25
Total	\$ 480,900,000.00	\$ 45,557,261.53	\$ 544,234,969.91	17,777,708.38

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014

	<u>Anticipated</u> <u>Budget</u>	<u>Special</u> <u>N.J.S. 40A:4-87</u>	<u>Amount</u> <u>Realized</u>	<u>Excess/</u> <u>(Deficit)</u>
<u>Analysis of Non-Budget Revenue</u>				
Miscellaneous Revenue Not Anticipated:				
Garnishment Service Charge			\$ 10,504.47	
Voter Registration - Labels and Tapes			817.22	
Construction Board of Appeals			2,200.00	
County Added and Omitted Taxes			1,205,419.54	
Pay Telephone Station Commissions			355,376.24	
Dell Computer Reimbursements			10.00	
Engineers Plans and Specifications			11,615.00	
Vending Machine Commissions			19,100.47	
Autopsy Fees			2,079.00	
Interest Late Payment of Taxes			661.44	
Planning Board Receipts			161.06	
Miscellaneous Unanticipated Revenue			26,782.12	
Sale of County Election Maps			60.00	
Judgments			6,737.73	
Salary and Fringe Reimbursements			810,271.63	
Interest - Sheriffs Accounts			12,734.35	
Damages To County Property			93,312.22	
Purchase of Lists, Records, etc.			700.00	
Auction Sales			533,183.55	
Inmate Transportation			84,681.50	
Payment in Lieu of Taxes			164,599.43	
Sale of County Merchandise, Property, etc.			72,215.56	
Permit Fees			110,050.00	
Prior Years Appropriation Refunds			3,634,359.73	
Insurance Reimbursements			264,245.56	
Telephone Refunds			33.75	
Monmouth County Improvement Authority				
Guarantee Premiums			217,278.64	
Copier Receipts			4,860.24	
Uniform Fire Code Permit Fees			1,764.00	
Fire Academy Course Reimbursement			4,300.00	
Planning Board:				
Site Plan Revision Fees			10,950.00	
Site Plan Inspection Fees			11,963.18	
Subdivision Application Fees			98,385.00	
Reimbursement for Motor Pool			84,415.38	
Shared Services:				
Fleet/Motor Pool, O/S Reimbursement			154,066.55	
Road Salt/Snow, etc. Township Reimbursement			8,613.64	
Various Other Public Works, O/S Reimbursement			322,334.13	
Monmouth Municipal RIM Maintenance			5,760.00	
MC Improvement Authority			12,500.00	
Information Technology			4,800.00	
Superstorm Sandy			64,278.16	
Reimbursement for Single Audit Costs			15,676.86	
Information Services Costs - Mod IV Tax System			216,685.58	
County Clerk - Election Reimbursement			19,084.49	
Board of Elections - Twp. Reimb. (Ch. 278, '95)			32,606.05	
Board of Elections - State Reimbursement			457,910.12	
Comm. Reg. Elections - Twp. Reimb. (Ch. 278, '95)			23,088.65	
Probation Fines			11,161.73	
Information Services - Print Shop Reimbursement			35,570.99	
Bail Bond Forfeitures			86,876.00	
Juror Compensation Fund			550.00	
County Clerk - Archives Day			1,459.45	
Interest on County Clerk's Account			4,661.35	

The accompanying Notes to Financial Statements are an integral part of this statement.

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014**

	Anticipated <u>Budget</u>	Special <u>N.J.S. 40A:4-87</u>	Amount <u>Realized</u>	Excess/ <u>(Deficit)</u>
Probation - Sheriff Labor Assistance Program ("SLAP")			49.00	
Voting Machine Rentals			4,980.00	
Primary Election - Postage Reimbursement			35,143.59	
Developers Agreements - Non Refundable			1,086,720.39	
Employee Fines/Fees			920.42	
MC DOT:				
IV-D Sheriff - Child Support/Paternity			164,580.35	
Police Academy:				
Tuition			155,151.00	
Trainee Ammunition			23,067.09	
MCPO:				
USDOJ, DEA Reimbursement			53,278.27	
Restitution Collections			1,551.18	
County Emergency Response Team			47,000.00	
MCSO:				
Attorney ID Cards			860.00	
USDOJ, DEA Reimbursement			15,170.16	
MCCI:				
Inmate Fees			199,449.07	
SSA Reimbursement			64,400.00	
Inmate Medical Co-Pay Program			25,132.91	
Western Union Commissions			6,893.00	
Reimbursement Inmates, US Air Force Fort Dix			11,760.00	
GIS A/R Munic/Others - Excess			846.75	
Licensing Agreement - Fiber Optic Cable			94.16	
Bayshore Ferry - Food/Beverage Concession			762.74	
Bayshore Ferry - Rent			157,278.75	
Vehicle Wash			7,490.50	
MCDSS:				
Miscellaneous Unanticipated Revenue			362,240.03	
Jury Duty/Employee S&W Reimbursement			45.00	
FEMA/State of NJ - Disaster Reimbursement			2,115,368.88	
UNA/Rx/CARD - Commissions			17,236.25	
Total Miscellaneous Revenue Not Anticipated			<u>\$ 13,890,981.25</u>	
<u>Analysis of Miscellaneous Revenues Not Anticipated</u>				
Cash Receipts			\$ 12,660,061.71	
Reserve for FEMA			25,500.00	
County Added and Omitted Taxes - 2014			<u>1,205,419.54</u>	
			<u>\$ 13,890,981.25</u>	

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014

	Original <u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	Expended	<u>Encumbered</u>	<u>Reserved</u>
Operations - Within "CAPS"						
General Government:						
Office of County Administrator:						
Salaries and Wages	\$ 446,502.00	\$ 497,502.00	\$ 496,529.74	\$ -	\$ -	\$ 972.26
Other Expenses	65,775.00	65,775.00	52,662.88	315.18	315.18	12,796.94
Administration of Shared Service						
Salaries and Wages	100,503.00	102,503.00	102,381.52	-	-	121.48
Other Expenses	2,467,874.00	2,467,874.00	2,461,650.00	-	-	6,224.00
Research, Technical and Consulting Services:						
Other Expenses	1,085,000.00	1,085,000.00	677,868.75	227,972.73	227,972.73	179,158.52
Purchasing Department:						
Salaries and Wages	852,473.00	852,473.00	846,282.06	-	-	6,190.94
Other Expenses	22,875.00	22,875.00	16,694.64	1,017.23	1,017.23	5,163.13
Public Information:						
Salaries and Wages	573,472.00	588,472.00	587,596.50	-	-	875.50
Other Expenses	749,320.00	749,320.00	441,203.79	133,268.76	133,268.76	174,847.45
Human Resources Department:						
Salaries and Wages	1,041,566.00	1,047,566.00	1,047,232.18	-	-	333.82
Other Expenses	14,110.00	14,110.00	4,190.02	1,370.67	1,370.67	8,549.31
Board of Chosen Freeholders:						
Salaries and Wages	136,900.00	136,900.00	135,904.60	-	-	995.40
Other Expenses	2,344.00	2,344.00	1,552.86	-	-	791.14
Clerk of the Board:						
Salaries and Wages	522,713.00	522,713.00	514,008.40	-	-	8,704.60
Other Expenses	42,950.00	42,950.00	34,367.14	2,071.65	2,071.65	6,511.21
County Clerk - Elections:						
Salaries and Wages	171,039.00	171,039.00	156,508.66	-	-	14,530.34
Other Expenses	101,798.00	101,798.00	62,675.39	29,540.93	29,540.93	9,581.68

The accompanying Notes to Financial Statements are an integral part of this statement.

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014**

	Original <u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	Expended	
				<u>Encumbered</u>	<u>Reserved</u>
Office of the County Clerk:					
Salaries and Wages	2,231,325.00	2,231,325.00	2,205,163.68	-	26,161.32
Other Expenses	279,022.00	279,022.00	187,858.66	29,511.21	61,652.13
Superintendent of Elections:					
Salaries and Wages	1,233,345.00	1,233,345.00	1,210,523.13	-	22,821.87
Other Expenses	313,872.00	313,872.00	303,990.77	7,033.88	2,847.35
Board of Elections:					
Salaries and Wages	1,182,860.00	1,175,560.00	1,151,115.41	-	24,444.59
Other Expenses	128,260.00	139,860.00	132,989.18	138.60	6,732.22
Finance Department:					
Salaries and Wages	1,107,800.00	1,107,800.00	1,055,722.29	-	52,077.71
Other Expenses	221,200.00	221,200.00	107,413.94	104,499.11	9,286.95
Office of Records Management:					
Salaries and Wages	90,855.00	93,855.00	93,664.20	-	190.80
Other Expenses	49,000.00	88,000.00	46,952.60	-	41,047.40
Audit Services:					
Other Expenses	114,000.00	138,000.00	-	138,000.00	-
Department of Information Technology:					
Salaries and Wages	2,232,670.00	2,340,670.00	2,332,315.97	-	8,354.03
Other Expenses	690,513.00	690,513.00	576,358.15	66,542.53	47,612.32
Board of Taxation:					
Salaries and Wages	370,384.00	385,384.00	379,697.91	-	5,686.09
Other Expenses	7,706.00	7,706.00	6,522.09	35.89	1,148.02
Office of the County Counsel:					
Salaries and Wages	534,903.00	552,903.00	552,772.91	-	130.09
Other Expenses	1,207,288.00	1,207,288.00	519,658.22	1,322.03	686,307.75

The accompanying Notes to Financial Statements are an integral part of this statement.

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014**

	Original <u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	Expended	
				<u>Encumbered</u>	<u>Reserved</u>
Office of County Adjuter:					
Salaries and Wages	117,346.00	117,346.00	116,161.44	-	1,184.56
Other Expenses	52,787.00	52,787.00	13,485.99	-	39,301.01
County Surrogate:					
Salaries and Wages	856,366.00	859,366.00	859,111.76	-	254.24
Other Expenses	11,850.00	11,850.00	8,148.77	250.62	3,450.61
County Engineer:					
Salaries and Wages	4,997,932.00	4,754,432.00	4,727,794.42	-	26,637.58
Other Expenses	421,160.00	664,660.00	195,632.64	362,707.98	106,319.38
Economic Development and Tourism:					
Salaries and Wages	269,765.00	269,765.00	264,883.28	-	4,881.72
Other Expenses	21,825.00	21,825.00	19,663.48	343.88	1,817.64
Historical Commission:					
Salaries and Wages	15,000.00	18,000.00	17,617.84	-	382.16
Other Expenses	227,126.00	227,126.00	181,874.95	44,620.00	631.05
Land Use Administration:					
Planning Board (N.J.S.40A:27-3):					
Salaries and Wages	983,683.00	983,683.00	940,954.17	-	42,728.83
Other Expenses	114,242.00	114,242.00	87,604.71	486.44	26,150.85
Contribution To Soil Conservation District (N.J.S. 4:24(1)):					
Other Expenses	3,791.00	3,791.00	3,791.00	-	-
Code Enforcement and Administration:					
Weights and Measures:					
Salaries and Wages	339,685.00	340,685.00	340,483.13	-	201.87
Other Expenses	1,250.00	1,250.00	1,250.00	-	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014**

	Original <u>Budget</u>	Budget After <u>Modification</u>	Expended		
			Paid or <u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
Insurance:					
Other Insurance Premiums:					
Other Expenses	3,200,000.00	3,200,000.00	3,104,724.60	29,200.00	66,075.40
Worker's Compensation:					
Other Expenses	5,650,000.00	5,650,000.00	4,786,198.81	-	863,801.19
Group Insurance Plan:					
Other Expenses	58,000,000.00	58,000,000.00	54,805,195.54	249,008.12	2,945,796.34
Unemployment Compensation					
Insurance (N.J.S.A.43:21-3 et seq):					
Other Expenses	1,100,000.00	200,000.00	185,000.00	-	15,000.00
Public Safety Functions:					
Sheriff's Office - Special Operations:					
Salaries and Wages	1,356,609.00	1,409,609.00	1,408,729.01	-	879.99
Other Expenses	59,803.00	59,803.00	26,595.92	26,420.37	6,786.71
Sheriff's Office - Communications Division:					
Salaries and Wages	7,220,877.00	7,055,977.00	7,029,391.10	-	26,585.90
Other Expenses	1,080,469.00	1,080,469.00	781,997.56	130,781.26	167,690.18
Office of Emergency Management:					
Salaries and Wages	381,670.00	393,670.00	392,910.71	-	759.29
Other Expenses	70,900.00	70,900.00	51,507.71	17,530.27	1,862.02
Department of Consumer Affairs:					
Salaries and Wages	280,137.00	281,137.00	280,709.56	-	427.44
Other Expenses	3,894.00	3,894.00	3,224.06	-	669.94
Medical Examiner:					
Salaries and Wages	468,000.00	474,000.00	473,956.08	-	43.92
Other Expenses	871,000.00	871,000.00	429,090.72	24,276.47	417,632.81

The accompanying Notes to Financial Statements are an integral part of this statement.

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014

	Original <u>Budget</u>	Budget After <u>Modification</u>	Expended		
			Paid or <u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
Sheriffs Office:					
Salaries and Wages	11,099,033.00	11,632,033.00	11,631,299.47	-	733.53
Other Expenses	239,551.00	239,551.00	160,400.46	54,917.29	24,233.25
Office of the County Prosecutor:					
Salaries and Wages	21,185,320.00	21,295,320.00	21,292,535.63	-	2,784.37
Other Expenses	1,243,580.00	1,243,580.00	957,199.70	153,651.95	132,728.35
Correctional Institution:					
Salaries and Wages	35,495,837.00	34,545,837.00	34,537,233.48	-	8,603.52
Other Expenses	9,249,022.00	9,249,022.00	7,485,292.30	1,189,780.74	573,948.96
Fire Marshall (N.J.S. 40A:14-1):					
Salaries and Wages	493,518.00	518,518.00	507,442.71	-	11,075.29
Other Expenses	42,391.00	42,391.00	37,096.01	2,350.83	2,944.16
Police Academy and Firing Range:					
Salaries and Wages	397,421.00	397,421.00	387,967.76	-	9,453.24
Other Expenses	263,066.00	263,066.00	162,822.61	17,808.45	82,434.94
Public Works Functions:					
County Road Maintenance:					
Salaries and Wages	6,161,379.00	6,296,379.00	6,212,369.85	-	84,009.15
Other Expenses	1,361,368.00	3,611,368.00	3,514,089.90	76,447.75	20,830.35
County Bridge Maintenance:					
Salaries and Wages	1,177,533.00	1,177,533.00	1,127,798.60	-	49,734.40
Other Expenses	1,639,755.00	1,639,755.00	1,443,279.90	192,034.45	4,440.65
Director of Public Works and Engineering:					
Salaries and Wages	471,043.00	471,043.00	444,982.93	-	26,060.07
Other Expenses	4,173.00	4,173.00	117.24	-	4,055.76
Shade Tree Commission:					
Salaries and Wages	1,168,809.00	1,168,809.00	1,110,975.54	-	57,833.46
Other Expenses	96,005.00	96,005.00	39,830.26	36,052.68	20,122.06

The accompanying Notes to Financial Statements are an integral part of this statement.

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014**

	Original <u>Budget</u>	Budget After <u>Modification</u>	Expended		
			Paid or <u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
Buildings and Grounds:					
Salaries and Wages	6,875,596.00	7,165,596.00	7,075,375.93	-	90,220.07
Other Expenses	6,285,424.00	6,285,424.00	4,720,598.10	1,180,267.80	384,558.10
Division of Fleet Services:					
Salaries and Wages	1,980,437.00	2,087,437.00	2,058,169.19	-	29,267.81
Other Expenses	1,901,245.00	2,076,245.00	1,211,222.46	238,261.36	626,761.18
Mosquito Extermination Commission (N.J.S. 26:9-13 et seq):					
Other Expenses	1,308,598.00	1,308,598.00	864,507.79	10,966.00	433,124.21
Human Services and Health Functions:					
Division of Social Services Administration:					
Salaries and Wages	20,664,376.00	20,664,376.00	19,671,251.75	-	993,124.25
Other Expenses	14,753,220.00	14,753,220.00	11,823,956.17	81,432.70	2,847,831.13
Temporary Assistance for Needy Families - County Share:					
Other Expenses	236,900.00	236,900.00	236,900.00	-	-
Assistance for Social Security Recipients:					
Other Expenses	786,923.00	786,923.00	786,923.00	-	-
Monmouth County Care Centers - Geraldine L. Thompson Division:					
Salaries and Wages	6,757,738.00	6,479,738.00	6,133,534.52	-	346,203.48
Other Expenses	1,470,075.00	1,748,075.00	1,255,791.64	281,279.29	211,004.07
Monmouth County Care Centers - John L. Montgomery Division:					
Salaries and Wages	7,548,513.00	7,361,513.00	6,978,952.59	-	382,560.41
Other Expenses	2,052,444.00	2,239,444.00	1,604,448.96	382,042.50	252,952.54
Division of Mental Health (N.J.S. 40A:5-29):					
Salaries and Wages	197,349.00	197,349.00	193,285.28	-	4,063.72
Other Expenses	1,135,277.00	1,135,277.00	904,602.68	227,350.54	3,323.78
Department of Children and Families:					
Other Expenses	3,415,954.00	3,415,954.00	3,415,954.00	-	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014**

	Original <u>Budget</u>	Budget After <u>Modification</u>	Expended		
			Paid or <u>Charged</u>	<u>Encumbered</u>	
Department of Human Services:					
Salaries and Wages	172,861.00	172,861.00	111,298.50	-	61,562.50
Other Expenses	4,525.00	4,525.00	1,224.44	-	3,300.56
Human Services and Health Functions (continued):					
Division of Planning and Contracting:					
Salaries and Wages	244,300.00	250,500.00	247,555.71	-	2,944.29
Other Expenses	1,698,995.00	1,698,995.00	1,384,402.21	294,770.05	19,822.74
Juvenile Detention Alternative Initiative:					
Salaries and Wages	138,044.00	139,344.00	139,310.02	-	33.98
Other Expenses	228,653.00	228,653.00	222,750.57	1,975.12	3,927.31
Public Health Service (N.J.S. 40A:13-1):					
Salaries and Wages	37,461.00	37,461.00	37,461.00	-	-
Other Expenses	817,267.00	817,267.00	569,284.39	242,527.61	5,455.00
Office of Disabilities:					
Salaries and Wages	52,467.00	53,467.00	53,447.24	-	19.76
Other Expenses	2,775.00	2,775.00	1,132.73	236.27	1,406.00
Aid To Disabilities (N.J.S. 40:23-8.11):					
Other Expenses	229,076.00	229,076.00	208,153.01	20,922.99	-
Division of Alcohol and Drug Abuse Services (N.J.S. 40:9B-4):					
Salaries and Wages	116,733.00	119,733.00	118,914.32	-	818.68
Other Expenses	420,990.00	420,990.00	345,698.39	73,154.37	2,137.24
Intoxicated Driver Resource Center:					
Salaries and Wages	169,945.00	173,945.00	172,751.27	-	1,193.73
Other Expenses	19,283.00	19,283.00	4,305.63	79.67	14,897.70
Maintenance of Patients in State Institutions for Mental Diseases (N.J.S. 30:4 -79) County Share:					
Other Expenses	2,874,253.00	2,874,253.00	2,874,253.00	-	-
Maintenance of Patients in State Institutions for Mental Diseases (N.J.S. 30:4 -79) State Share:					
Other Expenses	7,049,674.00	7,049,674.00	7,049,674.00	-	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014**

	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>	<u>Reserved</u>
				<u>Encumbered</u>	
Maintenance of Patients in State Institutions for Developmental Disabilities (N.J.S. 30:4-79):					
Other Expenses	15,676,463.00	15,676,463.00	15,676,463.00	-	-
War Veterans Burial and Grave Decorations:					
Salaries and Wages	83,607.00	85,707.00	85,695.17	-	11.83
Other Expenses	24,400.00	24,400.00	22,192.65	-	2,207.35
Office on Aging:					
Salaries and Wages	159,184.00	162,384.00	162,157.02	-	226.98
Other Expenses	7,754.00	7,754.00	7,059.23	370.01	324.76
Division of Transportation:					
Salaries and Wages	948,370.00	563,640.00	460,216.91	-	103,423.09
Other Expenses	520,622.00	520,622.00	28,842.94	100,330.04	391,449.02
Environmental Health Act - Contractual (N.J.S. 26:3A2-21)					
Monmouth County Department of Health:					
Other Expenses	1,111,124.00	1,111,124.00	1,111,124.00	-	-
Aid To Legal Aid Society:					
Other Expenses	10,212.00	10,212.00	10,212.00	-	-
Youth, Education, Recreation and Welfare:					
Other Expenses	68,829.00	68,829.00	59,444.79	9,384.21	-
Park and Recreation Functions:					
Department of Parks and Recreation:					
Salaries and Wages	16,695,380.00	16,728,380.00	16,525,947.33	-	202,432.67
Other Expenses	1,915,100.00	1,915,100.00	1,034,948.05	562,502.27	317,649.68

The accompanying Notes to Financial Statements are an integral part of this statement.

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014**

	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>	<u>Reserved</u>
				<u>Encumbered</u>	
Education Functions:					
Mon. Cty. Community College Brookdale (N.J.S. 18A-64A):	20,027,019.00	20,027,019.00	11,682,427.75	8,344,591.25	-
Other Expenses					
Reimbursement for Residents Attending Out of County					
Two Year Colleges (N.J.S. 18A-64A):					
Other Expenses	161,500.00	161,500.00	76,297.03	17,883.58	67,319.39
Cooperative Extension Service:					
Salaries and Wages	339,129.00	339,129.00	324,415.87	-	14,713.13
Other Expenses	96,284.00	96,284.00	71,411.53	20.30	24,852.17
Vocational Schools:					
Other Expenses	16,662,178.00	16,662,178.00	8,331,089.02	8,331,088.98	-
Superintendent of Schools:					
Salaries and Wages	288,577.00	295,577.00	295,431.32	-	145.68
Other Expenses	8,501.00	8,501.00	3,976.37	259.34	4,265.29
Other Common Operating Functions (Unclassified):					
Prior Years Bills:					
Transportation Department Uniform Reimbursements					
Caffyn, Casatelli, Cox, Edwards, Hunter, Labovitz,					
Laugelli, O'Connor, Pignato, Randolph, Singerline,					
Spicciate, Mahr, Marston, and Piaggio	1,609.57	1,609.57	1,609.57	-	-
Thomas-Reuters	260.50	260.50	260.50	-	-
Aculabs, Incorporated	622.52	622.52	622.52	-	-
AT&T	355.00	355.00	355.00	-	-
AT&T	150.00	150.00	150.00	-	-
Sprint	642.11	642.11	642.11	-	-
Sprint	642.11	642.11	642.11	-	-
Sprint	30.00	30.00	30.00	-	-
Accumulated Leave Compensation:					
Salaries and Wages	600,000.00	600,000.00	600,000.00	-	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014**

	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>	<u>Reserved</u>
Provision for Salary Adjustments and New Employees: Salaries and Wages	62,473.43	3.43	-	-	3.43
Utility Expenses and Bulk Purchases: Utilities:					
Other Expenses	12,075,000.00	11,675,000.00	9,471,818.29	1,692,105.57	511,076.14
Total Operations - Within "CAPS"	379,551,577.24	380,739,577.24	339,615,024.12	25,445,111.77	15,679,441.35

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

Donations-OOA Title III Transportation

CAP/NJEH Medicaid Case Management

Alcoholism Services Plan - CY2014, 12-535-ADA-O

State of New Jersey Governor's Council on Alcohol
and Drug Abuse:

Alliance Prevention - CY2013

Alliance Prevention - CY2014

State of New Jersey Department of Community Affairs:

LIHEAP - CWA, FY 2013, 2012-05139-0194-00

Universal Services Fund (USF) - CWA, FY2013, 2012-05134-0148-00

State of New Jersey - New Jersey Transit Corporation:

FTA - JARC Routh 836 Shuttle, FFY2011, Round 13

FTA - Freehold SCAT Transfer Facility, FY 2009-2012

FTA - Section 5311 - FY 2015

Senior Citizen and Disabled Resident Transportation Program
(Casino) CY 2014

North Jersey Transportation Planning Authority:

NJIT - Sub-Regional Transportation Planning Program - FY2015

The accompanying Notes to Financial Statements are an integral part of this statement.

	4,042,711.00	4,042,711.00	4,042,711.00	-	-
	100.00	100.00	100.00	-	-
	713,740.00	713,740.00	713,740.00	-	-
	1,205,773.00	1,205,773.00	1,205,773.00	-	-
	326,747.00	326,747.00	326,747.00	-	-
	739,035.00	739,035.00	739,035.00	-	-
	12,458.00	12,458.00	12,458.00	-	-
	8,657.00	8,657.00	8,657.00	-	-
	50,000.00	100,000.00	100,000.00	-	-
	55,082.44	55,082.44	55,082.44	-	-
	149,811.00	199,748.00	199,748.00	-	-
	1,261,056.00	1,261,056.00	1,261,056.00	-	-
	123,822.00	154,777.50	154,777.50	-	-

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014**

	Original <u>Budget</u>	Budget After <u>Modification</u>	Expended		
			Paid or <u>Charged</u>	<u>Encumbered</u>	
				<u>Reserved</u>	
State of New Jersey Department of Transportation:					
County Bridge MA-14	140,273.00	140,273.00	140,273.00	-	-
Bridge O-10 Design	235,000.00	235,000.00	235,000.00	-	-
Bridge O-10	10,651,777.00	10,651,777.00	10,651,777.00	-	-
Bridge R-13	1,000,000.00	1,000,000.00	1,000,000.00	-	-
Bridge MT-4	1,000,000.00	1,000,000.00	1,000,000.00	-	-
Bridge W-38	1,000,000.00	1,000,000.00	1,000,000.00	-	-
CR40A	933,384.00	933,384.00	933,384.00	-	-
CR524	343,086.00	343,086.00	343,086.00	-	-
Bridge S-32,CR520	847,103.00	847,103.00	847,103.00	-	-
Bridge MN-28	1,000,000.00	1,000,000.00	1,000,000.00	-	-
Bridge W-9	1,600,000.00	1,600,000.00	1,600,000.00	-	-
Bridge MT-9	1,000,000.00	1,000,000.00	1,000,000.00	-	-
TTF, Annual Transportation Program (ATP) - FY 2014	5,031,700.00	5,031,700.00	5,031,700.00	-	-
State of New Jersey - Department of Children and Families:					
DYFS - Youth Detention Center - CY2014 - 13BFNC - Year 2	51,181.00	51,181.00	51,181.00	-	-
DYFS - Family Court, Grants-In-Aid - CY2014 - 13CNNC - Year 2	7,870.00	7,870.00	7,870.00	-	-
CSOC - CIACC - CY 2014 - - 14CCNR	44,556.00	44,556.00	44,556.00	-	-
CSOC - CIACC - Superstorm Sandy Init. - CY 2014 - 14CCNZ	27,000.00	27,000.00	27,000.00	-	-
State of New Jersey - Department of Human Services:					
DFD - Special Initiative and Transportation - FY2015	90,383.00	90,383.00	90,383.00	-	-
DFD - Social Services for the Homeless - CY2014 - SH14013	451,565.00	451,565.00	451,565.00	-	-
DFD - Social Services for the Homeless - CY2015 - SH14013	894,282.00	894,282.00	894,282.00	-	-
DFD - Social Services for the Homeless - SSBG - SHRAP Superstorm Sandy	5,817,600.00	5,817,600.00	5,817,600.00	-	-
DMHS - Project Transition/Path and NJMAP - CY2014 - 20203	218,401.00	218,401.00	218,401.00	-	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014**

	Original <u>Budget</u>	Budget After <u>Modification</u>	Expended		
			Paid or <u>Charged</u>	<u>Encumbered</u>	
				<u>Reserved</u>	
State of New Jersey - Office of the Attorney General:					
DLPS - DCJ - Victim Assistance, VOCA, SFY2015, V-13-12	269,557.00	269,557.00	269,557.00	-	-
DLPS - DCJ - Stop Violence Against Women, 14-VAWA-82	38,902.00	38,902.00	38,902.00	-	-
DLPS - DCJ - SANE/SART, VS-34-13 FFY 2014	83,888.00	83,888.00	83,888.00	-	-
DLPS - DCJ - JAG Task Force - FY 2015, #JAG-1-13TF-12	84,856.00	84,856.00	84,856.00	-	-
DLPS - DCJ - LLEBG, Megan's Law, FFY 2014, JAG-1-16-11	15,121.00	15,121.00	15,121.00	-	-
DLPS - DCJ - Body Armor Replacement Fund (BARF) - FY2014	46,037.51	46,037.51	46,037.51	-	-
DLPS - OIFP - Insurance Fraud Reimbursement Prog. CY 14	100,000.00	100,000.00	100,000.00	-	-
DLPS - DCJ - LEOTEF - SFY2014	46,377.00	46,377.00	46,377.00	-	-
DLPS - DSP - Hazardous Material Emerg. Preparedness	50,000.00	50,000.00	50,000.00	-	-
DLPS - DSP - EMPG/EMAA FY2013	75,000.00	75,000.00	75,000.00	-	-
DLPS - DHTS - SER. ACCIDENT TEAM	4,000.00	4,000.00	4,000.00	-	-
DLPS - JJC - State/Community Partnership - CY2014	554,256.00	554,256.00	554,256.00	-	-
DLPS - JJC - YSC, JDAI Innovations, CY2014, JDAI 14-13	120,000.00	120,000.00	120,000.00	-	-
DLPS - JJC - Family Court - CY2014, FC-14-13	386,754.00	386,754.00	386,754.00	-	-
DLPS - JJC - JAIBG, FFY 2013, JABG 13-13	25,086.00	25,086.00	25,086.00	-	-
NJDFD/CWA SNAP CASE BANKING	30,000.00	30,000.00	30,000.00	-	-
State of New Jersey - Office of Homeland Security and Preparedness:					
Urban Areas Security Initiative, FFY 2014	62,500.00	62,500.00	62,500.00	-	-
Homeland Security Program FFY 2014	292,809.50	292,809.50	292,809.50	-	-
Shared Services Agreement - Various Municipalities:					
MCOEM, Shrewsbury Flood Warning, FY 2013 and 2014	13,500.00	13,500.00	13,500.00	-	-
State of New Jersey - Department of Environmental Protection:					
Clean Communities Program - FY2014	103,528.92	103,528.92	103,528.92	-	-
Recycling Program - REC-94-13 - Project Income	7,990.00	7,990.00	7,990.00	-	-
CDBG-DR Mosquito Control Sandy	77,568.60	77,568.60	77,568.60	-	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014**

	Original <u>Budget</u>	Budget After <u>Modification</u>	Expended		
			Paid or <u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
State of New Jersey - Department of State:					
Division of Travel/Tourism - Cooperative Marketing, FY 14	25,000.00	25,000.00	25,000.00	-	-
Division of Travel/Tourism - Cooperative Marketing, FY 15	20,250.00	25,312.00	25,312.00	-	-
State of New Jersey - Dept of Labor and Workforce Development:					
Hurricane Sandy NEG - PY 2012 (12H)	1,974,812.00	1,974,812.00	1,974,812.00	-	-
Hurricane Sandy NEG - PY 2013 (12H)	360,000.00	360,000.00	360,000.00	-	-
Work First NJ (WFNJ), TANF/GA/SNAP (132J) - SFY 2014	4,013.00	4,013.00	4,013.00	-	-
NJLWD- WIA, PY 2014	5,632,728.00	5,632,728.00	5,632,728.00	-	-
Workforce Learning Link (WLL) (13K) - SFY 2015	95,000.00	95,000.00	95,000.00	-	-
WIB/WIA Scholarship Fund	7,673.00	7,673.00	7,673.00	-	-
WIB, Alumni Awards Fund	2,100.00	2,100.00	2,100.00	-	-
Brookdale Community College:					
NJ Consortium Health Professions Pathway	19,820.00	19,820.00	19,820.00	-	-
Naval Weapons Station Earle:					
Earle - MCMC, FY 2014, #N40085-11-M-8406	14,750.00	14,750.00	14,750.00	-	-
U.S. Department of Housing and Urban Development:					
NYC, MCDSS - HOPWA - 2015	466,827.00	466,827.00	466,827.00	-	-
BJA - SCAAP, FFY 2014	1,070,863.00	1,070,863.00	1,070,863.00	-	-
Rutgers University:					
USHUD - Together North Jersey Local Govt. Capacity Grant	20,000.00	20,000.00	20,000.00	-	-
County Clerks - Interlocal Service Agreements (ISA's):					
Document Summary Management System, E-Recording FY2006-2014	399,107.00	399,107.00	399,107.00	-	-
Monmouth County Municipalities - ISA's:					
Open Public Records Search, Records Information Mgt. Mnt	23,600.00	23,600.00	23,600.00	-	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014**

	Original Budget	Budget After Modification	Paid or Charged	Expended	
				Encumbered	Reserved
National Children's Alliance:					
Monmouth County Child Advocacy Center Training, CY 2014	9,000.00	9,000.00	9,000.00	-	-
Friends of the MCCAC - PH 2 of the MCCAC	800,000.00	800,000.00	800,000.00	-	-
Donations:					
Sheriff's Office K-9	8,230.00	8,230.00	8,230.00	-	-
Ocean First Bank:					
Consumer Affairs High School Consumer Bowl	500.00	500.00	500.00	-	-
Monmouth County:					
Matching Funds for Grants	866,162.00	730,207.50	-	-	730,207.50
Total Public and Private Programs Offset By Revenues - Excluded From "CAPS"	55,382,319.97	55,382,319.97	54,652,112.47	-	730,207.50
Total Operations - Excluded From "CAPS"	434,933,897.21	436,121,897.21	394,267,136.59	25,445,111.77	16,409,648.85
Contingent	160,000.00	160,000.00	62,146.11	-	97,853.89
Total Operations Including Contingent - Excluded From "CAPS"	435,093,897.21	436,281,897.21	394,329,282.70	25,445,111.77	16,507,502.74
Detail:					
Salaries and Wages	171,898,813.43	171,178,713.43	168,417,898.57	-	2,760,814.86
Other Expenses	263,195,083.78	265,103,183.78	225,911,384.13	25,445,111.77	13,746,687.88
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund	500,000.00	500,000.00	500,000.00	-	-
Capital Improvements: Buildings and Grounds	250,000.00	250,000.00	114,781.05	738.33	134,480.62
Total Capital Improvements - Excluded From "CAPS"	750,000.00	750,000.00	614,781.05	738.33	134,480.62

The accompanying Notes to Financial Statements are an integral part of this statement.

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014**

	Original Budget	Budget After Modification	Paid or Charged	Expended	
				Encumbered	Reserved
County Debt Service - Excluded From "CAPS"					
Payment of Bond Principal:					
State Aid - County College Bonds (N.J.S. 18A:64A-22.6)	2,095,000.00	2,095,000.00	2,095,000.00	-	-
Vocational School Bonds	700,000.00	700,000.00	700,000.00	-	-
Other Bonds	35,900,000.00	35,900,000.00	35,900,000.00	-	-
Interest on Bonds:					
State Aid - County College Bonds (N.J.S. 18A:64A-22.6)	573,966.00	573,966.00	573,966.00	-	-
Vocational School Bonds	147,582.77	147,582.77	147,582.77	-	-
Other Bonds	13,492,335.75	13,492,335.75	13,492,335.75	-	-
Green Trust Loan Program:					
Loan Repayment for Principal and Interest	354,479.80	354,479.80	354,479.80	-	-
Total County Debt Service - Excluded From "CAPS"	53,263,364.32	53,263,364.32	53,263,364.32	-	-
Deferred Charges and Statutory Expenditures - County:					
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System	12,000,000.00	12,000,000.00	10,877,666.23	-	1,122,333.77
Social Security System ("O.A.S.I.")	13,500,000.00	12,312,000.00	12,270,547.35	-	41,452.65
Police and Firemen's Retirement System	11,750,000.00	11,750,000.00	11,647,241.27	-	102,758.73
County Pension and Retirement Fund	50,000.00	50,000.00	18,000.00	-	32,000.00
Defined Contribution Retirement Plan ("DCRP")	50,000.00	50,000.00	43,304.01	-	6,695.99
Total Deferred Charges and Statutory Expenditures - County	37,350,000.00	36,162,000.00	34,856,758.86	-	1,305,241.14

The accompanying Notes to Financial Statements are an integral part of this statement.

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2014

	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>	
				<u>Encumbered</u>	<u>Reserved</u>
Total General Appropriations - Excluded From "CAPS"	526,297,261.53	526,297,261.53	483,002,040.82	25,445,850.10	43,295,224.71
Total General Appropriations	\$ 526,457,261.53	\$ 526,457,261.53	\$ 483,064,186.93	\$ 25,445,850.10	\$ 17,947,224.50
<u>Analysis of Budget After Modification</u>					
Original Budget	\$ 480,900,000.00				
Appropriation by N.J.S.A. 40A:4-87	<u>45,557,261.53</u>				
	\$ 526,457,261.53				
<u>Analysis of Paid or Charged</u>					
Cash Disbursements			\$ 427,431,543.07		
Accounts Payable			980,531.39		
Cash Disbursements - County Contribution			183,838.00		
Cash Disbursements - Local Match Grant Fund			135,954.50		
Federal and State Grants			<u>54,332,319.97</u>		
			\$ 483,064,186.93		

The accompanying Notes to Financial Statements are an integral part of this statement.

COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2014 AND 2013

<u>Assets</u>	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Cash and Cash Equivalents	B-1	\$ 108,332,395.62	\$ 101,910,832.25
U.S. HUD Receivables:			
Relocation Assistance Program	B-2	5,958,580.79	7,248,243.32
Community Development Block Grants	B-3	5,262,535.75	3,900,279.82
Home Investment Grant	B-4	4,516,609.09	3,896,817.55
Shelter Plus Care Grant	B-5	2,430,706.00	2,864,592.00
Health Grants	B-6	1,513,717.75	847,724.75
Homeward Bound Grant	B-7	806,399.00	749,117.00
Emergency Shelter Grants	B-8	416,266.61	506,586.94
Library Grants	B-9	-	113.00
Taxes Receivable for Library, Health and Open Space Funds	B-10	166,543.50	133,622.71
		<u>21,071,358.49</u>	<u>20,147,097.09</u>
Total Receivables and Other Assets		<u>\$ 129,403,754.11</u>	<u>\$ 122,057,929.34</u>
 <u>Reserves</u>			
Reserve for Taxes Receivable for			
Library, Health and Open Space	B-10	\$ 166,543.50	\$ 133,622.71
Reserve for U.S. HUD Grants:			
Relocation Assistance Program	B-11	7,077,218.54	7,926,910.35
Community Development Block Grants	B-12	5,732,609.56	4,632,559.23
Home Investment Grants	B-13	4,626,629.32	3,898,577.94
Shelter Plus Care	B-14	2,306,968.44	2,743,395.44
Homeward Bound	B-15	808,123.00	749,117.00
Reserve for:			
Temporary Assistance To Needy Families	B-16	427,225.14	309,727.43
Other Trust Funds	B-17	108,212,079.36	101,621,552.43
Retirees Health Benefits	B-18	46,357.25	42,466.81
Total Reserves		<u>\$ 129,403,754.11</u>	<u>\$ 122,057,929.34</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Cash and Cash Equivalents	C-2	\$ 75,007,739.84	\$ 57,529,092.54
Accounts Receivable:			
Municipal Easements	C-4	406,750.00	406,750.00
Open Space Trust Fund	C-5	1,382,518.00	1,494,027.00
State of New Jersey - State Agencies	C-6	1,491,750.00	1,491,750.00
State of New Jersey - County College:			
Capital Projects, Chapter 12, P.L. 1971	C-10	8,651,500.00	7,221,500.00
		<u>11,932,518.00</u>	<u>10,614,027.00</u>
Deferred Charges To Future Taxation:			
Funded	C-7	401,825,569.10	363,912,194.95
Unfunded	C-8	73,847,500.00	139,962,500.00
		<u>475,673,069.10</u>	<u>503,874,694.95</u>
Total Assets		<u>\$ 562,613,326.94</u>	<u>\$ 572,017,814.49</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-9	\$ 343,873,500.00	\$ 318,923,500.00
County College Serial Bonds - Chapter 12, P.L. 1971:			
State Share	C-10	8,651,500.00	7,221,500.00
County Share	C-11	7,600,000.00	5,375,000.00
Open Space Trust Fund Serial Bonds	C-12	40,885,000.00	34,350,000.00
Bond Anticipation Notes Payable	C-22	-	22,237,000.00
New Jersey Economic Development Authority:			
Vocational School Bonds	C-13	6,650,000.00	2,100,000.00
Green Trust Loan Program:			
Other Program Agreements	C-14	162,069.10	508,694.95
IPA Note Payable	C-15	2,655,000.00	2,655,000.00
Reserve for Scrip Redemption	C	1,508.63	1,508.63
Improvement Authorizations:			
Funded	C-16	69,297,700.26	36,523,499.10
Unfunded	C-16	73,096,511.24	132,474,451.68
Interest Due State of New Jersey	C-17	42,345.21	21,055.25
Capital Improvement Fund	C-18	235,261.72	243,261.72
Reserve for:			
Installment Purchase Agreement	C-19	1,028,579.25	813,975.00
Insurance - Open Space Fund	C-20	1,382,518.00	1,494,027.00
		<u>555,561,493.41</u>	<u>564,942,473.33</u>
Fund Balance	C-1	<u>7,051,833.53</u>	<u>7,075,341.16</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 562,613,326.94</u>	<u>\$ 572,017,814.49</u>

There were bonds and notes authorized but not issued on December 31, 2014 of \$73,847,500.00 and on December 31, 2013 was \$117,725,500.00.

COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
COMPARATIVE SCHEDULE OF FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Balance, December 31, 2013	\$ 7,075,341.16
Increased By:	
Premium on Sale of Bonds	<u>4,476,492.37</u>
	11,551,833.53
Decreased By:	
Appropriated To Finance	
2014 Current Fund Budget Revenue	<u>4,500,000.00</u>
Balance, December 31, 2014	<u><u>\$ 7,051,833.53</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**COUNTY OF MONMOUTH, NEW JERSEY
RECLAMATION CENTER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Operating Fund:			
Cash and Cash Equivalents	D-5	\$ 51,026,167.03	\$ 55,924,273.92
Change Fund	D-8	<u>1,750.00</u>	<u>1,750.00</u>
		<u>51,027,917.03</u>	<u>55,926,023.92</u>
Receivables with Full Reserves:			
Receivable From Haulers	D-7	<u>614,865.03</u>	<u>778,608.82</u>
Total Operating Fund		<u>51,642,782.06</u>	<u>56,704,632.74</u>
Capital Fund:			
Cash and Cash Equivalents	D-5	8,383,300.82	4,062,507.99
Fixed Capital	D-18	123,472,228.09	123,086,934.01
Fixed Capital Authorized and Uncompleted	D-19	<u>14,480,487.42</u>	<u>14,865,781.50</u>
Total Capital Fund		<u>146,336,016.33</u>	<u>142,015,223.50</u>
Utility Grant Fund:			
Cash and Cash Equivalents	D-5	<u>1,393,612.82</u>	<u>1,397,001.46</u>
Total Utility Grant Fund		<u>1,393,612.82</u>	<u>1,397,001.46</u>
Total Assets		<u>\$ 199,372,411.21</u>	<u>\$ 200,116,857.70</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

COUNTY OF MONMOUTH, NEW JERSEY
RECLAMATION CENTER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balances</u>			
Operating Fund:			
Appropriation Reserves	D-4	\$ 3,524,482.63	\$ 3,742,640.54
Reserve for Encumbrances	D-4	10,148,314.24	11,045,111.64
Landfill Closure Tax	D-9	10,959,043.92	10,382,024.97
Host Community Benefit Tax Payable	D-10	584,527.89	569,248.01
Accrued Interest on Bonds and Notes	D-11	248,681.61	203,238.58
Reserve For Environmental Impairment Liability	D-12	7,000,000.00	7,000,000.00
Prepaid Haulers Deposits on Account	D-13	558,066.46	543,666.86
Accounts Payable	D-15	15,110.98	135,846.33
Landfill Closure and Recycling Tax Payable	D-17	338,715.21	335,396.28
		<hr/>	<hr/>
		33,376,942.94	33,957,173.21
Reserve for Receivables	D	614,865.03	778,608.82
Fund Balance	D-1	17,650,974.09	21,968,850.71
		<hr/>	<hr/>
Total Operating Fund		51,642,782.06	56,704,632.74
		<hr/>	<hr/>
Capital Fund:			
Serial Bonds	D-20	17,950,000.00	12,900,000.00
Improvement Authorizations:			
Funded	D-21	6,055,399.39	2,317,575.68
Unfunded	D-21	4,325,000.00	11,475,000.00
Deferred Reserve for Amortization	D-22	431,163.28	2,396,052.10
Reserve for Amortization	D-23	115,246,552.23	111,181,663.41
Fund Balance	D-2	2,327,901.43	1,744,932.31
		<hr/>	<hr/>
Total Capital Fund		146,336,016.33	142,015,223.50
		<hr/>	<hr/>
Utility Grant Fund:			
Appropriated Reserves Payable Committed	D-25	21,986.87	106,876.35
Appropriated Reserves	D-25	1,371,625.95	1,290,125.11
		<hr/>	<hr/>
Total Utility Grant Fund		1,393,612.82	1,397,001.46
		<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balances		<u>\$ 199,372,411.21</u>	<u>\$ 200,116,857.70</u>

There were bonds and notes authorized but not issued on December 31, 2014 of \$4,325,000 and on December 31, 2013 was \$11,475,000.

The accompanying Notes to Financial Statements are an integral part of this statement.

COUNTY OF MONMOUTH, NEW JERSEY
RECLAMATION CENTER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized:			
Operating Surplus Anticipated	D-3	\$ 20,200,000.00	\$ 20,400,000.00
Reclamation Center Utility Fees	D-3	25,948,238.15	25,919,608.51
Miscellaneous Revenue Anticipated	D-3	792,000.00	386,100.00
Miscellaneous Revenue Not Anticipated	D-3	1,987,392.48	1,973,371.00
Unexpended Balance of Appropriation Reserves	D-14	4,813,403.69	6,346,419.47
Accounts Payable Cancelled	D-15	48,089.06	81,310.75
		<u>53,789,123.38</u>	<u>55,106,809.73</u>
Expenditures:			
Appropriations	D-4	<u>37,907,000.00</u>	<u>37,700,000.00</u>
		<u>37,907,000.00</u>	<u>37,700,000.00</u>
Excess in Revenue		15,882,123.38	17,406,809.73
Fund Balance, January 1	D	<u>21,968,850.71</u>	<u>24,962,040.98</u>
		37,850,974.09	42,368,850.71
Decreased By:			
Utilized as Anticipated Revenue	D-1	<u>20,200,000.00</u>	<u>20,400,000.00</u>
Fund Balance, December 31	D	<u><u>\$ 17,650,974.09</u></u>	<u><u>\$ 21,968,850.71</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**COUNTY OF MONMOUTH, NEW JERSEY
RECLAMATION CENTER UTILITY FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 1,744,932.31
Increased By:	
Premium on Bond Sale	<u>582,969.12</u>
Balance, December 31, 2014	<u><u>\$ 2,327,901.43</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**COUNTY OF MONMOUTH, NEW JERSEY
RECLAMATION CENTER UTILITY FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	\$ 20,200,000.00	\$ 20,200,000.00	\$ -
Miscellaneous Revenues:			-
Utility Fees	25,915,000.00	25,948,238.15	33,238.15
NJDEP:			
Recycling Enhancement Act	385,000.00	385,000.00	-
Recycling Enhancement Act (N.J.S 40A:4-87)	407,000.00	407,000.00	-
Not Anticipated	-	1,987,392.48	1,987,392.48
	<hr/>	<hr/>	<hr/>
Total	\$ 46,907,000.00	\$ 48,927,630.63	\$ 2,020,630.63
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Analysis of Non-Budget Revenue:

Interest on Investments and Deposits	\$ 226,204.88
Grass Clippings	28,639.46
Gas Utility Fees	698,977.71
Scrap Metal	17,074.39
Rentals	5,736.00
Utility Reimbursements	2,656.19
Recycling Commissions	161,133.11
Renewable Energy Credits	40,716.83
Recycling Electronic Waste	328.40
FEMA	555,487.37
Vehicle Wash	8,585.00
Miscellaneous	241,853.14
	<hr/>
	\$ 1,987,392.48
	<hr/> <hr/>

**COUNTY OF MONMOUTH, NEW JERSEY
RECLAMATION CENTER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budget</u>	<u>Budget Modified</u>	<u>Paid or</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
			<u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>		
Operating:							
Salaries and Wages	\$ 5,800,000.00	\$ 5,800,000.00	\$ 5,112,363.46	\$ -	\$ 12,636.54	675,000.00	
Other Expenses	36,614,106.96	36,614,106.96	15,625,865.82	10,148,314.24	3,509,926.90	7,330,000.00	
NJDEP:							
Recycling Enhancement Act	385,000.00	792,000.00	792,000.00	-	-	-	
Total Operating	42,799,106.96	43,206,106.96	21,530,229.28	10,148,314.24	3,522,563.44	8,005,000.00	
Capital Improvements:							
Capital Outlay	1,000,000.00	1,000,000.00	3,080.81	-	1,919.19	995,000.00	
Total Capital Improvements	1,000,000.00	1,000,000.00	3,080.81	-	1,919.19	995,000.00	
Debt Service:							
Payment of Bond Principal	2,100,000.00	2,100,000.00	2,100,000.00	-	-	-	
Interest on Bonds	600,893.04	600,893.04	600,893.04	-	-	-	
Total Debt Service	2,700,893.04	2,700,893.04	2,700,893.04	-	-	-	
	<u>\$ 46,500,000.00</u>	<u>\$ 46,907,000.00</u>	<u>\$ 24,234,203.13</u>	<u>\$ 10,148,314.24</u>	<u>\$ 3,524,482.63</u>	<u>\$ 9,000,000.00</u>	

Analysis of Budget After Modification

Original Budget	\$ 46,500,000.00
Appropriation by N.J.S.A. 40A:4-87	<u>407,000.00</u>
	<u>\$ 46,907,000.00</u>

Analysis of Paid or Charged:

Accrued Interest on Bonds and Notes	\$ 45,443.03
Grants Appropriated	792,000.00
Accounts Payable	8,361.00
Cash Disbursements	<u>23,388,399.10</u>
	<u>\$ 24,234,203.13</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF ASSETS & FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2014 AND 2013

<u>Assets</u>	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Land	E-1	\$ 374,385,181.72	\$ 366,504,697.34
Buildings	E-1	348,595,003.94	297,898,687.36
Furniture, Fixtures and Equipment	E-1	56,724,137.66	52,177,634.54
Vehicles	E-1	91,289,988.92	89,098,395.52
		<hr/>	<hr/>
Total Assets		\$ 870,994,312.24	\$ 805,679,414.76
		<hr/> <hr/>	<hr/> <hr/>
 <u>Fund Balance</u>			
Investment in General Fixed Assets	E-1	\$ 870,994,312.24	\$ 805,679,414.76
		<hr/>	<hr/>
Total Liabilities		\$ 870,994,312.24	\$ 805,679,414.76
		<hr/> <hr/>	<hr/> <hr/>

The accompanying Notes to Financial Statements are an integral part of this statement.

**COUNTY OF MONMOUTH
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2014**

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COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Note 1. Summary of Significant Accounting Policies

Reporting Entity – Monmouth County is located in Central New Jersey. It is the northernmost county along the Jersey Shore. As of the 2010 Census, the population was 630,380, up from 615,301 at the 2000 Census, falling to the fifth-most populous county in the state, having been surpassed by Hudson County. As of the 2014 Census Estimate, the County's population was 629,279. Its county seat is in Freehold Borough. The most populous place was Middletown Township, with 66,522 residents at the time of the 2010 Census, while Howell Township covered 61.21 square miles (158.5 km), the largest total area of any municipality.

The County government operates under a five member Board of Chosen Freeholders, elected at-large by the voters of the County. Each member is elected to a term of three years. A director and deputy director are selected from their membership at the first meeting each year. The Freeholders have both administrative and policy-making powers

Component Units - 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

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the County of Monmouth contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United State of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the County of Monmouth accounts for its financial transactions through the use of separate funds, which are described as follows:

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

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Note 1. Summary of Significant Accounting Policies (continued):

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

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

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

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

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

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

General Fixed Asset Account Group – The Fixed Asset Account Group accounts for all assets used in government operations.

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.

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 to submit Medicaid and Medicare cost reports.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Note 1. Summary of Significant Accounting Policies (continued):

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 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") and the US Marshals Service ("USMS") 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.

Division of Transportation - The Division of Transportation which is part of the Department of Human Services provides transportation to senior citizens and disabled people throughout the County. The Division collects fees from the clients and remits them to the County.

Budgets and Budgetary Accounting - The County of Monmouth must adopt an annual budget for its Current Fund and Reclamation Center Utility Fund in accordance with N.J.S.A.40A:4 et seq. N.J.S.A.40A:4-5 requires the governing body to introduce and approve the annual county budget no later than January 26th of each year. At introduction, the governing body must fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the County. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A.40A:4-9. Amendments to adopted budgets, if any are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the County budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Note 1. Summary of Significant Accounting Policies (continued):

Budgets are adopted on the same basis of accounting utilized for the preparation of the County's financial statements.

Cash, Cash Equivalents and Investments - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey county and municipal units are required by N.J.S.A.40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A.40A:5-15.1 provides a list of investments, which may be purchased by New Jersey county and municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the County of Monmouth requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories and Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets of assets, liabilities, reserves and fund balance.

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

Accounting for governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 85-2 as issued by the Division of Local Government Services, differs in certain respects from accounting principles generally accepted in the United States of America. The following is a brief description of the provisions of the Directive:

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Note 1. Summary of Significant Accounting Policies (continued):

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 has been provided for in the financial statements. Donated general fixed assets are valued at their estimated fair market value on the date received.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital has not been accounted for separately.

Utility Fixed Assets – Property and equipment purchased by the utility fund are recorded in the utility capital fund at cost. The Reserve for Amortization and Deferred Reserve for Amortization account in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment and improvements and contributed capital.

Deferred Charges – The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A.40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

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.

Fund Balance – Fund Balance included in the Current Fund and Utility Reclamation Fund represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

Revenues – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the County's budget. Other amounts that are due the County, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Note 1. Summary of Significant Accounting Policies (continued):

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Monmouth.

Expenditures – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets is recorded as a liability in the General Capital Fund and Reclamation Utility Capital Fund.

Compensated Absences and Post-employment Benefits – Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a pay-as-you-go basis.

Comparative Data - Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the County’s financial position and operations. However, comparative data have not been presented in each of the statements because their inclusion would make the statements unduly complex and difficult to read.

Subsequent Events - The County of Monmouth has evaluated subsequent events occurring after December 31, 2014 through the date of June 19, 2015, which is the date the financial statements were available to be issued.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Note 2. Cash and Cash Equivalents

The County considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

Deposits:

Demand Deposits	\$ 364,949,983.89
Short-Term Investments	1,544,050.00
	<hr/>
Total Deposits	\$ 366,494,033.89
	<hr/> <hr/>

Reconciliation of Statements of Assets, Liabilities, Reserves and Fund Balance:

Current Fund	\$ 116,056,203.32
Grant Fund	6,292,864.44
Trust Fund	108,332,395.62
Capital Fund	75,007,739.84
Reclamation Center Utility Operating Fund	51,027,917.03
Reclamation Center Utility Grant Fund	1,393,612.82
Reclamation Center Utility Capital Fund	8,383,300.82
	<hr/>
Total	\$ 366,494,033.89
	<hr/> <hr/>

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be recovered. Although the County does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the County in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the County relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule that follows. As of December 31, 2014, the County's bank balances of \$374,387,506.74 were exposed to custodial credit risk as follows:

FDIC	\$ 1,065,565.04
Insured under GUDPA	373,321,941.70
	<hr/>
	\$ 374,387,506.74
	<hr/> <hr/>

**COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2014

Note 3. Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison Schedule of Tax Rates:

	2014	2013	2012
County Tax Rate	0.277	0.272	0.261
County Library Tax Rate	0.018	0.017	0.015
County Health Tax Rate	0.005	0.005	0.005
County Open Space Tax Rate	0.015	0.015	0.015

Assessed Valuation

2014	\$ 109,923,061,080.00
2013	111,915,603,801.00
2012	116,890,083,775.00

Comparison of Tax Levies and Collections

Year	Tax Levy	Cash Collections	Percentage Of Collection
2014	\$ 302,475,000.00	\$ 302,475,000.00	100.00%
2013	302,475,000.00	302,475,000.00	100.00%
2012	302,475,000.00	302,475,000.00	100.00%

Note 4. Interfund Receivables and Payables

The County had no interfund balances recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2014.

Note 5. Fund Balance Appropriated

The following schedule details the amount of fund balance available at the end of the current year and two previous years and the amount utilized in the subsequent year's budget.

**COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2014

Note 5. Fund Balance Appropriated (continued):

YEAR	BALANCE DECEMBER 31,	UTILITIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
CURRENT FUND:			
2014	\$ 66,428,207.49	\$ 40,000,000.00	60.22%
2013	76,208,016.68	43,000,000.00	56.42%
2012	66,636,305.98	46,000,000.00	69.03%
RECLAMATION UTILITY OPERATING FUND:			
2014	17,650,974.09	16,075,000.00	91.07%
2013	21,968,850.71	20,200,000.00	91.95%
2012	24,962,040.98	20,400,000.00	81.72%

Note 6. Pension Plans

The County contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several County employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Public Employees' Retirement System - The PERS was established in 1955. The PERS provides retirement, death, disability, and medical benefits to qualified members. Vesting and benefit provisions are established by *N.J.S.A.43:15A* and *43:3B*.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5.0% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member

**COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2014

Note 6. Pension Plans (continued):

rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The County is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, for the Monmouth County Treasurer Office, Mosquito Commission, Health Department and Division of Social Services were as follows:

Fiscal Year	Normal Contribution	Accrued Liability	Non-Contributory Group Life Ins.	Total Liability	Funded by County
2014	\$ 2,358,079.00	\$ 10,367,558.00	\$ 216,420.00	\$ 12,942,057.00	\$ 12,942,057.00

Police and Firemen's Retirement System - The PFRS was established in 1944. The PFRS provides retirement, death, disability, and medical benefits to qualified members. Vesting and benefit provisions are established by *N.J.S.A.43:16A* and *43:3B*.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 10.0% in October, 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The County is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

Fiscal Year	Normal Contribution	Accrued Liability	Non-Contributory Group Life Ins.	Total Liability	Funded by County
2014	\$ 3,940,479.00	\$ 6,392,484.00	\$ 396,719.00	\$ 10,729,682.00	\$ 10,729,682.00

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by *N.J.S.A.43:15C-1* et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the County's contribution amounts for each pay period are transmitted not later than the fifth business day after the date on which the employee is paid for that pay period.

As of December 31, 2014, the County had multiple employees participating in the Defined Contribution Retirement Program.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the County.

**COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2014

Note 7. Post-Employment Benefits Other Than Pension Benefits

Plan Description: The County of Monmouth is a single-employee defined benefit healthcare plan administered by Insurance Administrator of America, Inc., Horizon, and Qualcare. 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. For employees with less than 15 years of eligible service, as of June 30, 1994 who retire with 25 years of service, receive benefits at no cost, but can only retire with Horizon or Qualcare.

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): In accordance with GASB Statement 45 the county is only required to calculate every two years.

January 1, 2013 Net OPEB Obligations	\$ 80,157.10
Plus:	
Annually Required Contributions	22,136.50
Less:	
County Contributions	13,118.50
December 31, 2013 Net OPEB Obligations	\$ 89,175.10

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

Fiscal Year <u>Ended</u>	Annual <u>OPEB Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
12/31/2013	22,136.50	59.30%	\$ 89,175.10
12/31/2011	22,171.20	47.80%	69,696.50
12/31/2009	23,395.20	33.70%	43,956.40

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

**COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2014

Note 7. Post-Employment Benefits Other Than Pension Benefits (continued):

Valuation Date	Actuarial Value of Assets	Actuarial Liability-Projected Unit Credit	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as % of Covered Payroll
1/1/2013	\$ -	\$ 436,137.30	\$ 436,137.30	0%	\$ 55,815.40	781%
1/1/2011	-	413,996.90	413,996.90	0%	66,583.10	622%
1/1/2009	-	416,714.50	416,714.50	0%	79,469.60	524%

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

This schedule presents 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, 2013 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included an annual medical cost trend rate of 8% initially, and decreases to a 5% long-term trend rate after 7 years. For prescription drug benefits, the initial trend is 7%, decreasing to a 5% long-term trend rate after 7 years. For Medicare Part B reimbursement, the trend rate of 5% beginning in 2014. These assumptions are consistent with those used for the State Health Benefits Plan except those that have been adjusted for the plan design. The discount rate as of January 1, 2013 is 3.50%. The UAAL is being amortized as a level percentage of projected payroll on an open basis over 30 years.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Note 8. Long-Term Debt

<u>Summary of County Debt</u>	2014	2013	2012
Issued:			
General:			
Bonds, Notes and Loans	\$ 764,982,069.10	\$ 763,570,694.95	\$ 675,005,085.96
Reclamation Center Utility:			
Bonds, Notes and Loans	17,950,000.00	12,900,000.00	14,875,000.00
	<hr/>	<hr/>	<hr/>
Total Debt Issued	782,932,069.10	776,470,694.95	689,880,085.96
	<hr/>	<hr/>	<hr/>
Authorized But Not Issued:			
General:			
Bonds and Notes	74,747,500.00	117,725,500.00	108,017,500.00
Reclamation Center Utility:			
Bonds and Notes	4,325,000.00	11,475,000.00	6,400,000.00
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	79,072,500.00	129,200,500.00	114,417,500.00
	<hr/>	<hr/>	<hr/>
Total Gross Debt	\$ 862,004,569.10	\$ 905,671,194.95	\$ 804,297,585.96
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Deductions:			
General:			
Funds on Hand For Payment of Bonds and			
Notes - Installment Purchase Agreement	\$ 1,028,579.25	\$ 813,975.00	\$ 775,126.15
Bonds Authorized by another Public			
Body to be guaranteed by County	355,405,000.00	370,200,000.00	260,900,000.00
County College Bonds	8,651,500.00	7,971,500.00	8,661,500.00
Open Space Bonds	45,885,000.00	49,350,000.00	52,705,000.00
Reclamation Center Utility:			
Self Liquidating Debt	22,275,000.00	24,375,000.00	21,275,000.00
	<hr/>	<hr/>	<hr/>
Total Deductions	433,245,079.25	452,710,475.00	344,316,626.15
	<hr/>	<hr/>	<hr/>
Total Net Debt	\$ 428,759,489.85	\$ 452,960,719.95	\$ 459,980,959.81
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2014

Note 8. Long-Term Debt (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt conditions which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.384%

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 839,729,569.10	\$ 410,970,079.25	\$ 428,759,489.85
Reclamation Center Utility	22,275,000.00	22,275,000.00	-
	\$ 862,004,569.10	\$ 433,245,079.25	\$ 428,759,489.85
	\$ 862,004,569.10	\$ 433,245,079.25	\$ 428,759,489.85

Net Debt \$428,759,489.85 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$111,636,136,974.33 is 0.384%

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

2.0% of Equalized Valuation Basis (State)	\$ 2,232,722,739.48
Less: Net Debt	428,759,489.85
Remaining Borrowing Power	\$ 1,803,963,249.63

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, 2014 was 0.384% and its remaining borrowing power in dollars was \$1,803,963,249.63.

Reclamation Utility per N.J.S.A. 40A:2-45

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 48,927,630.63
Deductions:	
Operating and Maintenance Costs	35,201,106.96
Debt Service	2,700,893.04
*Excess/(Deficit) Revenue	\$ 11,025,630.63

*If Excess in Revenues all Utility Debt is Deductible

**COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2014

Note 8. Long-Term Debt (continued)

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

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

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

General Capital Fund

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, <u>2014</u>
General Improvements	Serial Bonds	4/27/2004	1/15/2016	4.000%	\$ 4,740,000.00
General Improvements	Serial Bonds	4/19/2005	1/15/2020	4.500-5.000%	6,000,000.00
General Improvements	Serial Bonds	6/6/2006	1/15/2021	4.000-5.000%	17,070,000.00
General Improvements	Serial Bonds	9/26/2007	9/15/2022	4.000-5.000%	35,815,000.00
Refunding Bonds		3/6/2008	1/15/2016	3.500-5.000%	6,080,000.00
General Improvements	Serial Bonds	9/23/2008	9/1/2023	4.000-5.000%	19,620,000.00
General Improvements	Serial Bonds	11/17/2009	11/1/2019	3.300-4.250%	26,398,500.00
General Improvements	Serial Bonds	11/17/2009	11/1/2024	4.600-4.800%	26,385,000.00
Refunding Bonds		12/30/2009	1/15/2019	2.000-4.000%	9,140,000.00
General Improvements	Serial Bonds	12/16/2010	12/1/2016	3.000-4.000%	5,005,000.00
Refunding Bonds		12/16/2010	3/1/2018	3.000-4.000%	19,840,000.00
General Capital Bonds	Serial Bonds	12/16/2010	12/1/2020	3.300-4.200%	15,325,000.00
Economic Development	Serial Bonds	12/16/2010	12/1/2025	4.150-4.800%	20,775,000.00
General Improvements	Serial Bonds	6/28/2012	1/15/2027	3.000-4.000%	70,830,000.00
General Improvements	Serial Bonds	3/27/2014	3/1/2029	2.000-4.000%	60,850,000.00
					\$ 343,873,500.00

**COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2014

Note 8. Long-Term Debt (continued)

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, 2014
County College:					
General Improvements	Serial Bonds	4/19/2005	1/15/2015	5.000%	\$ 450,000.00
General Improvements	Serial Bonds	9/26/2007	9/15/2017	5.000%	1,350,000.00
General Improvements	Serial Bonds	11/15/2009	11/1/2019	3.300-4.250%	576,500.00
General Improvements	Serial Bonds	6/28/2012	1/15/2022	3.000-4.000%	3,400,000.00
General Improvements	Serial Bonds	3/27/2014	3/1/2024	2.000-4.000%	<u>2,875,000.00</u>
					<u>\$ 8,651,500.00</u>
<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, 2014
County College- County Share:					
General Improvements	Serial Bonds	12/16/2010	12/1/2016	3.000-4.000%	\$ 445,000.00
General Improvements	Serial Bonds	12/16/2010	12/1/2020	3.300-4.200%	880,000.00
General Improvements	Serial Bonds	6/28/2012	1/15/2022	3.000-4.000%	3,400,000.00
General Improvements	Serial Bonds	3/27/2014	3/1/2024	2.000-4.000%	<u>2,875,000.00</u>
					<u>\$ 7,600,000.00</u>
<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, 2014
County Vocational School:					
General Improvements	Serial Bonds	12/16/2010	12/1/2015	3.00%	\$ 600,000.00
General Improvements	Serial Bonds	6/28/2012	1/15/2022	3.000-4.000%	800,000.00
General Improvements	Serial Bonds	3/27/2014	3/1/2026	2.000-4.000%	<u>5,250,000.00</u>
					<u>\$ 6,650,000.00</u>
<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, 2014
Open Space Preservation	Serial Bonds	6/29/2005	12/1/2020	3.000-4.000%	\$ 9,315,000.00
Open Space Preservation	Serial Bonds	9/26/2007	9/15/2022	4.000-5.000%	12,320,000.00
Refunding Bonds		12/30/2009	1/15/2018	4.000%	4,650,000.00
Open Space Preservation	Serial Bonds	6/28/2012	1/15/2027	3.000-4.000%	4,600,000.00
Open Space Preservation	Serial Bonds	3/27/2014	3/1/2029	2.000-4.000%	<u>10,000,000.00</u>
					<u>\$ 40,885,000.00</u>

**COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2014

Note 8. Long-Term Debt (continued)

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, <u>2014</u>
<u>NJ DEP - Green Acres Trust Loan Program</u>					
Valley Stream	Installments	12/17/1999	12/17/2015	2.00%	\$ 162,069.10
Total Green Acres Trust Loan Program Outstanding					<u>\$ 162,069.10</u>

Reclamation Utility 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>2014</u>
Reclamation Utility Bonds	Serial Bonds	4/19/2005	1/15/2015	5.000%	\$ 750,000.00
Reclamation Refunding	Serial Bonds	12/30/2009	1/15/2017	2.000-4.000%	1,645,000.00
Reclamation Refunding	Serial Bonds	12/16/2010	3/1/2017	4.000%	2,450,000.00
Reclamation Taxation	Serial Bonds	12/16/2010	12/1/2020	3.300-4.200%	325,000.00
Reclamation Utility Bonds	Serial Bonds	12/16/2010	12/1/2016	3.000-4.000%	170,000.00
Reclamation Utility Bonds	Serial Bonds	6/28/2012	1/15/2027	3.000-4.000%	5,460,000.00
Reclamation Utility Bonds	Serial Bonds	3/27/2014	3/1/2029	2.000-4.000%	<u>7,150,000.00</u>
Total Reclamation Utility Fund Debt Issued and Outstanding					<u>\$ 17,950,000.00</u>

The aggregate debt service requirements for the General Capital Fund and Reclamation Capital Fund Serial Bonds and Loans are as follows:

<u>General Capital Fund - Serial Bonds</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 36,660,000.00	\$ 13,195,781.26	\$ 49,855,781.26
2016	37,685,000.00	11,739,531.26	49,424,531.26
2017	35,470,000.00	10,240,241.26	45,710,241.26
2018	33,500,000.00	8,843,191.26	42,343,191.26
2019	30,673,500.00	7,556,273.76	38,229,773.76
2020-2024	126,890,000.00	19,988,648.75	146,878,648.75
2025-2029	<u>42,995,000.00</u>	<u>2,753,178.75</u>	<u>45,748,178.75</u>
	<u>\$ 343,873,500.00</u>	<u>\$ 74,316,846.30</u>	<u>\$ 418,190,346.30</u>

**COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2014

Note 8. Long-Term Debt (continued)

General Capital - Open Space Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 4,005,000.00	\$ 1,593,462.50	\$ 5,598,462.50
2016	4,150,000.00	1,426,262.50	5,576,262.50
2017	4,300,000.00	1,203,062.50	5,503,062.50
2018	4,660,000.00	1,011,062.50	5,671,062.50
2019	4,830,000.00	872,062.50	5,702,062.50
2020-2024	13,740,000.00	1,899,387.50	15,639,387.50
2025-2029	<u>5,200,000.00</u>	<u>372,500.00</u>	<u>5,572,500.00</u>
	<u>\$ 40,885,000.00</u>	<u>\$ 8,377,800.00</u>	<u>\$ 49,262,800.00</u>

General Capital - College Bonds Chapter 12

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,730,000.00	\$ 324,808.74	\$ 2,054,808.74
2016	1,280,000.00	263,013.74	1,543,013.74
2017	1,280,000.00	209,051.24	1,489,051.24
2018	830,000.00	153,523.74	983,523.74
2019	831,500.00	120,151.24	951,651.24
2020-2024	2,700,000.00	206,950.00	2,906,950.00
	<u>\$ 8,651,500.00</u>	<u>\$ 1,277,498.70</u>	<u>\$ 9,928,998.70</u>

General Capital - College Bonds - County Share

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 940,000.00	\$ 272,460.00	\$ 1,212,460.00
2016	935,000.00	241,460.00	1,176,460.00
2017	935,000.00	205,510.00	1,140,510.00
2018	935,000.00	169,650.00	1,104,650.00
2019	935,000.00	133,240.00	1,068,240.00
2020-2024	2,920,000.00	216,190.00	3,136,190.00
	<u>\$ 7,600,000.00</u>	<u>\$ 1,238,510.00</u>	<u>\$ 8,838,510.00</u>

General Capital - Vocational Technical School Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,140,000.00	\$ 226,300.00	\$ 1,366,300.00
2016	540,000.00	193,300.00	733,300.00
2017	540,000.00	173,900.00	713,900.00
2018	540,000.00	152,300.00	692,300.00
2019	540,000.00	73,700.00	613,700.00
2020-2024	2,480,000.00	361,400.00	2,841,400.00
2025-2026	<u>870,000.00</u>	<u>26,100.00</u>	<u>896,100.00</u>
	<u>\$ 6,650,000.00</u>	<u>\$ 1,207,000.00</u>	<u>\$ 7,857,000.00</u>

**COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2014

Note 8. Long-Term Debt (continued)

General Capital - Installment Purchase Agreement

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ -	\$ 108,817.50	\$ 108,817.50
2016	-	108,817.50	108,817.50
2017	-	108,817.50	108,817.50
2018	-	108,817.50	108,817.50
2019	-	108,817.50	108,817.50
2020-2024	1,900,000.00	507,987.50	2,407,987.50
2025-2029	<u>755,000.00</u>	<u>183,087.50</u>	<u>938,087.50</u>
	<u>\$ 2,655,000.00</u>	<u>\$ 1,235,162.50</u>	<u>\$ 3,890,162.50</u>

General Capital - Green Acres Trust Loans

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 162,069.10	\$ 2,083.62	\$ 164,152.72
	<u>\$ 162,069.10</u>	<u>\$ 2,083.62</u>	<u>\$ 164,152.72</u>

Reclamation Capital Fund - Serial Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 2,575,000.00	\$ 600,380.00	\$ 3,175,380.00
2016	2,610,000.00	507,267.50	3,117,267.50
2017	2,600,000.00	411,555.00	3,011,555.00
2018	975,000.00	340,550.00	1,315,550.00
2019	975,000.00	301,910.00	1,276,910.00
2020-2024	4,555,000.00	983,385.00	5,538,385.00
2025-2029	<u>3,660,000.00</u>	<u>250,500.00</u>	<u>3,910,500.00</u>
	<u>\$ 17,950,000.00</u>	<u>\$ 3,395,547.50</u>	<u>\$ 21,345,547.50</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**

YEAR ENDED DECEMBER 31, 2014

Note 8. Long-Term Debt (continued)

Installment Purchase Agreement

Hofling Easement

The County of Monmouth purchased land in Upper Freehold Township through an Installment Purchase Agreement (“IPA”) in the sum of \$1,115,380.00. Funding for the acquisition was as follows:

\$ 295,436.25	(County Board Ordinance)
100,000.00	(County Trust – Open Space)
<u>267,691.20</u>	(Township of Upper Freehold Grant)
<u>\$ 663,127.45</u>	

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

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

<u>Year</u>	<u>Interest</u>	<u>Principal</u>
2015-2029	\$ 36,617.50	
11/15/2029		<u>\$ 755,000.00</u>

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

Scheuing Easement

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

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

**COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2014

Note 8. Long-Term Debt (continued)

<u>Year</u>	<u>Interest</u>	<u>Principal</u>
2015-2024	\$ 72,200.00	
5/15/24		<u>\$ 1,900,000.00</u>

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

	Balance December 31, <u>2013</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2014</u>	Balance Due Within <u>One Year</u>
Current Fund:					
General Bonds and Notes Outstanding	\$ 341,160,500.00	\$ 60,850,000.00	\$ 58,137,000.00	\$ 343,873,500.00	\$ 36,660,000.00
Open Space Bonds	34,350,000.00	10,000,000.00	3,465,000.00	40,885,000.00	4,005,000.00
County College Bonds-State	7,221,500.00	2,875,000.00	1,445,000.00	8,651,500.00	1,730,000.00
County College Bonds-County	5,375,000.00	2,875,000.00	650,000.00	7,600,000.00	940,000.00
Vocational School Bonds	2,100,000.00	5,250,000.00	700,000.00	6,650,000.00	1,140,000.00
Green Acres Loans	508,694.95	-	346,625.85	162,069.10	162,069.10
Installment Purchase Agreement	2,655,000.00	-	-	2,655,000.00	-
Monmouth County Improvement Authority - Guarantee	370,200,000.00	58,170,000.00	73,865,000.00	354,505,000.00	29,600,000.00
	<u>\$ 763,570,694.95</u>	<u>\$ 140,020,000.00</u>	<u>\$ 138,608,625.85</u>	<u>\$ 764,982,069.10</u>	<u>\$ 74,237,069.10</u>
Reclamation Center:					
Utility Bonds & Notes	\$ 12,900,000.00	\$ 7,150,000.00	\$ 2,100,000.00	\$ 17,950,000.00	\$ 2,575,000.00
Total	<u>\$ 12,900,000.00</u>	<u>\$ 7,150,000.00</u>	<u>\$ 2,100,000.00</u>	<u>\$ 17,950,000.00</u>	<u>\$ 2,575,000.00</u>

Note 9. Bonds and Notes Authorized But Not Issued

At December 31, 2014, the County had authorized but not issued bonds and notes as follows:

General Capital Fund	\$ 73,847,500.00
Reclamation Utility Capital Fund	4,325,000.00
Monmouth County Improvement Authority Guarantee	<u>900,000.00</u>
Net Bonds and Notes Authorized But Not Issued	<u>\$ 79,072,500.00</u>

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Note 10. Bond Anticipation Notes

The County issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding ten years. 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 prescribes that, on or before the third anniversary date of the original note, a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Legal installments must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance.

On December 31, 2014, the County had no outstanding bond anticipation notes.

Note 11. Deferred Charges to be Raised in Succeeding Years' Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, there were no deferred charges shown on the various balance sheets.

Note 12. Accrued Sick and Vacation Benefits

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 \$1,183,613.75 and \$1,170,504.75, as of December 31, 2014 and 2013, respectively, which is also part of the unfunded liability.

While the County does not accrue this liability, the unfunded liability at December 31, 2014 is \$6,434,496.69 based on the eligible employees. A reserve has been established in the Trust Fund and at December 31, 2014 was \$519,169.57.

**COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2014

Note 13. Deferred Compensation Program

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

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

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

Note 14. Capital Equipment Pooled Lease Guarantee

The Monmouth County Improvement Authority has issued capital equipment pooled lease revenue bonds for the purpose of financing the acquisition of equipment for lease to certain governmental units located within the County. Payment of interest and principal on the bonds is unconditionally and irrevocably guaranteed by the lessees of the equipment and the County. The bonds mature serially through the year 2023. At December 31, 2014, the bonds included the following issues:

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Rate</u>	Balance December 31, <u>2014</u>
2005E	\$ 21,905,000.00	5.000%	\$ 1,800,000.00
2007D	19,940,000.00	5.000%	3,530,000.00
2009B	7,490,000.00	4.000-4.250%	1,280,000.00
2011C	11,510,000.00	2.500-5.000%	5,190,000.00
2013C	18,820,000.00	4.000-5.000%	<u>15,730,000.00</u>
			<u><u>\$ 27,530,000.00</u></u>

Note 15. Governmental Loan Refunding Revenue Bonds Guarantee

The Monmouth County Improvement Authority has issued government loan refunding revenue bonds for the purpose of refinancing various capital improvements of the Refunding Borrower Bonds. Payment of interest and principal on the bonds is unconditionally and irrevocably guaranteed by Refunding Borrower and the County. The bonds mature serially through the year 2026. At December 31, 2014, the bonds included the following issues:

**COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2014

Note 15. Governmental Loan Refunding Revenue Bonds Guarantee (continued):

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Rate</u>	<u>Balance December 31, 2014</u>
2006	\$ 21,670,000.00	3.800-5.000%	\$ 1,245,000.00
2011	14,470,000.00	2.500-5.000%	5,940,000.00
2012	62,315,000.00	4.000-5.000%	55,710,000.00
2014A	2,415,000.00	2.000-4.000%	2,345,000.00
2014B	6,990,000.00	0.4000-2.350	6,870,000.00
2014C	9,460,000.00	3.000-5.000%	9,460,000.00
			\$ 81,570,000.00

Note 16. Governmental Loan Revenue Bonds Guarantee

The Monmouth County Improvement Authority has issued government loan revenue bonds for the purpose of refinancing various capital improvements of the Borrower. Payment of interest and principal on the bonds is unconditionally and irrevocably guaranteed by Borrower and the County. The bonds mature serially through the year 2034. At December 31, 2014, the bonds included the following issues:

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Rate</u>	<u>Balance December 31, 2014</u>
2008	\$ 40,075,000.00	4.000-5.250%	\$ 28,865,000.00
2009	14,180,000.00	4.000-5.000%	10,515,000.00
2010	9,355,000.00	3.000-5.000%	7,970,000.00
2011	40,325,000.00	2.500-5.000%	35,115,000.00
2011B	14,850,000.00	3.000-5.000%	12,065,000.00
2012	9,720,000.00	2.000-4.000%	8,730,000.00
2013A	20,655,000.00	2.000-5.000%	20,005,000.00
2013B	9,110,000.00	0.600-1.950%	8,605,000.00
2013E	34,715,000.00	3.000-5.000%	33,165,000.00
2014D	39,495,000.00	3.000-5.000%	39,495,000.00
			\$ 204,530,000.00

**COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2014

Note 17. Lease Revenue Bonds Brookdale Community College Guarantee

The Monmouth County Improvement Authority has issued government loan revenue bonds for the purpose of refinancing various capital improvements of the College. Payment of interest and principal on the bonds is unconditionally and irrevocably guaranteed by Borrower and the County. The bonds mature serially through the year 2038. At December 31, 2014, the bonds included the following issues:

<u>Issue</u>	<u>Amount of Issue</u>	<u>Rate</u>	<u>Balance December 31, 2014</u>
2008	\$ 27,850,000.00	4.375-6.00%	\$ 25,130,000.00
2009	11,250,000.00	3.000-5.125%	9,410,000.00
2012	7,660,000.00	2.000-5.000%	6,335,000.00
			\$ 40,875,000.00

Note 18. Governmental Pooled Loan Revenue Notes Guarantee

The Monmouth County Improvement Authority has issued government loan revenue notes for the purpose of refinancing various costs of Superstorm Sandy. Payment of interest and principal on the note is unconditionally and irrevocably guaranteed by the County. The notes mature serially through the year 2014. At December 31, 2014, there were no notes.

Note 19. Arbitrage

In general, when a rebate occurs as a result of investment activity in bond proceeds, the liability is payable to the Internal Revenue Service on a computation date in the fifth year subsequent to the date of issue of the bonds. Thus, depending upon continued investment activity in the proceeds, together with expenditures for the purpose of the bonds and interest rates, the ultimate rebate liability on the fifth year computation date may be more or less than the liability computed in any interim. A penalty in-lieu of arbitrage rebate is set-up to be paid every six months instead of the five year requirement.

For its \$60,445,000 bond issue of April 27, 2004, the County has determined that there is an arbitrage rebate liability of \$457,785.15. In April 2009 on the first 5 year computation date a payment of \$360,738.75 was made. A reserve has been set-up as of 12/31/13 for the total estimated liability of \$96,108.95. In May of 2014 on the second 5 year computation date the actual payment of \$97,049.40 was made. As of December 31, 2014 no additional penalty is due.

For its \$30,000,000 bond issue of June 29, 2005, the County has been paying a penalty in-lieu of arbitrage rebate every six months after the initial 36 month spend down period in the amount of 1.5% of the unspent bond proceeds. A reserve in the amount of \$6,385.12 was set up at December 31, 2013. \$5,586.98 is the amount due as of the December 6, 2013 calculation date, and \$798.14 is an estimated amount calculated though December 31, 2013 for the next calculation date of 6/6/14. All bond proceeds from this issue were expended prior to June 6, 2014 and therefore no additional penalty is due and the \$798.14 reserve was cancelled.

**COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2014

Note 20. Risk Management

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

<u>Coverage</u>	<u>Self-Insured Retention</u>	<u>Excess Insurance</u>
General Liability	\$ 250,000.00	\$ 10,000,000.00
Automobile	250,000.00	10,000,000.00
Law Enforcement	500,000.00	10,000,000.00
Public Employee Dishonesty	10,000.00	1,000,000.00
Public Officials	200,000.00	5,000,000.00
Helicopter/Aviation	8,800.00/23,440.00	5,000,000.00
Environmental Impairment	15,000.00	3,000,000.00
Property	Various	150,000,000.00
Surety Bonds:		
M. Claire French, County Clerk		50,000.00
Shaun Golden, Sheriff		50,000.00
Craig R. Marshall, Treasurer		1,500,000.00

In respect to the excess insurance, the County's settled claims have not exceeded the commercial coverage in the past three years. At December 31, 2014, the amount on deposit in the Trust Fund was \$5,878,073.68.

Note 21. Reserve for Environmental Impairment Liability

In conjunction with its petition to increase its reclamation utility landfill rates, which were 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, 2014, the Reserve, which management considered to be adequate in terms of its risk, amounted to \$7,000,000.00.

Note 22. Contingent Liabilities

State and Federal Grants

The County receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2014, the County estimates that no material liabilities will result from such audits.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Note 22. Contingent Liabilities (continued):

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 2014, and post balance sheet period through June 19, 2015.

Note 23. Change Orders

Monmouth County approved the following change orders during 2014:

Marlee Contractors, LLC, Authorizing additional expenditure to perform boiler repairs at various County locations for the period January 1, 2013 through December 31, 2013.

General Healthcare and Carnegie Healthcare, Authorizing additional expenditure in excess of 20% of the original contract amount for Temporary/Emergency Licensed Practical Nurses and Certified Nurse's Aides. For the Monmouth County Care Centers for the period January 1, 2013 through December 31, 2013.

Benjamin R. Harvey Company, Inc., General Contractor – Authorizing change order number 7 at an increased cost of \$449,594.00 for the construction of the 2500 Kozloski Road Building, in the Township of Freehold with a contract completion date of August 18, 2013.

Lucas Brothers Inc., Authorizing change order number 1 at an increased cost of \$658,837.84 for the improvements to New Jersey Highway 33 and Wykoff Road-Shafto Road (County Route 547), in the County of Tinton Falls and Township of Wall.

Atlantic Lining Company, Inc., Authorizing change order 1 and final at an increased cost of \$127,166.00 for the furnishing, deliver, and installation of an exposed geo-membrane landfill cap on the North Slope at the Monmouth County Reclamation Center, in the County of Tinton Falls.

All American Healthcare and Firstat, Carnegie Healthcare, Authorizing additional expenditure in excess of 20% of the original contract amount for Temporary/Emergency Licensed Practical Nurses and Certified Nurse's Aides. For the Monmouth County Care Centers for the period January 1, 2014 through December 31, 2014.

High Energy Electrical Testing, Inc., Authorizing additional expenditure to furnish and deliver yearly and periodic maintenance and service to the electrical distribution systems, emergency generators and switchgear at the Monmouth County Reclamation Center.

H & R Healthcare, L.P., Authorizing additional expenditure to furnish rental of various medical beds and mattresses for residents at the John L. Montgomery Care Center for the period January 1, 2013 through December 31, 2014.

IEW Construction Group, Inc., Authorizing change order number 1 at an increased cost of \$200,000.00 for the 2014 maintenance contract for roadway, bridges, and facilities, at various sites in the County of Monmouth.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Note 23. Change Orders (continued):

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

Note 24. Subsequent Events

Monmouth County has evaluated subsequent events occurring after December 31, 2014 through the date of June 19, 2015, which is the date the financial statements were available to be issued.

On January 1, 2015 the County Mosquito Commission became part of the County.

On May 14, 2015 the County of Monmouth authorized the issuance of \$70,000,000 Bonds or Notes of the County for the refunding of certain general obligation bonds. On June 11, 2015 the County of Monmouth issued \$58,705,000 in General Obligation Bonds, Series 2015 consisting of \$43,615,000 General Improvement Refunding Bonds, Series 2015 and \$15,090,000 Open Space Refunding Bonds, Series 2015. \$11,295,000 remains as Bonds or Notes Authorized but not Issued.

On May 14, 2015 a Bond Ordinance for The Purchase of Equipment and Infrastructure Improvements for the County Vocational School in and by the County of Monmouth, in the appropriated amount of \$2,900,000.00 and Authorizing the issuance of \$2,900,000.00 Bonds or Notes of the County for Financing such Appropriation was adopted

On March 24, 2015, by resolution 2015-0237 the Board of Chosen Freeholders authorized the privatization/sale of the John L. Montgomery ("JLM") and Geraldine L. Thompson ("GLT") Care Centers.

On May 28, 2015 a Bond Ordinance Reappropriating \$4,334,295.78 Proceeds of Obligations and Certain Other Funds not needed for their original purpose and to be used for Improvements to Road and Bridges by the County of Monmouth was adopted.

On May 28, 2015 a Bond Ordinance Providing an Appropriation of \$46,420,000.00 for Various Improvements and Purposes for and by the County of Monmouth and Authorizing the Issuance of \$44,195,000.00 Bonds or Notes of the County For Financing part of the Cost was adopted

On May 28, 2015 a Bond Ordinance Amending Various Bond Ordinances to Amend the Description to Provide for Bridge Improvements and Road Improvements and by the County of Monmouth

On May 28, 2015 a Bond Ordinance Providing an Appropriation of \$1,480,000.00 for Various Equipment for Reclamation Center for and by the County of Monmouth and Authorizing the Issuance of \$1,480,000.00 Bonds or Notes of the County for Financing Part of the Cost was adopted.

On April 23, 2015 the County unconditionally guaranteed \$62,875,000 Monmouth County Improvement Authority Governmental Pooled Loan Revenue Bonds to eighteen towns within Monmouth County. As of June 19, 2015 the County of Monmouth issued \$15,530,000 of Governmental Pooled Loan Refunding Revenue Bonds, Series 2015, \$1,070,000 was cancelled and \$46,275,000 remains unsold.

APPENDIX B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE is made as of December 1, 2015 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 2015, consisting of \$73,790,000 General Improvement Bonds, Series 2015, \$5,000,000 Open Space Bonds, Series 2015, \$5,805,000 Reclamation Center Utility Bonds, Series 2015, \$4,385,000 County Vocational School Bonds, Series 2015 (New Jersey School Bond Reserve Act, P.L. 1980, c. 72), \$1,600,000 County College Bonds, Series 2015 and \$1,600,000 County College Bonds, Series 2015 (County College Bond Act, P.L. 1971, c. 12) (collectively, the “Bonds”), dated December 1, 2015, in the aggregate principal amount of \$92,180,000 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 November 17, 2015; and

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

WHEREAS, the Issuer represented in its Notice of Sale dated November 5, 2015 (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 required to be disclosed on a continual basis pursuant to Rule 15c2-12; and

WHEREAS, on November 17, 2015, the Issuer accepted the bid of J.P. Morgan Securities 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	Rule 15c2-12
Issuer	SEC
Notice of Sale	Securities and Exchange Act
Participating Underwriter	

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

“Annual Report” means Financial Statements and Operating Data provided at least annually, in the word-searchable .pdf format and with the accompanying indentifying information, as required by the MSRB.

“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 Newark, New Jersey are authorized or required by law to close or (c) a day on which the New York Stock Exchange is closed.

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

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

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

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

“Final Official Statement” means the final Official Statement of the Issuer dated November 17, 2015 pertaining to the Bonds.

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

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

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

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

“Operating Data” means the financial and statistical information of the Issuer of the type included in the Final Official Statement under the headings “Assessed Valuation of Real Property and Equalized Valuations Taxable and Tax Rates”, “Distribution of Assessed Valuation,” “List of Monmouth County Twelve Largest Taxpayers”, “Comparative County Budgets”, “Statement of Statutory Net Debt,” “Schedule of Debt Service,” “Debt Analysis” and “Other County Obligations”.

“State” means the State of New Jersey.

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

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

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

ARTICLE II

CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

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

(a) Not later than the first day of the ninth month after the end of each Fiscal Year of the Issuer, commencing with the first Fiscal Year of the Issuer ending after January 1, 2015 (which ends on December 31, 2015), an Annual Report to the MSRB;

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

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

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

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

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

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

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

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

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

Section 2.3 Form of Annual Report.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

DISCLOSURE DEFAULT AND REMEDIES

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

Section 3.2 Remedies on Default.

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

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

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

ARTICLE IV

MISCELLANEOUS

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

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

Section 4.3 Notices. All notices required to be given or authorized shall be in writing and shall be sent by registered or certified mail to the Issuer, Hall of Records, One East Main Street, Finance Department, Freehold, New Jersey 07728-1256, Attention: Craig R. Marshall.

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

Section 4.5 Amendments, Changes and Modifications.

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

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

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

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

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

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

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

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

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

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

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

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

[SEAL]

THE COUNTY OF MONMOUTH, NEW JERSEY

By: _____
Craig R. Marshall, Director of Finance

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APPENDIX C
NOTICE OF SALE

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NOTICE OF SALE

\$92,180,000

**COUNTY OF MONMOUTH
NEW JERSEY**

GENERAL OBLIGATION BONDS, SERIES 2015

Consisting of

\$73,790,000 General Improvement Bonds, Series 2015
\$5,000,000 Open Space Bonds, Series 2015
\$5,805,000 Reclamation Center Utility Bonds, Series 2015
\$4,385,000 County Vocational School Bonds, Series 2015
(New Jersey School Bond Reserve Act, P.L. 1980, c.72)
\$1,600,000 County College Bonds, Series 2015
and
\$1,600,000 County College Bonds, Series 2015
(County College Bond Act, P.L. 1971, c. 12)
(BOOK-ENTRY BONDS) (CALLABLE)

ELECTRONIC BIDS, via BiDCOMP/PARITY Competitive Bidding System (BiDCOMP/Parity) (the "Proposals") only, will be received by the Director of Finance of the Board of Chosen Freeholders of the County of Monmouth, New Jersey (the "County"), on November 17, 2015 until 10:45 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 \$92,180,000 General Obligation Bonds, Series 2015, consisting of \$73,790,000 General Improvement Bonds, Series 2015, \$5,000,000 Open Space Bonds, Series 2015, \$5,805,000 Reclamation Center Utility Bonds, Series 2015, \$4,385,000 County Vocational School Bonds, Series 2015 (New Jersey School Bond Reserve Act, P.L. 1980, c.72), \$1,600,000 County College Bonds, Series 2015 and \$1,600,000 County College Bonds, Series 2015 (County College Bond Act, P.L. 1971, c. 12) (the "Bonds"). Bidders are required to submit their Proposals for the purchase of the Bonds in accordance with the terms of the Notice of Sale.

Interest Payment Dates

The Bonds will be dated the date of delivery (which is expected to be December 1, 2015) and will bear interest at the rate per annum specified by the successful bidder therefor in accordance herewith, payable on July 15, 2016 and semi-annually thereafter on the fifteenth day of January and July 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 July 15 of each of the following years and in the following aggregate amounts:

\$73,790,000 General Improvement Bonds, Series 2015, maturing in the principal amount of \$2,545,000 in the year 2016; \$5,085,000 in each of the years 2017 through 2019, inclusive; and \$5,090,000 in each of the years 2020 through 2030, inclusive;

\$5,000,000 Open Space Bonds, Series 2015, maturing in the principal amount of \$330,000 in each of the years 2016 through 2020, inclusive; and \$335,000 in each of the years 2021 through 2030, inclusive;

\$5,805,000 Reclamation Center Utility Bonds, Series 2015, maturing in the principal amount of \$385,000 in each of the years 2016 through 2024, inclusive; and \$390,000 in each of the years 2025 through 2030, inclusive;

\$4,385,000 County Vocational School Bonds, Series 2015 (New Jersey School Bond Reserve Act, P.L. 1980, c.72), maturing in the principal amount of \$365,000 in each of the years 2016 through 2026, inclusive; and \$370,000 in the year 2027;

\$1,600,000 County College Bonds, Series 2015, maturing in the principal amount of \$160,000 in each of the years 2016 through 2025, inclusive; and

\$1,600,000 County College Bonds, Series 2015 (County College Bond Act, P.L. 1971, c. 12), maturing in the principal amount of \$160,000 in each of the years 2016 through 2025, inclusive.

The combined maturity schedule for the Bonds is as follows:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>
2016	\$3,945,000	2024	\$6,495,000
2017	6,485,000	2025	6,500,000
2018	6,485,000	2026	6,180,000
2019	6,485,000	2027	6,185,000
2020	6,490,000	2028	5,815,000
2021	6,495,000	2029	5,815,000
2022	6,495,000	2030	5,815,000
2023	6,495,000		

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 July 15, 2025 shall not be subject to redemption prior to their respective maturity dates. The Bonds maturing on or after July 15, 2026 shall be subject to redemption prior to their respective maturity dates, on or after July 15, 2025 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 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, at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. However, so long as DTC (or any successor thereto) acts as Securities Depository (as defined herein) for the Bonds, Notices of Redemption shall be sent to such depository and shall not be sent to the beneficial owners of the Bonds, and will be done in accordance with DTC procedures. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the County determines to redeem a portion of the Bonds of a maturity, such Bonds shall be selected by 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.

County College Bond Act

The County College Bonds, Series 2015 (County College Bond Act, P.L. 1971, c. 12) are entitled to the benefits of the County College Bond Act (N.J.S.A. 18A:64A-22.1 et seq.). Under the provisions of the County College Bond Act, the State shall appropriate annually and pay an amount equal to the amount of principal and interest due on the bonds entitled to the provisions of the County College Bond Act. The amounts paid by the State pursuant to said Act are paid directly to the paying agent for the bonds and therefore must be used for the payment of the principal of and interest on said bonds. Any bonds or notes entitled to the benefits of the County College Bond Act shall not be deemed to be a debt or liability of the State or a pledge of the faith and credit of the State, but are dependent for repayment upon appropriations provided by law from time to time.

New Jersey School Bond Reserve Act

The County Vocational School Bonds, Series 2015 (New Jersey School Bond Reserve Act, P.L. 1980, c.72) also will be secured by the School Bond Reserve (the "School Bond Reserve") established in the Fund for the Support of Free Public Schools of the State of New Jersey (the "Fund") and in accordance with the New Jersey School Bond Reserve Act, P.L. 1980 Ch. 72, approved July 16, 1980 (the "New Jersey School Bond Reserve Act").

Book-Entry-Only System

As long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly to Cede & Co., as nominee of DTC, which will credit payments of principal of and interest on the Bonds to the DTC participants as listed in the records of DTC as of each next preceding January 1 and July 1, 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 10:45 a.m., New York City time, on November 17, 2015, 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 Proposals 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%). No bond of any maturity may be reoffered at a price less than one hundred percent (100%) of the principal amount of such bond. Each Proposal submitted must be for all of the Bonds and the purchase price specified in the proposal must be not less than one hundred percent (100%) of the aggregate par value of the Bonds.

Award, Delivery and Payment

The Bonds will be awarded to the bidder on whose bid the total loan may be made at the lowest true interest cost. Such true interest cost shall be computed, as to each bid, by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds and the price bid, excluding accrued interest to the delivery date. No Proposal shall be considered that offers to pay an amount less than the principal amount of Bonds offered for sale or under which the total loan is made at an interest cost higher than the lowest true interest cost to the County under any legally acceptable proposal. If two or more such bidders offer to pay the lowest true interest cost, then the Bonds will be sold to one of such bidders selected by lot from among all such bidders. The bidder to which the Bonds are awarded (in the manner specified above) is herein referred to as the "Successful Bidder."

It is expected that delivery of the Bonds to DTC and payment for the Bonds will take place on or about, December 1, 2015 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 10:45 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 an electronic transfer of immediately available federal funds in accordance with the wiring instructions contained in the immediately succeeding paragraph, in the amount of \$1,843,600 is required for each bid for the Bonds to be considered.

Bidders shall contact Xun Lin, Public Resources Advisory Group, at xlin@pragadvisors.com or telephone (212) 566-7800, for wire instructions with respect to transmittal of such funds to the County.

Such funds must be received in the account identified immediately above no later than 10:45 a.m. New York City time on the date for receipt of bids, and must be accompanied by detailed wiring instructions for the return thereof in the event that such bidder is not the Successful Bidder. Please note that the contact information provided immediately above should be used by bidders for the purposes of confirming receipt of electronic transfer of funds and the transmittal of instructions for the return of such electronic transfers of funds in the event such bidder is not the Successful Bidder. Electronic transfers of funds of unsuccessful bidders for the Bonds will be returned upon award of the Bonds. It is the intent of the County that electronic transfers of funds will be returned via wire transfer to the unsuccessful bidders not later than 5:00 p.m. on the date for receipt of bids, provided that wiring instructions have been provided by such unsuccessful bidder at the time of transmission of the Deposit to the County. The County shall not bear any liability for any delay that may occur in the return of an electronic transfer of the Deposit to an unsuccessful bidder. Interest earned on the Deposit will be credited to the County and will not be available to the Successful Bidder for the Bonds.

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

Bond Insurance

If the Bonds qualify for issuance of any policy of municipal bond insurance, any purchase of such policy shall be at the sole option and expense of the Successful Bidder. If the Bonds are to be insured, the Successful Bidder shall pay the premium therefor prior to the delivery of the Bonds. Any failure of the Bonds to be so insured or of any such policy of

insurance to be issued shall not in any way relieve the Successful Bidder of its contractual obligations arising from the acceptance of its Proposal for Bonds for the purchase of the Bonds.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for the failure or refusal of the Successful Bidder to accept delivery of and pay for the Bonds. The CUSIP Service Bureau charges for the assignment of CUSIP numbers on the Bonds shall be the responsibility of and shall be paid for by the Successful Bidder. **THREE SERIES OF CUSIP NUMBERS WILL BE ASSIGNED TO THE BONDS AS FOLLOWS: (1) ONE SERIES OF CUSIP NUMBERS WILL BE ASSIGNED TO THE COUNTY VOCATIONAL SCHOOL BONDS, SERIES 2015 (NEW JERSEY SCHOOL BOND RESERVE ACT, P.L. 1980, C.72); (2) A SEPARATE SERIES OF CUSIP NUMBERS WILL BE ASSIGNED TO THE COUNTY COLLEGE BONDS, SERIES 2015 (COUNTY COLLEGE BOND ACT, P.L. 1971, C. 12); AND (3) A SEPARATE SERIES OF CUSIP NUMBERS WILL BE ASSIGNED TO THE GENERAL IMPROVEMENT BONDS, SERIES 2015, OPEN SPACE BONDS, SERIES 2015, RECLAMATION CENTER UTILITY BONDS, SERIES 2015 AND COUNTY COLLEGE BONDS, SERIES 2015.**

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 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 (A COPY OF THE FORM OF SUCH CERTIFICATION IS AVAILABLE UPON REQUEST FROM BOND COUNSEL AT TELEPHONE NO. (973) 596-4777) TO THE EFFECT THAT (I) THE SUCCESSFUL BIDDER HAVE MADE A BONA FIDE PUBLIC OFFERING OF BONDS AT THE INITIAL REOFFERING PRICES, (II) AS OF THE DATE OF THE SALE OF THE BONDS, THE SUCCESSFUL BIDDER REASONABLY EXPECTED TO SELL A SUBSTANTIAL AMOUNT OF THE BONDS TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT THEIR RESPECTIVE INITIAL REOFFERING PRICES, AND (III) SUBSTANTIAL AMOUNTS OF THE BONDS WERE SOLD TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT THEIR RESPECTIVE INITIAL REOFFERING PRICES. Bond counsel advises that (i) such certificate must be made on the best knowledge, information and belief of the successful bidder, (ii) the sale to the public of 10% or more in par amount of the bonds of each maturity at the initial reoffering prices would be sufficient to certify as to the sale of a substantial amount of the bonds, and (iii) reliance on other facts as a basis for such certification would require evaluation by bond counsel to assure compliance with the statutory requirement to avoid the establishment of an artificial price for the Bonds.

Legal Opinions

The obligations hereunder to pay for and to accept delivery of the Bonds shall be conditioned on the availability and the delivery at the time of delivery of the Bonds of the approving opinion of the law firm of Gibbons P.C., Newark, New Jersey, bond counsel to the County, which will be furnished without cost to the Successful Bidder, substantially in the form set forth in the Official Statement distributed in preliminary form in connection with the sale of the Bonds. Such opinion shall state to the effect that the Bonds are valid and legally binding obligations of the County, and that all the taxable property therein will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, to pay the principal of the Bonds and the interest thereon; and will also state that under existing law, interest on the Bonds is excluded from gross income for purposes of Federal income taxation. The obligations hereunder to pay for and to accept delivery of the Bonds shall be further conditioned on the availability and delivery to the Successful Bidder, at the time of delivery of the Bonds, of (i) certificates from the County Finance Director in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds, the receipt of payment therefor and the fact the Bonds will not be arbitrage obligations within the meaning of the Code; (ii) a certificate from the County Attorney, in form and tenor satisfactory to Bond Counsel and dated as of the date of such delivery, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened affecting the validity of the Bonds; and (iii) a certificate from the County Finance Director, in form and tenor satisfactory to Bond Counsel and dated as of the date of such delivery, to the effect that to the best of his knowledge of such and belief, and after reasonable investigation: (1) neither the Official Statement relating to the Bonds nor any amendment, or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading; (2) since the date of the Official Statement (or the date of the most recent amendment or supplement thereto) no event has

occurred which would make the statements therein untrue or, in the light of the circumstances in which they were made, misleading, and (3) there has not been any material adverse change in the operation or financial affairs of the County since the date of such Official Statement.

Preliminary Official Statement

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

The Preliminary Official Statement may be accessed via the Internet at www.i-dealprospectus.com. A printed version is also available upon request made to the Director of Finance of the County at One East Main Street, Finance Department, Freehold, New Jersey 07728-1256 (telephone (732) 431-7391), or from the County’s financial advisor, Public Resources Advisory Group, 39 Broadway, New York, New York 10006 (telephone (212) 566-7800).

Official Statement

The County agrees to provide the successful bidder with up to fifty (50) copies of the final Official Statement adopted by the County in relation to the sale by the County of the Bonds within the period of time allowed under Rule 15c2-12, at the sole cost and expense of the County, with any additional copies which the successful bidder shall reasonably request to be provided at the sole cost and expense of the successful bidder.

Continuing Disclosure

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

Craig R. Marshall
Director of Finance

Dated: November 5, 2015

APPENDIX D

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

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December __, 2015

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 \$92,180,000 aggregate principal amount of General Obligation Bonds, Series 2015, consisting of \$73,790,000 General Improvement Bonds, Series 2015 (the "Series 2015A Bonds"), \$5,000,000 Open Space Bonds, Series 2015 (the "Series 2015B Bonds"), \$5,805,000 Reclamation Center Utility Bonds, Series 2015 (the "Series 2015C Bonds"), \$4,385,000 County Vocational School Bonds, Series 2015 (New Jersey School Bond Reserve Act, P.L. 1980, c. 72) (the "Series 2015D Bonds"), \$1,600,000 County College Bonds, Series 2015 (the "Series 2015E Bonds") and \$1,600,000 County College Bonds, Series 2015 (County College Bond Act, P.L. 1971, c. 12) (the "Series 2015F Bonds", and together with the Series 2015A Bonds, the Series 2015B Bonds, the Series 2015C Bonds, the Series 2015D Bonds and the Series 2015E Bonds, the "Series 2015 Bonds"), dated the date of delivery (collectively, the "Bonds").

The Bonds are issued pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the New Jersey Statutes (the "Local Bond Law"), and where appropriate, Title 18A, Education of the New Jersey Statutes, as amended (the "Education Law"), a resolution of the Board of Chosen Freeholders adopted on October 22, 2015 (the "Resolution") and by virtue of various bond ordinances of the County (the "Bond Ordinances").

The Bonds are dated the date of delivery, bear interest at the interest rates set forth on the inside front cover of the Official Statement relating to the Bonds and mature on July 15 in the principal amounts as set forth below:

Board of Chosen Freeholders
 County of Monmouth
 December __, 2015
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<u>Year</u>	<u>Series 2015A Bonds</u>	<u>Series 2015B Bonds</u>	<u>Series 2015C Bonds</u>	<u>Series 2015D Bonds</u>	<u>Series 2015E Bonds</u>	<u>Series 2015F Bonds</u>
2016	\$2,545,000	\$330,000	\$385,000	\$365,000	\$160,000	\$160,000
2017	5,085,000	330,000	385,000	365,000	160,000	160,000
2018	5,085,000	330,000	385,000	365,000	160,000	160,000
2019	5,085,000	330,000	385,000	365,000	160,000	160,000
2020	5,090,000	330,000	385,000	365,000	160,000	160,000
2021	5,090,000	335,000	385,000	365,000	160,000	160,000
2022	5,090,000	335,000	385,000	365,000	160,000	160,000
2023	5,090,000	335,000	385,000	365,000	160,000	160,000
2024	5,090,000	335,000	385,000	365,000	160,000	160,000
2025	5,090,000	335,000	390,000	365,000	160,000	160,000
2026	5,090,000	335,000	390,000	365,000	-	-
2027	5,090,000	335,000	390,000	370,000	-	-
2028	5,090,000	335,000	390,000	-	-	-
2029	5,090,000	335,000	390,000	-	-	-
2030	5,090,000	335,000	390,000	-	-	-

The Bonds are subject to redemption prior to maturity.

We have examined the Local Bond Law, the Education 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, the Education 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 the date of issuance and 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 made certain representations and covenants in its tax certificate, which is executed on the date of issuance of the Bonds, as to various tax requirements. In addition, 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 fail to take 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. With your permission, we have relied upon the representations made in the tax certificate and have assumed continuing compliance by the County with the above covenants in rendering our federal tax 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 for purposes of this letter 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.

Board of Chosen Freeholders
County of Monmouth
December __, 2015
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The opinions expressed herein are based upon the laws and judicial decisions of the State of New Jersey and the federal laws and judicial decisions of the United States as of the date hereof and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions, or laws or judicial decisions hereafter enacted or rendered. Our engagement by the County with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or otherwise inform the addressee hereof of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for this opinion letter or of laws or judicial decisions hereafter enacted or rendered which impact on this opinion letter.

This opinion letter is rendered to you in connection with the above described transaction. This opinion letter may not be relied upon by you for any other purpose, or relied upon by, or furnished to, any other person, firm or corporation without our prior written consent. This is only an opinion letter and not a warranty or guaranty of the matters discussed herein.

Very truly yours,