

NEW ISSUE - BOOK-ENTRY ONLY

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

In the opinion of Gibbons, Del Deo, Dolan, Griffinger & Vecchione, a Professional Corporation, Bond Counsel to the County, assuming continuing compliance by the County with certain tax covenants described herein, under existing law, interest on the Series 2005 Bonds is excluded from the gross income of the owners of the Series 2005 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 2005 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 2005 Bonds, interest on the Series 2005 Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Series 2005 Bonds in "adjusted current earnings" of certain corporations. See "TAX MATTERS" herein.

**\$38,565,000
COUNTY OF MONMOUTH
New Jersey
General Obligation Bonds, Series 2005
Consisting of**

**\$27,035,000 General Improvement Bonds, Series 2005A
\$4,530,000 County College Bonds, Series 2005B
(County College Bonds Act, P.L. 1971, c. 12) and
\$7,000,000 Utility Bonds, Series 2005C**

Dated: Date of Delivery

Due: January 15, as shown below

The \$38,565,000 General Obligation Bonds, Series 2005 consisting of \$27,035,000 General Improvement Bonds, Series 2005A (the "Series 2005A Bonds"), \$4,530,000 County College Bonds, Series 2005B (County College Bonds Act, P.L. 1971, c.12) (the "Series 2005B Bonds") and \$7,000,000 Utility Bonds, Series 2005C (the "Series 2005C Bonds" and together with the Series 2005A Bonds and the Series 2005B Bonds, the "Series 2005 Bonds") will be issued by the County of Monmouth, New Jersey (the "County") in fully registered form and, when issued, the Series 2005 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house transactions, which will act as securities depository for the Series 2005 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 2005 Bonds, principal of, redemption premium, if any, and interest (payable semi-annually on January 15, 2006 and on each July 15 and January 15 thereafter until maturity), on the Series 2005 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 2005 Bonds. See "OTHER INFORMATION - The DTC Book-Entry-Only System" herein.

The Series 2005 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 (the "Education Law") and various ordinances and resolutions of the County, to permanently finance specified general improvements and to pay the costs of issuance with respect to the Series 2005 Bonds. The Series 2005B Bonds are also being issued pursuant to the County College Bond Act, P.L. 1971, c. 12 (N.J.S.A. 18A:64A-22.1 *et. seq.*).

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 2005 Bonds. The Series 2005 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 2005 Bonds maturing on or after January 15, 2016 are subject to redemption prior to maturity as set forth herein.

\$27,035,000 General Improvement Bonds, Series 2005A

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2006	\$1,750,000	3.00%	2.58%	2014	\$1,950,000	5.00%	3.75%
2007	2,000,000	3.00	2.75	2015	2,000,000	5.00	3.84
2008	2,000,000	5.00	2.93	2016	2,000,000	5.00	3.95
2009	2,000,000	5.00	3.09	2017	2,000,000	5.00	4.02
2010	1,435,000	3.50	3.24	2018	2,000,000	5.00	4.08
2011	1,000,000	3.75	3.38	2019	2,000,000	4.50	4.28
2012	1,000,000	4.00	3.52	2020	2,000,000	4.50	4.33
2013	1,900,000	5.00	3.65				

**\$4,530,000 County College Bonds, Series 2005B
(County College Bond Act, P.L. 1971, c.12)**

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2006	\$455,000	3.00%	2.58%	2011	\$455,000	3.75%	3.38%
2007	455,000	3.00	2.75	2012	450,000	4.00	3.52
2008	455,000	5.00	2.93	2013	450,000	5.00	3.65
2009	455,000	5.00	3.09	2014	450,000	5.00	3.75
2010	455,000	3.50	3.24	2015	450,000	5.00	3.84

\$7,000,000 Utility Bonds, Series 2005C

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2006	\$400,000	3.00%	2.58%	2012	\$750,000	4.00%	3.52%
2007	400,000	3.00	2.75	2013	750,000	5.00	3.65
2008	400,000	5.00	2.93	2014	750,000	5.00	3.75
2009	400,000	5.00	3.09	2015	750,000	5.00	3.84
2010	400,000	3.50	3.24	2016	800,000	5.00	3.95
2011	400,000	3.75	3.38	2017	800,000	5.00	4.02

The issuance of the Series 2005 Bonds is subject to the approving legal opinion of Gibbons, Del Deo, Dolan, Griffinger & Vecchione, a Professional Corporation, Newark, New Jersey, Bond Counsel to the County, and certain other conditions described herein. It is anticipated that the Series 2005 Bonds will be available for delivery to DTC on or about April 19, 2005, in New York, New York, or at such other place and time as may be agreed to by the County.

Dated: April 5, 2005

COUNTY OF MONMOUTH
STATE OF NEW JERSEY

BOARD OF CHOSEN FREEHOLDERS

Thomas J. Powers	Director of the Board
Amy H. Handlin	Deputy Director
Theodore J. Narozanick	Freeholder
William C. Barham	Freeholder
Robert D. Clifton	Freeholder

COUNTY OFFICIALS

Louis Paparozzi	County Administrator
James S. Gray	Clerk of the Board of Chosen Freeholders
Mark E. Acker	Director of Finance
Malcolm V. Carton	County Counsel
Mark E. Acker	County Treasurer

PROFESSIONALS

Gibbons, Del Deo, Dolan, Griffinger & Vecchione P.C.	Bond Counsel
Armour Hulsart & Co.	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 2005 Bonds, other than those contained in this Official Statement, in connection with the offering of the Series 2005 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 2005 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 2005 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 2005 Bonds. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the County since the date hereof or any earlier date as of which any information contained herein is given.

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

COUNTY OF MONMOUTH, NEW JERSEY

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

**Relating to its
General Obligation Bonds, Series 2005**

I. DESCRIPTION OF THE SERIES 2005 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 \$38,565,000 aggregate principal amount of the County’s General Obligation Bonds, Series 2005 (the “Series 2005 Bonds”) dated the date of delivery, consisting of \$27,035,000 General Improvement Bonds, Series 2005A (the “Series 2005A Bonds”), \$4,530,000 County College Bonds, Series 2005B (County College Bond Act, P.L. 1971, c. 12) (the “Series 2005B Bonds”) and \$7,000,000 Utility Bonds, Series 2005C (the “Series 2005C Bonds” and, together with the Series 2005A Bonds and the Series 2005B Bonds, the “Series 2005 Bonds”).

The Series 2005 Bonds are issued pursuant to the Local Bond Law of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended (the “Local Bond Law”), and where appropriate, Title 18A, Education, of the New Jersey Statutes. The Series 2005 Bonds have been authorized by various ordinances duly adopted by the County and a resolution of the County which was adopted at a meeting of the Board of Freeholders of the County (the “County Board”) on March 23, 2005. The Series 2005 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 2005 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 2005 Bonds will be dated the date of delivery, and will mature on the dates (the “Principal Payment Dates”) and in the years and in the amounts set forth on the cover page hereof. The Series 2005 Bonds will bear interest payable semi-annually on January 15, 2006 and on each July 15 and January 15 thereafter until maturity.

Denomination and Place of Payments

The Series 2005 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 2005 Bonds under its book-entry-only system (the “DTC Book-Entry-Only System”). An individual purchaser (the “Beneficial

Owner”) may purchase a Series 2005 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 2005 Bonds, the principal, redemption premium, if any, and interest on, the Series 2005 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 2005 Bonds). See “OTHER INFORMATION - The DTC Book-Entry-Only System” herein.

Redemption Provisions

The Series 2005 Bonds maturing on or prior to January 15, 2015 shall not be subject to redemption prior to their respective maturity dates. The Series 2005 Bonds maturing on or after January 15, 2016 shall be subject to redemption prior to their respective maturity dates, on or after January 15, 2015 at the option of the County, either in whole or in part at any time in any order of maturity at par (the “Redemption Price”), and accrued interest thereon to the date of redemption.

Notice of Redemption shall be given by publishing such notice once a week for two (2) successive weeks in a newspaper of general circulation that carries financial news, is printed in the English language and is customarily published on each business day in the State of New York, the first of such publications to be at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. A Notice of Redemption shall also be mailed by first class mail in a sealed envelope with postage prepaid to the registered owners of such Series 2005 Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the County or a duly appointed bond registrar. However, so long as DTC (or any successor thereto) acts as Securities Depository for the Series 2005 Bonds, Notices of Redemption shall be sent to such depository and shall not be sent to the beneficial owners of the Series 2005 Bonds, nor shall the notice be published as provided herein. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the County determines to redeem a portion of the Series 2005 Bonds of a maturity, such Series 2005 Bonds shall be selected by the County by lot. If Notice of Redemption has been given as described herein, the Series 2005 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 2005 Bonds redeemed.

Authorization

The Series 2005 Bonds have been authorized and are to be issued in accordance with the Local Bond Law, and where appropriate, Title 18A, Education, of the New Jersey Statutes, and various ordinances and a resolution adopted by the Board of Chosen Freeholders of the County. The ordinances included in the sale of the Series 2005 Bonds were published in full 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 2005 Bonds by the County.

Security for the Series 2005 Bonds

The Series 2005 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 2005 Bonds.

Additional Security for the Series 2005B Bonds

The Series 2005B Bonds 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 "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 Series 2005B Bonds. The amounts paid by the State pursuant to the Act are paid directly to the paying agent for the Series 2005B Bonds and therefore must be used for the payment of the principal of and the interest on the Series 2005B Bonds. Any obligation issued by the County that are entitled to the benefits of the provisions of the Act are not debts or liabilities of the State, but are dependent for repayment upon appropriations provided by law from time to time.

Purpose of the Issue

The proceeds of the Series 2005 Bonds will be used to finance the acquisition and construction of capital improvements authorized by various ordinances of the Board of Chosen Freeholders of the County adopted on the date as set forth in the table below:

<u>Project</u>	<u>Amount of Series 2005A Bonds Authorized</u>	<u>Amount of Series 2005A Bonds Issued</u>	<u>Adoption Dates</u>
Various Improvements and Purposes for and by the County (Ord. No. 97-03)	\$ 1,335,000	\$ 500,000	May 8, 1997
Various Improvements and Purposes for and by the County (Ord. No 01-01)	5,084,000	3,000,000	March 22, 2001
Various Improvements and Purposes for and by the County (Ord. No 02-02)	23,461,000	5,268,000	February 14, 2002
Various Improvements and Purposes for and by the County (Ord. No. 03-01)	19,028,000	3,840,000	March 27, 2003
Various Improvements and Purposes for and by the County (Ord. No. 04-01)	34,915,000	5,238,000	February 26, 2004
Various Improvements and Purposes for and by the County (Ord. No. 05-03)	41,544,000	9,189,000	March 10, 2005
TOTAL	<u>\$125,367,000</u>	<u>\$27,035,000</u>	

<u>Project</u>	<u>Amount of Series 2005B Bonds Authorized</u>	<u>Amount of Series 2005B Bonds Issued</u>	<u>Adoption Date</u>
Various Improvements - Brookdale Community College (Ord. No. 05-02)	\$6,300,000	\$4,530,000	March 10, 2005
TOTAL	<u>\$6,300,000</u>	<u>\$4,530,000</u>	

<u>Project</u>	<u>Amount of Series 2005C Bonds Authorized</u>	<u>Amount of Series 2005C Bonds Issued</u>	<u>Adoption Date</u>
Construction of Area IV, Phase III Landfill Liner (Ord. No. 05-01)	\$7,000,000	\$7,000,000	March 10, 2005
TOTAL	<u>\$7,000,000</u>	<u>\$7,000,000</u>	

II. COUNTY OF MONMOUTH, NEW JERSEY, GENERAL INFORMATION

Description of the County

The County of Monmouth, with a land area of 471 square miles and water area of 60 square miles, is located in central New Jersey and is bordered on the west by Mercer and Middlesex Counties, on the south by Burlington and Ocean Counties, on the east by the Atlantic Ocean and on the north by the Raritan and Sandy Hook Bays. The County consists of fifty-three (53) municipalities, whose populations range from 280 to 66,327.

County Government

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

Board of Chosen Freeholders

		<u>Expiration of Term</u>
Thomas J. Powers	Director of the Board	January 2006
Amy H. Handlin	Deputy Director	January 2008
Theodore J. Narozanick	Freeholder	January 2007
William C. Barham	Freeholder	January 2006
Robert D. Clifton	Freeholder	January 2008

County Officials

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

Reclamation Center Utility

On February 14, 1985, the Board of Chosen Freeholders unanimously approved the creation of the Monmouth County Reclamation Center Utility to operate the County landfill and various recycling and reclamation programs. The Reclamation Center Utility is currently a self-liquidating utility under the Local Bond Law and its activity has been shown as a separate fund in each year beginning with calendar year 1985. See "Statement of Operations and Changes in Fund Balance - Reclamation Center Utility Fund - (2000-2004)" 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 NJ “waste flow control” regulations, the MCRC still accepts most solid waste from local businesses and municipalities. The MCRC accepted 501,000 tons during 2004 and, at current monthly deliveries, is expected to accept a similar amount during 2005. Much of the waste has been shredded since the MCRC opened in 1976, making more efficient use of the available capacity. A new Materials Processing and Recovery Facility (MPRF) began operation in December 1996, and now accepts all municipal and bulky waste brought to the facility. Trucks dump regular and bulky waste in separate areas of an enclosed building, where waste is inspected, and some recyclables removed, before municipal waste is baled. Bulky waste is crushed and transferred to an out-of-state landfill. A new Phase III landfill area opened in August 1997, designed specifically as a balefill. With its new landfill space and MPRF operation, and bulky waste transfer operation, sufficient landfill capacity will be available for the County past the year 2017. This landfill capacity and facility have been included in the Monmouth County Solid Waste Management Plan, and certified by the NJDEP Commissioner. The Phase III Landfill and MPRF have received all necessary permits from the NJ Department of Environmental Protection. 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 Reclamation Center MPRF, results in a recycling rate over 50% for the County as a whole. Current efforts focus on source reduction, such as backyard composting and environmental shopping, to reduce the total amount of waste requiring recycling or disposal.

Transportation

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

III. FINANCIAL INFORMATION

County Taxes

County taxes are collected by the constituent municipalities and 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

Chapter 89, Public Laws of 1990, extended and amended Chapter 203, Public Laws of 1986, and Chapter 68, Public Laws of 1976, commonly referred to as the “CAP Laws”, places limits on county and municipal expenditures. The increase in the County tax levy is either 5% or the index rate when the index rate is lower than 5%. However, in any year for which the index rate exceeds 5% a county may, by resolution, provide that the tax levy of the county for such year be increased by a percentage rate, greater than 5% but not to exceed the index rate, over the previous year’s levy. The index rate is defined as the annual percentage increase in the Implicit Price Deflator for State and Local Government purchases of Goods and Services for the year preceding the current year. The index rate for 2005 is 2.50%.

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

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Net Valuation Divided by Equalized Valuation</u>	<u>Valuations as Equalized</u>	<u>Tax Rate Per \$100</u>
2001	43,459,301,407	83.81	51,857,201,260	0.421838231
2002	47,004,978,315	79.92	58,813,432,379	0.401074976
2003	51,152,695,353	75.99	67,317,052,656	0.372240909
2004	57,090,882,529	73.05	78,153,701,666	0.334019800
2005	65,515,271,859	72.68	90,137,099,466	--

DISTRIBUTION OF ASSESSED VALUATION

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Vacant Land	\$ 1,005,920,615	\$ 1,083,767,615	\$ 1,131,874,619	\$ 1,135,053,539	\$ 1,299,927,319
Residential	34,692,550,760	37,649,570,005	41,186,092,630	46,483,834,979	53,934,369,834
Farm Regular	396,728,900	424,951,430	438,687,500	460,399,900	437,114,900
Farm Qualified	32,216,674	31,339,384	30,475,777	29,770,715	28,297,015
Commercial	5,557,630,487	5,932,925,687	6,395,575,381	6,885,783,580	7,588,884,440
Industrial	773,371,250	832,732,150	812,838,950	872,409,250	872,367,350
Apartments	<u>787,191,250</u>	<u>858,223,450</u>	<u>971,638,800</u>	<u>1,054,049,800</u>	<u>1,195,603,600</u>
	\$43,245,609,936	\$46,813,509,721	\$50,967,183,657	\$56,921,301,763	\$65,356,564,458

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, 2004

<u>Owner of Record</u>	<u>Property Location</u>	<u>2004 Total Assessed Value</u>	<u>2004 Tax Rate Per \$100</u>	<u>Total 2004 Taxes</u>
1. Freehold Mall				
Linn & Marsh	Freehold Township	\$ 7,181,000	3.019	\$ 216,794.00
Freemall Associates	Freehold Township	169,340,900	3.019	5,112,402.00
JC Penney Properties	Freehold Township	12,050,600	3.019	363,808.00
Kmart Corporation	Freehold Township	9,380,800	3.019	283,206.00
Loews Theater	Freehold Township	12,557,600	3.019	379,114.00
Macy's East	Freehold Township	24,897,800	3.019	751,665.00
Nordstrom, Inc.	Freehold Township	14,257,000	3.019	430,419.00
Sam's Club	Freehold Township	9,300,000	3.019	280,767.00
Toys R Us	Freehold Township	2,589,000	3.019	78,177.00
Kids R Us	Freehold Township	4,025,000	3.019	121,515.00
Sears	Freehold Township	10,524,500	3.019	317,735.00
Lord & Taylor	Freehold Township	12,204,600	3.019	368,457.00
		\$288,309,300		\$8,704,058.00
2. AT&T Corporate Offices				
199 Laurel Asso. %Steiner Equ. Group	Middletown	\$ 366,000	3.324	\$ 12,166.00
200 Laurel % ATT Lease Adm/NJ8110E1	Middletown	192,529,300	3.324	6,399,674.00
Four Ponds % CB R Ellis Lease Adv	Middletown	30,000,000	3.324	997,200.00
		\$222,895,300		\$7,409,040.00
3. Monmouth Mall				
Eatontown Monmouth Mall LLC	Eatontown	\$120,000,000	3.286	\$3,943,200.00
JC Penney	Eatontown	11,672,000	3.286	383,542.00
Lord & Taylor-	Eatontown	9,728,500	3.286	319,679.00
Macy's	Eatontown	13,026,000	3.286	428,034.00
		\$154,426,500		\$5,074,455.00
4. Lucent Technologies				
LTI NJ Finance L.L.C.	Holmdel	\$105,000,000	3.152	\$3,309,600.00
NS-MPG INC.%LUCENT T	Holmdel	2,757,400	3.152	86,913.00
NS-MPG INC.%LUCENT Tech.	Holmdel	1,842,800	3.152	58,085.00
Weill, M. Trust Lucent Tech. Adm.	Middletown	20,637,500	3.152	685,991.00
		\$130,237,700		\$4,140,589.00
5. Assisted Living Facility				
Tinton Falls Campus, LLC % Seabrook	Tinton Falls	\$73,706,400	3.413	\$2,515,599.00
6. Seaview Square Mall				
Sears, Roebuck & Co.	Ocean Township	\$ 9,643,000	3.521	\$ 339,530.00
Starwood Heller Seaview, L.L.C. (Mall, Anchor)	Ocean Township	57,117,000	3.521	2,011,090.00
		\$66,760,000		\$2,350,620.00

<u>Owner of Record</u>	<u>Property Location</u>	<u>2004 Total Assessed Value</u>	<u>2004 Tax Rate Per \$100</u>	<u>Total 2004 Taxes</u>
7. Shopping Center (200,000 Sq.Ft. lease)				
Caydenzar Assoc. % Denholtz Associate	Holmdel	\$22,089,100	3.152	\$696,248.00
Caydenzar Assoc., c/o Denholtz Associate	Holmdel	4,397,000	3.152	138,593.00
Kimco Realty Corporation	Holmdel	28,531,100	3.152	899,300.00
		\$55,017,200		\$1,734,142.00
8. International Flavors & Fragrances				
International Flavors & Fragrances	Union Beach	\$43,870,100	2.455	\$1,077,011.00
SCP 2002B - Hazlet LLC	Hazlet	14,500,000	3.849	558,105.00
		\$58,370,100		\$1,635,116.00
9. Monmouth Park Raceway				
New Jersey Sports & Exposition Auth	Oceanport	\$44,826,300	3.181	\$1,425,925.00
10. Bellcore Research Facility				
One Rvr. Assoc. % Bellcore, RM.IJ008G	Middletown	\$ 9,182,900	3.324	\$305,240.00
One Rvr. Assoc. % Bellcore, RM.IJ008G	Middletown	9,116,900	3.324	303,046.00
One Rvr. Assoc. % Bellcore, RM.IJ008G	Middletown	15,840,300	3.324	526,532.00
		\$34,140,100		\$1,134,817.00
11. Nestle Processing Facility				
Nestle USA-ATT:D. Amrozowicz	Freehold Boro	\$27,300,000	3.552	\$969,696.00
Nestle/Hills Bros Coffee Company	Freehold Township	1,602,500	3.019	48,379.00
		\$28,902,500		\$1,018,075.00
12. Shopping Plaza				
Manalapan Rlty C/O Steiner Equities	Manalapan	\$26,921,600	3.591	\$966,755.00

Source: Monmouth County Board of Taxation (March 31, 2005).

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, Department of Community Affairs, State of New Jersey (the "Division"). Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division ("Director") prior to final adoption of the budget. The budget law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

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

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

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

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

Miscellaneous Revenues

N.J.S.A. 40A:4-26 provides that: "no miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination in writing to the local unit".

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

Deferral Of Current Expenses

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

The exceptions are certain enumerated quasi-capital projects such as ice, snow, and flood damage 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 prior to June 1 of each 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 Armour S. Hulsart & Co., the County's independent auditor, for the calendar year ending December 31, 2003 appears in Appendix A to this Official Statement.

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>Unaudited 2004</u>
Revenues and Other Additions:					
Fund Balance Utilized	\$ 35,000,000	\$ 35,000,000	\$ 37,500,000	\$ 37,500,000	\$ 41,000,000
Miscellaneous Revenue					
Anticipated	128,571,127	144,425,067	138,852,377	135,250,540	145,700,910
Miscellaneous Revenue Not					
Anticipated	14,930,954	14,957,122	19,744,145	19,047,509	19,729,814
Receipts from Current Taxes	201,529,528	218,585,192	236,020,000	250,251,000	260,752,374
Other Credits to Revenue	28,669	92,462	35,827	244,395	373,149
Unexpended Balance of					
Appropriations Lapsed	<u>8,523,139</u>	<u>10,272,732</u>	<u>11,514,061</u>	<u>11,537,049</u>	<u>11,209,366</u>
 Total Revenues and Other					
Additions	\$388,583,417	\$423,332,575	\$443,666,410	\$453,830,493	\$478,765,613
 Expenditures:					
Budget Appropriations*	\$349,888,842		\$403,491,421	\$408,947,489	\$434,735,137
		\$381,009,412			
Other Charges	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,006</u>	<u>--</u>
 Total Expenditures	\$349,888,842	\$381,009,412	\$403,491,421	\$408,948,495	\$434,735,137
 Excess in Revenue	38,694,575	42,323,163	40,174,989	44,881,998	44,030,476
Adjustment to Income Before					
Surplus: Emergency Authorization	470,000	--	--	--	--
 Fund Balance, January 1	<u>54,116,862</u>	<u>58,281,437</u>	<u>65,604,600</u>	<u>68,279,589</u>	<u>75,661,587</u>
	93,281,437	100,604,600	105,779,589	113,161,587	119,692,063
 Decreased by:					
Utilized as Anticipated Revenue	<u>35,000,000</u>	<u>35,000,000</u>	<u>37,500,000</u>	<u>37,500,000</u>	<u>41,000,000</u>
 Fund Balance, December 31	<u>\$58,281,437</u>	<u>\$65,604,600</u>	<u>\$68,279,589</u>	<u>\$75,661,587</u>	<u>\$78,692,063</u>
 Fund Balance, as a percentage					
of Total Expenditures	16.66%	17.22%	16.92%	18.50%	18.10%
 * Paid or Charged	\$338,406,413	\$368,960,010	\$390,299,294	\$396,819,988	\$419,662,587
Appropriation Reserves	11,453,760	12,045,806	13,190,671	12,094,240	14,874,204
Current Appropriations Cancelled	<u>28,669</u>	<u>3,596</u>	<u>1,456</u>	<u>33,261</u>	<u>198,346</u>
	\$349,888,842	\$381,009,412	\$403,491,421	\$408,947,489	\$434,735,137

Current Fund operating results reflect a policy of conservatively estimating revenues so that at year-end positive fund balances are maintained. Revenue growth, plus the benefits of a tightly monitored hiring freeze and a new, managed budget approach, analogous to zero based budgeting, both implemented in the early nineties, have resulted in increased fund balances. Fund balance, as a percentage of expenditures, has increased from 5.7% in 1990 to 18.1% in 2004. This has allowed the County to relax its reliance on the property tax to balance budgets. In fact, since 1990 the average annual property tax increase has been 3.40%, consistent with corresponding rates of inflation. Revenue growth is expected to continue through 2005, albeit at a slower pace, as a result of the strong local economy.

FIVE YEAR SUMMARY OF CURRENT FUND BUDGET AND ACTUAL RESULTS

	2000		2001		2002		2003		2004	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:										
County Clerk	\$ 5,000,000	\$ 7,416,712	\$ 5,000,000	\$ 7,673,789	\$ 6,300,000	\$ 13,745,747	\$ 10,975,000	\$ 17,919,482	\$ 15,325,000	\$ 21,712,982
Interest on Investments	3,700,000	10,465,873	3,700,000	9,202,999	3,700,000	3,922,853	3,700,000	3,858,302	3,700,000	4,600,829
Parks & Recreation	5,200,000	5,367,877	5,200,000	6,063,762	5,600,000	6,177,238	5,800,000	5,847,732	5,800,000	6,436,515
Medical Homes	16,500,000	17,533,431	16,500,000	18,814,635	16,900,000	19,938,336	17,400,000	22,613,568	21,650,000	23,864,837
Division of Social Services	19,060,500	19,803,277	19,341,000	22,810,796	17,841,000	22,350,248	16,416,000	24,175,100	19,525,000	22,796,087
State of N.J. Social Service Reimbursement	14,804,415	14,804,415	15,939,923	15,939,923	18,780,272	18,780,272	16,814,502	16,696,316	16,235,451	16,235,451
State of N.J. - Inmate Reimbursement	6,000,000	5,777,667	3,017,000	2,336,778	2,000,000	1,558,227	1,500,000	1,126,883	1,000,000	1,809,535
State of N.J. - Remaining Aid	2,530,056	2,850,069	2,426,550	2,683,309	3,184,685	3,452,946	3,682,945	3,950,021	3,415,014	3,716,014
State & Federal Grants	24,455,111	24,455,111	39,581,533	39,581,533	39,337,651	39,337,651	29,015,300	29,015,300	29,465,317	29,465,317
Miscellaneous Revenue	16,139,232	35,027,649	16,718,214	34,274,664	16,327,813	29,333,005	16,010,928	28,977,159	16,866,981	34,793,157
Fund Balance Utilized	35,000,000	35,000,000	35,000,000	35,000,000	37,500,000	37,500,000	37,500,000	37,500,000	41,000,000	41,000,000
County Tax Levy	<u>201,529,528</u>	<u>201,529,528</u>	<u>218,585,192</u>	<u>218,585,192</u>	<u>236,020,000</u>	<u>236,020,000</u>	<u>250,251,000</u>	<u>250,251,000</u>	<u>260,752,374</u>	<u>260,752,374</u>
TOTAL REVENUES	\$349,418,842	\$380,031,609	\$381,009,412	\$412,967,380	\$403,491,421	\$432,116,523	\$408,947,489	\$442,049,049	\$434,735,137	\$467,183,098
Appropriations:										
General Government	\$ 55,507,307	\$ 52,885,608	\$ 19,334,265	\$ 18,681,257	\$ 22,121,875	\$ 21,242,543	\$ 23,593,079	\$ 22,480,660	\$ 24,624,574	\$ 23,278,391
Judiciary	607,199	600,656								
Regulation	14,896,057	14,482,776								
Public Works & Engineering	29,636,227	28,539,748	31,955,468	31,101,984	27,665,510	26,667,281	29,932,194	28,612,521	30,342,779	29,180,304
Penal Institutions	32,906,832	32,555,546								
Health & Human Services	78,395,711	73,811,092	82,643,937	76,949,912	85,512,081	80,387,826	85,076,643	80,941,015	88,278,190	84,641,414
Education	32,500,433	32,143,726	31,950,285	31,835,117	32,974,227	32,611,406	34,430,352	34,062,301	38,412,359	38,042,360
Parks & Recreation	15,100,300	14,968,867	16,042,878	15,877,743	16,966,669	16,797,075	17,399,505	17,258,800	18,291,867	18,166,548
State & Federal Grants	25,555,111	25,461,171	40,681,533	40,597,828	40,537,651	40,454,436	30,215,300	30,057,187	30,915,317	30,446,573
Capital Improvements	14,165,000	13,051,399	13,498,000	11,563,261	15,962,000	14,722,892	14,565,000	13,185,222	12,721,000	11,478,553
Debt Service	38,601,665	38,572,996	38,789,150	38,785,555	39,801,145	39,799,689	41,653,627	41,620,366	45,254,276	45,055,930
Statutory Expenditures	11,762,000	11,080,947	10,732,192	10,277,910	10,697,000	10,188,969	11,275,000	10,930,701	15,600,000	15,132,226
Unclassified/Contingent	<u>255,000</u>	<u>251,881</u>	200,000	197,810	450,000	372,623	1,210,300	1,137,056	500,000	420,962
Public Safety			63,159,166	62,120,630	67,859,352	66,803,561	73,348,134	72,729,210	78,484,244	77,379,002
Land Use Administration			1,289,815	1,255,828	1,532,509	1,488,979	1,522,433	1,469,371	1,570,008	1,517,516
Code Enforcement			341,531	324,025	321,460	316,815	350,888	347,139	368,878	367,532
Insurance			29,266,000	28,484,320	33,114,000	31,467,178	36,451,300	34,626,970	40,690,000	37,072,310
Utility Expenses			<u>1,125,192</u>	<u>906,830</u>	<u>7,975,942</u>	<u>6,978,021</u>	<u>7,923,734</u>	<u>7,361,469</u>	<u>8,681,645</u>	<u>7,482,966</u>
TOTAL APPROPRIATIONS	\$349,888,842	\$338,406,413	\$381,009,412	\$368,960,010	\$403,491,421	\$390,299,294	\$408,947,489	\$396,819,988	\$434,735,137	\$419,662,587
Excess in Revenues		\$41,625,196		\$44,007,370		\$41,817,229		\$45,229,061		\$47,520,511
Appropriation Reserve		<u>11,453,760</u>		<u>12,045,806</u>		<u>13,190,671</u>		<u>12,094,240</u>		<u>14,874,204</u>
Excess in Revenues, Net		\$30,171,436		\$31,961,564		\$28,626,558		\$33,134,821		\$32,646,307
Other Credits to Income:										
Refund of Prior Year Loan to Grant Fund										-0-
Unexpended Balance of Previous Year										
Appropriation Reserve		8,523,139		10,272,732		11,514,061		11,537,049		11,209,366
Emergency Authorization		470,000								-0-
Other				<u>88,867</u>		<u>34,370</u>		<u>210,128</u>		<u>174,803</u>
		<u>\$39,164,575</u>		<u>\$42,323,163</u>		<u>\$40,174,989</u>		<u>\$44,881,998</u>		<u>\$44,030,476</u>
Fund Balance, Beginning of Year		<u>19,116,862</u>		<u>23,281,437</u>		<u>28,104,600</u>		<u>30,779,589</u>		<u>34,661,587</u>
Fund Balance, End of Year		\$58,281,437		\$65,604,600		\$68,279,589		\$75,661,587		\$78,692,063

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

	<u>2004(1)</u>	<u>2005(2)</u>
Anticipated Revenues:		
Fund Balance Utilized	\$ 41,000,000	\$ 42,000,000
State Aid	37,713,541	39,735,016
State and Federal Grants	10,685,571	9,545,974
Miscellaneous Revenue	65,803,906	74,617,919
County Tax Levy	<u>260,752,374</u>	<u>269,650,000</u>
Total Anticipated Revenues	<u>\$415,955,392</u>	<u>\$435,548,909</u>
Appropriations:		
Operations	\$345,080,115	\$358,674,599
Capital Improvements	12,721,000	15,492,000
Debt Service	45,254,277	45,882,310
Pension Contributions and Social Security Taxes	<u>12,900,000</u>	<u>15,500,000</u>
Total Appropriations	<u>\$415,955,392</u>	<u>\$435,548,909</u>

- (1) The 2004 County Budget was adopted by the Board of Freeholders on February 6, 2004.
(2) The 2005 County Budget was adopted by the Board of Freeholders on March 3, 2005.

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>Unaudited 2004</u>
<u>REVENUES</u>					
Fund Balance	\$20,00,000	\$22,979,901	\$19,500,000	\$19,092,352	\$18,100,000
Grant	--	520,099	--	690,632	--
Utility Fees	25,834,224	27,791,733	27,954,966	28,369,667	28,940,504
Miscellaneous Revenue Not Anticipated	3,983,065	3,751,056	1,722,334	1,413,041	1,240,803
Other Income	58,137	177,948	63,605	440,169	9,826
Unexpended Appropriations	3,516,443	4,535,335	3,693,236	5,154,978	4,836,835
Total Revenue	<u>\$53,391,869</u>	<u>\$59,756,072</u>	<u>\$52,934,141</u>	<u>\$55,160,839</u>	<u>\$53,127,968</u>
<u>EXPENDITURES</u>					
Operations with Reserves	\$31,066,139	\$41,017,887	\$30,436,211	\$32,028,500	\$30,488,906
Other Expenditures and Commitments	6,462	--	159,358	--	--
Total Expenditures	<u>\$31,072,601</u>	<u>\$41,017,887</u>	<u>\$30,595,569</u>	<u>\$32,058,500</u>	<u>\$30,488,906</u>
Net Revenues	<u>\$22,319,268</u>	<u>\$18,738,185</u>	<u>\$22,338,572</u>	<u>\$23,132,339</u>	<u>\$22,639,062</u>
Debt Service	<u>2,433,861</u>	<u>3,182,113</u>	<u>3,063,789</u>	<u>3,662,132</u>	<u>3,384,591</u>
Change in Fund Balance	\$19,885,407	\$15,556,072	\$19,274,783	\$19,470,207	\$19,254,471
Fund Balance, January 1	<u>\$29,191,993</u>	<u>\$29,077,400</u>	<u>\$21,653,571</u>	<u>\$21,428,354</u>	<u>\$21,806,209</u>
	\$49,077,400	\$44,633,472	\$40,928,354	\$40,898,561	\$41,060,680
Utilized as Revenue	<u>20,000,000</u>	<u>22,979,901</u>	<u>19,500,000</u>	<u>19,092,352</u>	<u>18,100,000</u>
Fund Balance, December 31	<u><u>\$29,077,400</u></u>	<u><u>\$21,653,571</u></u>	<u><u>\$21,428,354</u></u>	<u><u>\$21,806,209</u></u>	<u><u>\$22,960,680</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 March 3, 2005 calls for expenditures of \$310,790,000 through the year 2010. Of this \$310,790,000 total, \$39,244,000 is anticipated to be paid from cash and Federal and State grants; the remaining \$271,546,000 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 is presented in the table below:

<u>Type of Security</u>	<u>Amount</u>	<u>Percent</u>
New Jersey Cash Management Fund (1)	\$ 5,075	0.00%
Bank Money Market Accounts	361,075,375	99.18
Taxable Bond Anticipation Notes (2)	3,000,000	.82
	\$364,080,450	100.00%

- (1) A money market fund administered and approved for investment by local units by the Division of Investment of the Department of Treasury.
- (2) Local BANS approved for purchase by the Director, Division of Investments, Department of the 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 two pension systems administered by the Division of Pensions; Treasury Department of the State of New Jersey. The two plans are: The Public Employees' Retirement System, Police and the Firemen's Retirement System of New Jersey. The Division annually charges counties and other participating governmental units for their respective contributions to the plans based upon actuarial methods. A portion of the cost is contributed by the employees. The County's share of pension costs, which is based upon the annual billings received from the State, amounted to \$612,817 for 2004 and \$113,336 for 2003.

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. 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 3% and a target of at least 5%. 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 serial 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 and certain Class II railroad property within its boundaries as annually determined by the State Board 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 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 March 31, 2005 is .4920% of its equalized valuation basis, compared to the statutory debt limit of 2.00%.

Short-Term Financing

The County has the authority to sell short-term “bond anticipation notes” to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance so provides. Under the Local Bond Law, bond anticipation notes, which are full faith and credit obligations of the issuer, may be issued for a period not exceeding one year and may

be renewed from time to time, again for a period that does not exceed one year. All bond anticipation notes, including all renewals, must be paid not later than three years from their original date, unless the issuer begins to amortize such notes beginning in the third year. If the appropriate amortization is commenced in the third year, such notes must finally mature, and be paid not later than first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. The County has not issued any short-term debt since September 1997.

**COUNTY OF MONMOUTH
STATEMENT OF STATUTORY NET DEBT**

March 31, 2005

GROSS DEBT:

General Bonds Issued and Outstanding	\$237,985,000.00
Self-Liquidating Utility	20,010,000.00
County College Bonds Issued and Outstanding	13,815,000.00
County Vocational Bonds Issued and Outstanding	2,339,886.84
NJDEP-Green Trust Program	<u>11,661,733.41</u>
	\$285,811,620.25

BONDS/NOTES AUTHORIZED:

General Improvements:

Notes Issued

Authorized but not Issued \$178,845,000.00

Self-Liquidating Utility:

Notes Issued: -0-

Authorized but not Issued 7,000,000.00 \$185,845,000.00

TOTAL GROSS DEBT

\$471,656,620.25

LESS: STATUTORY DEDUCTIONS:

Guaranty Equipment Lease Program - M.C.I.A. \$32,235,000.00⁽¹⁾

County College Bonds 20,115,000.00

Self-Liquidating Utility 27,010,000.00⁽²⁾

Refunding Bonds for Unfunded Pension Liabilities 13,885,000.00⁽³⁾

93,245,000.00

STATUTORY NET DEBT

\$378,411,620.25

Three-Year Average (2002-2004)

Equalized Valuation of Real Property (Pursuant to N.J.S.A. 15:1-35.1)

\$76,920,013,788.00

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

0.4920%

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

1,538,400,275.76

Total Net Debt

378,411,620.25

Remaining Net Debt Capacity

\$1,159,988,655.51

(1) The County has unconditionally guaranteed \$32,235,000 M.C.I.A. Capital Equipment Pooled Lease Revenue Bonds. The guaranty is an allowable deduction from gross debt pursuant to the Local Bond Law and the County Improvement Authorities Law (N.J.S.A. 40:37A-80).

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

(3) The Refunding Bonds are an allowable deduction pursuant to the Local Bond Law (N.J.S.A. 40A:2-52).

**COUNTY OF MONMOUTH
SCHEDULE OF DEBT SERVICE**

DECEMBER 31, 2004

Year	General	County College	Vocational School	NJDEP Green Trust	Total Principal	Interest	Total	Principal Reclamation Center	Interest Reclamation Center	Total Including Reclamation Center
2005	\$25,820,000.00	\$2,700,000.00	\$237,745.62	\$1,787,476.78	\$30,545,222.40	\$11,322,482.40	\$41,867,704.80	\$2,415,000.00	\$903,600.00	\$45,186,304.80
2006	24,255,000.00	2,500,000.00	242,720.31	1,605,710.98	28,603,431.29	9,864,007.09	38,467,438.38	2,365,000.00	799,925.00	41,632,363.38
2007	23,835,000.00	2,500,000.00	247,890.26	1,418,114.76	28,001,005.02	8,738,132.48	36,739,137.50	2,460,000.00	698,500.00	39,897,637.50
2008	22,885,000.00	1,770,000.00	253,366.87	1,237,772.39	26,146,139.26	7,609,542.26	33,755,681.52	2,430,000.00	578,350.00	36,764,031.52
2009	20,765,000.00	1,770,000.00	258,927.61	1,262,651.61	24,056,579.22	6,513,243.29	30,569,822.51	2,390,000.00	459,775.00	33,419,597.51
2010	20,740,000.00	1,050,000.00	264,916.11	1,288,030.94	23,342,947.05	5,480,870.19	28,823,817.24	2,350,000.00	342,625.00	31,516,442.24
2011	21,995,000.00	1,060,000.00	271,214.09	1,007,468.88	24,333,682.97	4,484,254.92	28,817,937.89	800,000.00	231,200.00	29,849,137.89
2012	19,430,000.00	465,000.00	277,993.62	1,027,719.01	21,200,712.63	3,417,363.79	24,618,076.42	800,000.00	199,200.00	25,617,276.42
2013	16,710,000.00	-	285,112.36	751,278.66	17,746,391.02	2,494,847.12	20,241,238.14	800,000.00	167,200.00	21,208,438.14
2014	14,600,000.00	-	-	346,625.85	14,946,625.85	1,757,206.44	16,703,832.29	800,000.00	135,200.00	17,639,032.29
2015	12,640,000.00	-	-	162,069.11	12,802,069.11	1,139,748.62	13,941,817.73	800,000.00	102,400.00	14,844,217.73
2016	10,520,000.00	-	-	-	10,520,000.00	612,528.75	11,132,528.75	800,000.00	68,800.00	12,001,328.75
2017	4,795,000.00	-	-	-	4,795,000.00	233,737.50	5,028,737.50	800,000.00	34,800.00	5,863,537.50
2018	2,795,000.00	-	-	-	2,795,000.00	48,912.50	2,843,912.50			2,843,912.50
	<u>\$241,785,000.00</u>	<u>\$13,815,000.00</u>	<u>\$2,339,886.85</u>	<u>\$11,894,918.97</u>	<u>\$269,834,805.82</u>	<u>\$63,716,877.35</u>	<u>\$333,551,683.17</u>	<u>\$20,010,000.00</u>	<u>\$4,721,575.00</u>	<u>\$358,283,258.17</u>

DEBT ANALYSIS

	<u>December 31,</u> <u>2000⁽¹⁾</u>	<u>December 31,</u> <u>2001⁽¹⁾</u>	<u>December 31,</u> <u>2002⁽¹⁾</u>	<u>December 31,</u> <u>2003⁽¹⁾</u>	<u>December 31,</u> <u>2004⁽¹⁾</u>
Full Valuation Per Capita	\$76,768.00	\$84,279.00	\$95,585.00	\$109,405.00	\$127,017.00
County Net Debt as a Percentage of Full Value	.59%	.54%	.51%	.45%	.42%
County Net Debt Per Capita	\$ 453.93	\$ 458.72	\$ 492.19	\$ 497.17	\$ 533.30
Overlapping Net Debt as a Percentage of Full Value	2.68%	2.85%	2.64%	2.39%	2.28%
Overlapping Net Debt Per Capita	\$ 2,058.54	\$ 2,404.70	\$ 2,526.99	\$ 2,615.02	\$ 2,895.15

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

**COUNTY OF MONMOUTH
GROSS DEBT AND NET DEBT OF CONSTITUENT MUNICIPALITIES**

December 31, 2004

	<u>GROSS DEBT</u>			<u>DEDUCTIONS</u>			Net Statutory Debt	Average Equalized Valuations	Statutory % of Net Debt
	<u>School</u>	<u>Utility</u>	<u>Other</u>	<u>School</u>	<u>Utility</u>	<u>Other</u>			
Aberdeen Township	\$23,507,679.62	\$15,663,533.68	\$12,411,583.55	\$23,507,679.62	\$15,663,533.68	\$0.00	\$12,411,583.55	\$1,393,949,117.00	0.8904%
Allenhurst Borough	0.00	140,883.20	1,966,174.00	0.00	110,302.60	0.00	1,996,754.60	254,348,809.00	0.7850
Allentown Borough	8,346,052.10	2,422,043.98	1,513,992.18	8,346,052.10	2,422,043.98	0.00	1,513,992.18	134,752,524.00	1.1235
Asbury Park City	13,277,845.20	500,000.00	9,774,623.71	13,277,845.20	500,000.00	538,774.98	9,235,848.73	628,932,050.00	1.4685
Atlantic Highlands Borough	9,772,585.40	13,010,330.25	11,142,601.36	9,772,585.40	13,010,330.25	0.00	11,142,601.36	546,548,623.00	2.0387
Avon-By-The-Sea Borough	0.00	3,664,845.58	6,221,607.00	0.00	3,043,609.18	1,234,050.00	5,608,793.40	563,454,703.00	0.9954
Belmar Borough	6,506,154.99	3,175,079.30	11,077,057.98	6,506,154.99	3,175,079.30	268,110.27	10,808,947.71	924,107,031.00	1.1697
Bradley Beach Borough	3,292,167.85	1,966,300.00	5,864,366.40	3,292,167.85	1,966,300.00	357,359.81	5,507,006.59	583,861,186.67	0.9432
Brielle Borough	6,510,543.11	1,377,099.00	1,587,910.00	6,510,543.11	1,377,099.00	0.00	1,587,910.00	983,602,861.00	0.1614
Colts Neck Township	30,529,994.34	0.00	10,427,694.11	30,529,994.34	0.00	1,386,250.00	9,041,444.11	2,319,272,965.00	0.3898
Deal Borough	0.00	1,306,921.76	2,913,849.58	0.00	1,306,921.76	0.00	2,913,849.58	1,112,643,215.00	0.2619
Eatontown Borough	2,160,371.00	0.00	9,862,778.00	2,160,371.00	0.00	2,000,000.00	7,862,778.00	1,478,912,895.00	0.5317
Englishtown Borough	2,894,629.48	1,769,642.43	1,145,357.15	2,894,629.48	0.00	0.00	2,914,999.58	148,311,325.33	1.9655
Fair Haven Borough*	6,382,852.50	0.00	3,853,000.00	6,382,852.50	0.00	0.00	3,853,000.00	1,035,969,424.00	0.3719
Farmingdale Borough	607,965.10	1,479,250.07	256,480.85	607,965.10	1,479,250.07	0.00	256,480.85	116,530,372.00	0.2201
Freehold Borough	11,437,628.96	3,058,500.00	8,809,750.00	11,437,628.96	3,058,500.00	2,457,577.58	6,352,172.42	749,366,626.00	0.8477
Freehold Township	69,543,528.66	23,639,166.36	47,796,946.22	69,543,528.66	23,639,166.36	7,144,000.00	40,652,946.22	4,119,640,540.00	0.9868
Hazlet Township	8,100,000.00	297,211.83	8,389,509.54	8,100,000.00	0.00	641,515.00	8,045,206.37	1,675,450,822.00	0.4802
Highlands Borough*	4,829,437.69	0.00	3,243,547.00	4,829,437.69	0.00	0.00	3,243,547.00	372,733,834.00	0.8702
Holmdel Township	35,725,000.00	2,938,646.00	32,277,369.00	35,725,000.00	825,226.00	16,521,801.00	17,868,988.00	3,318,228,062.00	0.5385

**COUNTY OF MONMOUTH
GROSS DEBT AND NET DEBT OF CONSTITUENT MUNICIPALITIES**

December 31, 2004

	<u>GROSS DEBT</u>			<u>DEDUCTIONS</u>			<u>Net Statutory Debt</u>	<u>Average Equalized Valuations</u>	<u>Statutory % of Net Debt</u>
	<u>School</u>	<u>Utility</u>	<u>Other</u>	<u>School</u>	<u>Utility</u>	<u>Other</u>			
Howell Township	\$101,309,394.85	\$11,990,000.00	\$36,617,230.72	\$101,309,394.85	\$11,990,000.00	\$0.00	\$36,617,230.72	\$4,241,440,390.67	0.8633%
Interlaken Borough	0.00	0.00	587,503.07	0.00	0.00	0.00	587,503.07	177,780,640.00	0.3305
Keansburg Borough*	8,640,000.00	13,599,466.00	9,243,398.20	8,640,000.00	13,599,466.00	0.00	9,243,398.20	372,700,430.00	2.4801
Keyport Borough	3,310,000.00	1,214,000.00	11,248,360.00	3,310,000.00	0.00	340,750.00	12,121,610.00	490,851,445.00	2.4695
Lake Como Borough*	0.00	0.00	683,609.73	0.00	0.00	0.00	683,609.73	157,769,977.00	0.4333
Little Silver Borough	14,884,774.88	0.00	5,559,480.34	14,884,774.88	0.00	0.00	5,559,480.34	1,156,415,887.00	0.4808
Loch Arbour Village	732,670.77	0.00	566,846.23	732,670.77	0.00	0.00	566,846.23	85,021,707.00	0.6667
Long Branch City	0.00	0.00	39,688,346.44	0.00	0.00	0.00	39,688,346.44	2,360,617,876.00	1.6813
Manalapan Township	77,618,630.02	400,000.00	12,274,890.00	77,618,630.02	400,000.00	0.00	12,274,890.00	3,976,924,138.33	0.3087
Manasquan Borough	13,821,392.58	1,881,066.57	4,086,636.81	13,821,392.58	1,881,066.57	0.00	4,086,636.81	1,286,094,202.00	0.3178
Marlboro Township	65,845,584.55	1,800,000.00	26,394,064.10	65,845,584.55	1,800,000.00	2,780,000.00	23,614,064.10	5,018,968,793.00	0.4705
Matawan Borough	11,164,687.38	10,615,318.48	14,005,316.06	11,164,687.38	10,615,318.48	1,431,150.00	12,574,166.06	662,039,230.00	1.8993
Middletown Township	82,500,000.00	1,793,167.00	69,988,974.00	82,500,000.00	1,018,227.00	0.00	70,763,914.00	8,082,327,446.67	0.8755
Millstone Borough	48,609,000.00	0.00	14,053,751.81	40,718,213.89	0.00	0.00	21,944,537.92	1,357,273,796.00	1.6168
Monmouth Beach Borough	3,196,000.00	0.00	821,403.00	3,196,000.00	0.00	0.00	821,403.00	789,062,683.00	0.1041
Neptune City Borough	0.00	499,500.00	2,581,722.95	0.00	282,256.80	0.00	2,798,966.15	366,530,109.67	0.7636
Neptune Township	8,260,579.00	2,404,167.07	14,038,063.37	8,260,579.00	2,404,167.07	0.00	14,038,063.37	2,448,919,543.00	0.5732
Ocean Township	27,499,329.23	0.00	15,929,120.77	27,499,329.23	0.00	719,476.35	15,209,644.42	3,191,119,409.67	0.4766
Oceanport Borough	926,000.00	0.00	3,568,542.81	926,000.00	0.00	921,000.00	2,647,542.81	840,990,273.00	0.3148
Red Bank Borough	14,446,289.81	6,481,500.00	15,526,793.34	14,446,289.81	4,098,678.80	119,109.43	17,790,505.11	1,346,332,133.00	1.3214
Roosevelt Borough	573,000.00	2,667,931.88	0.00	573,000.00	2,667,931.88	0.00	0.00	53,913,646.00	0.0000

**COUNTY OF MONMOUTH
GROSS DEBT AND NET DEBT OF CONSTITUENT MUNICIPALITIES**

December 31, 2004

	<u>GROSS DEBT</u>			<u>DEDUCTIONS</u>			Net Statutory Debt	Average Equalized Valuations	Statutory % of Net Debt
	<u>School</u>	<u>Utility</u>	<u>Other</u>	<u>School</u>	<u>Utility</u>	<u>Other</u>			
Rumson Borough	\$16,194,147.50	\$0.00	\$12,251,407.00	\$16,194,147.50	\$0.00	\$0.00	\$12,251,407.00	\$2,261,767,699.00	0.5417%
Sea Bright Borough	0.00	627,500.00	3,870,027.68	0.00	326,078.20	300,910.15	3,870,539.33	403,619,005.00	0.9590
Sea Girt Borough	0.00	1,376,850.00	2,797,754.50	0.00	1,376,850.00	0.00	2,797,754.50	1,256,632,815.00	0.2226
Shrewsbury Borough	8,178,669.79	0.00	4,957,250.00	8,178,669.79	0.00	0.00	4,957,250.00	758,680,629.00	0.6534
Shrewsbury Township	495,219.10	0.00	512,268.55	495,219.10	0.00	90,000.00	422,268.55	45,787,760.00	0.9222
Spring Lake Borough	2,165,000.00	10,615,822.00	7,955,212.73	2,165,000.00	4,775,412.80	0.00	13,795,621.93	2,236,130,207.00	0.6169
Spring Lake Heights Borough	6,248,000.00	491,250.00	1,159,692.16	6,248,000.00	491,250.00	0.00	1,159,692.16	793,367,919.00	0.1462
Tinton Falls Borough	19,422,410.42	170,000.00	21,261,241.96	19,422,410.42	170,000.00	3,468,037.84	17,793,204.12	1,795,445,827.00	0.9910
Union Beach Borough*	0.00	1,995,353.55	8,828,725.00	0.00	1,995,353.55	0.00	8,828,725.00	367,230,971.00	2.4041
Upper Freehold Township	43,818,143.90	0.00	12,550,775.50	43,818,143.90	0.00	0.00	12,550,775.50	707,472,876.00	1.7740
Wall Township	41,835,000.00	23,629,917.00	41,716,673.00	41,835,000.00	23,629,917.00	5,120,000.00	36,596,673.00	4,206,549,432.00	0.8700
West Long Branch Borough	8,328,000.00	0.00	6,215,225.29	8,328,000.00	0.00	0.00	6,215,225.29	939,975,974.00	0.6612
TOTAL	\$873,446,359.78	\$170,662,262.99	\$612,076,504.75	\$865,555,573.67	\$155,099,336.33	\$47,839,872.41	\$587,690,345.11	\$76,696,371,955.01	0.7663%

* As of June 30, 2004

Other County Obligations

Monmouth County Improvement Authority Correctional Facilities Revenue Bonds

The \$45,215,000 Correctional Facilities Revenue Bonds, Series 1991 and the \$30,330,000 Correctional Facilities Refunding Revenue Bonds, Series 1997 are direct and special obligations of the Monmouth County Improvement Authority (“Authority”) secured by a pledge of certain property, which includes the Authority’s right to receive rental payments from the County pursuant to the terms and provisions under the Lease and Agreement dated as of August 1, 1991 between the County and the Authority. The County is obligated to pay to the Authority such sums of money constituting lease rentals in amounts necessary to provide for the cost of acquisition and construction of additions and improvements to the existing correctional facilities located in the County, including payment of debt service on bonds associated with the financing of such acquisition and any administrative expenses of the Authority. The lease rental payments representing debt service on said bonds are irrevocably pledged by the Authority for the payment of principal of, or the redemption price, if any, and interest on such bonds. As of March 31, 2005, \$23,310,000 of the bonds were outstanding.

Maturities of Bonds Outstanding March 31, 2005

<u>Date</u>	<u>Amount</u>
2005	\$2,890,000
2006	3,015,000
2007	3,150,000
2008	3,310,000
2009	3,470,000
2010	3,645,000
2011	3,830,000

**Monmouth County Improvement Authority
Recreational Facilities Revenue Bonds**

The \$36,000,000 Recreational Facilities Revenue Bonds, Series 1990 and the \$12,270,000 Recreational Facilities Refunding Revenue Bonds, Series 1997 are direct and special obligations of the Authority secured by a pledge of certain property, which includes the Authority's right to receive rental payments from the County pursuant to the terms and provisions under the Lease and Agreement dated as of January 1, 1990 between the County and the Authority. The County is obligated to pay to the Authority such sums of money constituting lease rentals in amounts necessary to provide for the cost of acquisition of certain parcels of real property located in the County, including payment of debt service on bonds associated with the financing of such acquisition and any administrative expenses of the Authority. The lease rental payments representing debt service on said bonds are irrevocably pledged by the Authority for the payment of principal of, or the redemption price, if any, and interest on such bonds. As of March 31, 2005, \$1,615,000 of the bonds were outstanding.

Maturities of Bonds
Outstanding March 31, 2005

<u>Date</u>	<u>Amount</u>
2005	\$1,615,000

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

The \$5,435,000 Capital Equipment Pooled Lease Revenue Bonds, Series 1991, the \$10,825,000 Capital Equipment Pooled Lease Revenue Bonds, Series 1993, the \$8,530,000 Capital Equipment Pooled Lease Revenue Bonds, Series 1995, the \$11,390,000 Capital Equipment Pooled Lease Revenue Bonds, Series 1997, the \$20,590,000 Capital Equipment Pooled Lease Revenue Bonds, Series 1999, the \$16,885,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2001, and the \$16,180,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2003 (the "Bonds") are limited obligations of the Authority secured by a pledge of certain property, which includes the Authority's right to receive payments of principal and interest on bonds issued by the Authority ("Local Unit Bond") to finance the acquisition of equipment for lease to certain governmental units located within the County (the "Local Units"). The principal and interest on each Local Unit Bond is secured by a pledge of lease payments made by the applicable Local Unit pursuant to the terms and provisions of a lease agreement between the Authority and such Local Unit, with respect to the equipment leased by such Local Unit. Payment of principal and interest on each Local Unit Bond is unconditionally and irrevocably guaranteed by each of the Local Units. In addition, payment of principal and interest on each Local Unit Bond is unconditionally and irrevocably guaranteed by the County. As of March 31, 2005, \$32,235,000 of the bonds were outstanding.

Maturities of Bonds
Outstanding March 31, 2005

<u>Date</u>	<u>Amount</u>
2005	\$6,595,000
2006	6,420,000
2007	5,315,000
2008	4,645,000
2009	3,695,000
2010	2,015,000
2011	1,685,000
2012	915,000
2013	950,000

V. ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

Since 1950, the strategic location of the County in the New York Metropolitan Area and the completion of the Garden State Parkway and State Routes 9, 35 and 36, and to the railroad lines serving the County, have resulted in high population growth. The County's population increased 48.4% from 1950 (225,327) to 1960 (334,401), 38.1% from 1960 to 1970 (461,849), 8.9% from 1970 to 1980 (503,173), 9.9% from 1980 to 1990 (553,093) and 11.2% from 1990 to 2000 (615,301).

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>
1999	191,804	1.6%
2000	196,353	2.4
2001	199,428	1.6
2002	204,601	2.6
2003	206,550	1.0

Source: New Jersey Department of Labor.

The economy of Monmouth County, as reflected in the number of jobs/industrial sector, is well diversified. The service industry sector employs the greatest portion of people in the County at 50.1%, with retail trade next at 18.1% and F.I.R.E. at 7.6%. A breakdown of these data follows:

EMPLOYMENT BY INDUSTRIAL SECTOR

<u>Sector</u>	<u>Number Employed 2002</u>	<u>Percentage of Total</u>	<u>Number Employed 2003</u>	<u>Percentage of Total</u>
Services	102,715	50.20%	103,533	50.12%
Retail Trade	36,379	17.78	37,289	18.05
Manufacturing	10,395	5.08	10,576	5.12
Finance, Insurance and Real Estate	14,527	7.10	15,620	7.56
Construction	14,433	7.05	13,865	6.71
Wholesale Trade	8,752	4.28	8,610	4.17
Utilities	1,359	0.66	1,388	0.67
Transportation and Warehousing	4,836	2.36	5,561	2.69
Information	8,955	4.38	8,420	4.08
Agriculture	1,172	0.57	1,162	0.56
Unclassified Entities	<u>1,078</u>	<u>0.53</u>	<u>526</u>	<u>0.25</u>
Total	204,601	100.00%	206,550	100.00%

Source: New Jersey Department of Labor.

MAJOR EMPLOYERS - MONMOUTH COUNTY

The leading industries in the County by number of employees as of March 2004 are as follows:

	<u>Employer</u>	<u>Municipality</u>	<u>Number of Employees</u>
1.	Meridian Health Care (Jersey Shore Medical Center, Riverview Medical Center and other facilities in Monmouth County)	Various Locations	7,500
2.	Fort Monmouth	Eatontown & Oceanport	5,500
3.	AT&T	Various Locations	4,050
4.	County of Monmouth	Various Locations	3,607
5.	Foodarama Supermarkets, Inc. (Shop Rite Supermarkets)	Various Locations	2,458
6.	CentraState Hospital	Freehold Township	2,156
7.	Monmouth Medical Center	Long Branch	2,050
8.	Bayshore Community Hospital	Holmdel	1,700
9.	Naval Weapons Station Earle	Colts Neck & Middletown	1,500
10.	New Jersey Press, Inc. (Asbury Park Press)	Neptune	1,335
11.	Lucent Technologies	Holmdel	1,331
12.	Monmouth University	West Long Branch	1,100

Source: Monmouth County Planning Board - March, 2005.

**COUNTY OF MONMOUTH
LABOR FORCE DATA**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Labor Force	309,400	313,950	330,000	334,410	340,100
Employment	299,300	302,585	312,700	316,821	325,500
Unemployment	10,000	11,365	17,400	17,589	14,600
Unemployment Rate	3.2%	3.6%	5.3%	5.3%	4.3%
New Jersey					
Unemployment Rate	3.8%	4.2%	5.8%	5.9%	4.9%
United States					
Unemployment Rate	4.0%	4.8%	5.8%	6.0%	5.5%

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

Median Family Income

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

Average Per Capita Personal Income

<u>Year</u>	<u>Monmouth County</u>	<u>Percentage of United States</u>	<u>New Jersey</u>	<u>Percentage of United States</u>	<u>U.S.A.</u>
1998	\$36,026	133.96%	\$33,640	125.09%	\$26,893
1999	37,112	133.29	34,622	124.35	27,843
2000	40,123	136.15	37,118	125.96	29,469
2001	42,028	138.19	38,625	127.00	30,413
2002	43,684	141.34	39,461	127.68	30,906

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

Effective Buying Income

Effective buying income (“EBI”) is a classification developed by Sales and Marketing Management Magazine. It consists primarily of disposable money income (i.e., personal income less personal tax and non-tax payments, which include fines, fees, penalties and personal contributions for social insurance).

The County’s median EBI is higher than that of New Jersey and the United States. The County has higher percentage of households with EBI of \$50,000 or more than New Jersey and the United States and lower percentage of households with EBI below \$35,000.

PERCENTAGE OF HOUSEHOLDS IN INCOME CATEGORIES (2004 EBI)

	Under <u>\$19,999</u>	\$20,000- <u>\$34,999</u>	\$35,000- <u>\$49,999</u>	\$50,000- <u>and Over</u>	Median <u>EBI</u>
Monmouth County	14.0%	15.1%	16.4%	54.5%	\$54,587
New Jersey	17.4	17.5	18.4	46.7	47,309
United States	22.3	23.3	19.0	35.4	38,201

Source: Sales and Marketing Management Magazine “2004 Survey of Buying Power and Media Markets” (September 2004).

Housing and Construction Values

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

RESIDENTIAL BUILDING PERMITS

<u>Year</u>	<u>County of Monmouth</u>	<u>State of New Jersey</u>	<u>Monmouth’s Percentage of State Permits</u>
2000	2,912	34,585	8.4%
2001	2,194	28,267	7.8
2002	2,372	30,441	7.8
2003	2,756	32,984	8.4
2004	2,726	36,033	7.6

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>
2000	\$322,127	\$3,375,978	9.5%
2001	312,761	3,013,190	10.4
2002	329,190	3,430,318	9.7
2003	382,091	3,781,902	10.3
2004	419,875	4,302,898	9.8

Source: U.S. Bureau of The Census.

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

NON-RESIDENTIAL CONSTRUCTION VALUES

<u>Year</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Office</u>	<u>Public</u>	<u>Total</u>
2000	\$141,756,404	\$ 3,403,076	\$59,532,109	\$ 7,321,205	\$212,012,794
2001	154,931,654	10,383,160	51,469,660	71,948,878	288,733,352
2002	154,520,559	8,635,266	32,112,769	46,006,805	241,275,399
2003	127,147,714	6,082,497	42,782,600	80,397,402	256,410,213
2004	110,315,526	6,291,123	49,530,963	45,799,901	211,937,513

Source: Monmouth County Department of Economic Development and Tourism.

VI. LEGAL MATTERS

Legality of the Bonds

The legality of the Series 2005 Bonds will be subject to the final approving opinion of Gibbons, Del Deo, Dolan, Griffinger and Vecchione, a Professional Corporation, Bond Counsel to the County. Such opinion will be to the effect that the Series 2005 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 2005 Bonds and the interest thereon without limitation as to rate or amount.

Tax Matters

Exclusion of Interest on the Series 2005 Bonds from Gross Income for Federal Income Tax Purposes. The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements which must be met on a continuing basis subsequent to the issuance of the Series 2005 Bonds in order to assure that interest on the Series 2005 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 2005 Bonds to be included in gross income for Federal income tax purposes, retroactive to the date of the issuance of the Series 2005 Bonds. The County has covenanted to comply with the provisions of the Code applicable to the Series 2005 Bonds and has covenanted not to take any action or permit any action that would cause the interest on the Series 2005 Bonds to be included in gross income under Section 103 of the Code or cause interest on the Series 2005 Bonds to be treated as an item of tax preference under Section 57 of the Code.

Assuming the County observes its covenants with respect to compliance with the Code, Gibbons, Del Deo, Dolan, Griffinger & Vecchione, a Professional Corporation, Bond Counsel to the County, is of the opinion that, interest on the Series 2005 Bonds is excluded from the gross income of the owners of the Series 2005 Bonds for Federal income tax purposes pursuant to Section 103 of the Code and interest on the Series 2005 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 2005 Bonds, interest on the Series 2005 Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Series 2005 Bonds in “adjusted current earnings” of certain corporations.

Prospective purchasers of the Series 2005 Bonds should be aware that ownership of, accrual of or receipt of interest on or disposition of tax-exempt obligations, such as the Series 2005 Bonds, may have additional Federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain social security and certain railroad retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any Federal tax consequences other than its opinion with regard to the exclusion of interest on the Series 2005 Bonds from gross income pursuant to Section 103 of the Code and interest on the Series 2005 Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Series 2005 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 2005 Bonds.

State Taxation. Bond Counsel is of the opinion that, under existing law, interest on the Series 2005 Bonds and net gains from the sale of the Series 2005 Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

Legality For Investment

The State and all public officers, municipalities, counties, political subdivisions and public bodies and agencies thereof, all banks, 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 2005 Bonds, and such Series 2005 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 2005 Bonds offered for sale or the levy or collection of any taxes to pay interest or principal of the Series 2005 Bonds, or in any manner questioning the authority of proceedings for the issuance of the Series 2005 Bonds or for the levy or collection of said taxes or adversely affecting the financial position of the County.

VII. OTHER INFORMATION

Report of Independent Public Accountants

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

Ratings

Fitch, Moody's Investors Service, Inc., and Standard & Poor's Rating Service, a division of The McGraw-Hill Companies Inc., have assigned the Series 2005 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 2005 Bonds.

The DTC Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2005 Bonds. The Series 2005 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 2005 Bond certificate will be issued for each issue of the Series 2005 Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and

Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2005 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2005 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2005 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 2005 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 2005 Bonds, except in the event that use of the book-entry system for the Series 2005 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2005 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 2005 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 2005 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2005 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.

Redemption notices shall be sent to Cede & Co. If less than all of the Series 2005 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 2005 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 2005 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2005 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co., (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2005 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 2005 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 2005 Bonds, unless the Participating Underwriter has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and event notices to various information repositories (the "Continuing Disclosure Requirements").

On the date of delivery of the Series 2005 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 2005 Bonds pursuant to which the County will agree to comply on a continuing basis with the Continuing Disclosure Requirements of Rule 15c2-12. Specifically, the County will covenant for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the County by not later than September 1 of each Fiscal Year of the County, commencing with the first Fiscal Year of the County ending after January 1, 2004 (which is currently scheduled to end on December 31, 2004) (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report will be filed by the County with each Nationally Recognized Municipal Securities Information Repository (each, a “National Repository” and, collectively, the “National Repositories”) and with the State Information Depository (the “State Repository”). (As of the date of this Official Statement, the State of New Jersey has not designated a State Repository.) The notices of material events will be filed by the County with each of the National Repositories or the Municipal Securities Rulemaking Board and the State Repository. The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in “Appendix B - Form of Continuing Disclosure Certificate”. These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5). The County has never failed to comply, in all material respects, with any previous undertakings to provide continuing disclosure compliance with the requirements of Rule 15c2-12.

Additional Information

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to the Director of Finance, Mark E. Acker, County of Monmouth, Hall of Records, P.O. Box 1256, Freehold, New Jersey 07728-1256 (Telephone: (732) 431-7391).

Miscellaneous

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2005 Bonds.

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

THE COUNTY OF MONMOUTH

By: /s/ Mark E. Acker
Director of Finance

APPENDIX A

COUNTY OF MONMOUTH

REPORT ON AUDITS OF FINANCIAL STATEMENTS

APPENDIX B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE is made as of April 19, 2005 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 dated April 1, 2005 in the aggregate principal amount of \$38,565,000 consisting of \$27,035,000 General Improvement Bonds, Series 2005A (the "Series 2005A Bonds"), \$4,530,000 County College Bonds, Series 2005B (the "Series 2005B Bonds") and \$7,000,000 Utility Bonds, Series 2005C (the "Series 2005C Bonds" and together with the Series 2005A Bonds and the Series 2005B Bonds, the "Bonds") on the date hereof; and

WHEREAS, the Bonds are being issued pursuant to bond ordinances adopted by the Issuer and a certificate signed by the Issuer on April 5, 2005; and

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

WHEREAS, the Issuer represented in its Notice of Sale dated March 26, 2005 (the "Notice of Sale") that it would deliver on the closing date for the Bonds a "Continuing Disclosure Certificate" pursuant to which the Issuer will agree to provide at the times and to the persons described in Rule 15c2-12 the annual financial information and event notices to various information repositories required to be disclosed on a continual basis pursuant to Rule 15c2-12; and

WHEREAS, on April 5, 2005, the Issuer accepted the bid of ABN AMRO Financial Services, Inc., with respect to the Bonds, on behalf of themselves and each of the original underwriters for the Bonds (each, a "Participating Underwriter") for the purchase of the Bonds; and

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

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

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

ARTICLE I

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

“Final Official Statement” means the final Official Statement of the Issuer dated April 5, 2005 pertaining to the Bonds.

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

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

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

“MSRB” means the Municipal Securities Rulemaking Board. The address of the MSRB as of the date of this Certificate is:

1900 Duke Street Suite 600
Alexandria, VA 22314

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

- (a) Standard & Poor's Securities Evaluations, Inc.
55 Water Street
45th Floor
New York, NY 10041
Phone: (212) 438-4595
Fax: (212) 438-3975
www.jjkenny.com/jjkenny/pser_descrip_data_rep.html
Email: nrmsir_repository@sandp.com

- (b) Bloomberg Municipal Repository
100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
Fax: (609) 279-5962
<http://www.bloomberg.com/markets/rates/municontacts.html>
Email: Munis@Bloomberg.com

(c) DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
Fax: (201) 947-0107
<http://www.dpcdata.com>
Email: nrmsir@dpcdata.com

(d) FT Interactive Data
Attn: NRMSIR
100 William Street, 15th Floor
New York, NY 10038
Phone: 212-771-6999; 800-689-8466
Fax: 212-771-7390
<http://www.ftid.com>
Email: NRMSIR@interactivedata.com

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

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

“State” means the State of New Jersey.

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

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

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

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

ARTICLE II

CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

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

(a) Not later than September 1 of each year, commencing with the first Fiscal Year of the Issuer ending after January 1, 2005, an Annual Report to each Repository;

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

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

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

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds;
- (viii) Bond calls;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds; and

(xi) Rating changes.

(e) In a timely manner, to each National Repository or to the MSRB and to the appropriate State Depository, if any, notice of a failure by the Issuer to provide the Annual Report within the period described in subsection 2.1(a) hereof.

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

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

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

Section 2.3 Form of Annual Report.

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

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

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

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

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

(b) The Issuer and/or the Dissemination Agent (if one has been appointed or engaged by the Issuer) shall:

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

- (ii) file a written report with the Issuer certifying that the Annual Report has been provided pursuant to this Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

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

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

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

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

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

ARTICLE III

DISCLOSURE DEFAULT AND REMEDIES

Section 3.1 Disclosure Default. The occurrence and continuation of a failure or refusal by the Issuer to observe, perform or comply with any covenant, condition or agreement on its

part to be observed or performed in this Certificate and such failure or refusal shall remain uncured for a period of thirty (30) days shall constitute a Disclosure Default hereunder.

Section 3.2 Remedies on Default.

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

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

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

ARTICLE IV

MISCELLANEOUS

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

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

Section 4.3 Notices. All notices required to be given or authorized shall be in writing and shall be sent by registered or certified mail to the Issuer, Hall of Records, Finance Department, Freehold, New Jersey 07728, Attention: Mark E. Acker.

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

Section 4.5 Amendments, Changes and Modifications.

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

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

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

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

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

Section 4.6 Amendments Required by Rule 15c2-12. The Issuer recognizes that the provisions of this Certificate are intended to enable the Participating Underwriters to comply with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof, a change in this Certificate shall be permitted or necessary to assure continued compliance with

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

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

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

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

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

[SEAL]

THE COUNTY OF MONMOUTH, NEW JERSEY

By: _____
Mark E. Acker, Director of Finance

APPENDIX C

NOTICE OF SALE WITH RESPECT TO SERIES 2005 BONDS

NOTICE OF SALE

\$38,565,000

**COUNTY OF MONMOUTH
NEW JERSEY**

GENERAL OBLIGATION BONDS, SERIES 2005

ELECTRONIC PROPOSALS will be received by the Director of Finance of the Board of Chosen Freeholders of the County of Monmouth, New Jersey (the "County") for the purchase of \$38,565,000 original principal amount of the County's General Obligation Bonds, Series 2005, consisting of \$27,035,000 General Improvement Bonds, Series 2005A (the "Series 2005A Bonds"), \$4,530,000 County College Bonds, Series 2005B (County College Bonds Act, P.L. 1971, c. 12) (the "Series 2005B Bonds") and \$7,000,000 Utility Bonds (the "Series 2005C Bonds" and, together with the Series 2005A Bonds and the Series 2005B Bonds, collectively, the "Bonds"). **All Bids (as defined below) must be submitted in their entirety on Grant Street Group's MuniAuction's website ("MuniAuction") prior to 11:15 a.m., New Jersey time, on April 5, 2005, unless otherwise extended by the two-minute rule described herein (see "Bidding Details"). The auction will begin at 11:00 a.m., New Jersey time, on April 5, 2005 (the "Bid Date"). To bid via MuniAuction, Bidders (as defined below) must have (1) completed the registration form on either the MuniAuction or Grant Street Group (parent of MuniAuction, herein referred to as "Grant Street") website; (2) requested and received admission to the County's auction, as described herein (see "Registration and Admission to Bid"); and (3) submitted a good faith deposit, payable to the County, in the amount of \$771,300 by no later than 10:30 a.m. on the Bid Date (see "Bidding Details" below). The use of MuniAuction shall be at the Bidder's risk and expense, and the County shall have no liability whatsoever with respect thereto.**

Interest Payment Dates

The Bonds will be dated the date of delivery (which is expected to be April 19, 2005) and will bear interest at the rate per annum specified by the successful bidder therefor in accordance herewith, payable on January 15, 2006 and semi-annually thereafter on the fifteenth day of July and January in each year until maturity.

Principal Amortization

Principal of the Bonds will be paid annually (at maturity, unless designated as mandatory sinking fund payments in the manner prescribed herein), subject to prior optional redemption, on January 15 of each of the following years and in the following aggregate amounts:

\$27,035,000 Series 2005A Bonds, maturing in the principal amount of \$1,750,000 in the year 2006; \$2,000,000 in the years 2007 to 2009, inclusive; \$1,435,000 in the year 2010; \$1,000,000 in the years 2011 to 2012, inclusive; \$1,900,000 in the year 2013; \$1,950,000 in the year 2014; and \$2,000,000 in the years 2015 to 2020, inclusive.

\$4,530,000 Series 2005B Bonds, maturing in the principal amount of \$455,000 in the years 2006 to 2011, inclusive; and \$450,000 in the years 2012 to 2015, inclusive.

\$7,000,000 Series 2005C Bonds, maturing in the principal amount of \$400,000 in the years 2006 to 2011, inclusive; \$750,000 in the years 2012 to 2015, inclusive; and \$800,000 in the years 2016 to 2017, 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>
2006	\$2,605,000	2014	\$3,150,000
2007	2,855,000	2015	3,200,000
2008	2,855,000	2016	2,800,000
2009	2,855,000	2017	2,800,000
2010	2,290,000	2018	2,000,000
2011	1,855,000	2019	2,000,000
2012	2,200,000	2020	2,000,000
2013	3,100,000		

Term Bond Option

With respect to the Bonds maturing in the years 2018, 2019 and 2020, 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 January 15, 2015 shall not be subject to redemption prior to their respective maturity dates. The Bonds maturing on or after January 15, 2016 shall be subject to redemption prior to their respective maturity dates, on or after January 15, 2015 at the option of the County, either in whole or in part at any time in any order of maturity at par (the "Redemption Price") and accrued interest thereon to the date of redemption.

Notice of Redemption shall be given by publishing such notice once a week for two (2) successive weeks in a newspaper of general circulation that carries financial news, is printed in the English language and is customarily published on each business day in the State of New

York, the first of such publications to be at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. A Notice of Redemption shall also be mailed by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the County. However, so long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notices of Redemption shall be sent to such depository and shall not be sent to the beneficial owners of the Bonds, nor shall the notice be published as provided herein. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the County determines to redeem a portion of the Bonds of a maturity, such Bonds shall be selected by the County by lot. If Notice of Redemption has been given as described herein, the Bonds, or the portion thereof called for redemption, shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Payment shall be made upon surrender of the Bonds redeemed.

County College Bond Act

The Series 2005B Bonds 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.

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.

Registration and Admission to Bid

To bid by MuniAuction, Bidders must first visit MuniAuction where, if they have never registered with either MuniAuction or Grant Street, they can register and then request admission to bid on the Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid on the Bonds. Only NASD registered broker-dealers or dealer banks with DTC clearing arrangement will be eligible to bid on the Bonds. Bidders who have previously registered with MuniAuction may call MuniAuction at (412) 391-555, ext. 370 (Attn: Auction Support) for their identification number and/or password. Rules governing the sale and the rules applicable to MuniAuction are available in the full Notice of Sale at www.muniauction.com.

Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds:

1. **BIDDERS MUST SUBMIT A GOOD FAITH DEPOSIT IN THE AMOUNT OF \$771,300 PAYABLE TO THE COUNTY NO LATER THAN 10:30 A.M. ON THE BID DATE.**
2. All Bids must be submitted on the MuniAuction website at www.grantstreet.com. **No telephone, facsimile, telegraph, telefax or personal delivery Bids will be accepted.**
3. All Bids for the Bonds must be submitted on an “All or None” basis.
4. Bidders are only permitted to submit Bids for the Bonds during the bidding period.
5. If any Bid on the auction becomes a leading Bid two (2) minutes, or less, prior to the end of the auction, the auction will be automatically extended by two (2) minutes from the time such Bid was received by MuniAuction. The auction end time will continue to be extended, indefinitely, until a single leading Bid remains the leading Bid for at least two (2) minutes.

6. Bidders may change and submit Bids as many times as they like during the bidding time period; provided however, each and any Bid submitted subsequent to a Bidder's initial Bid must result in a lower true interest cost (as defined herein) when compared to the immediately preceding Bid of such Bidder. In the event the revised Bid does not produce a lower true interest cost, the prior Bid will remain valid.
7. The last bid submitted by a Bidder prior to the deadline for the receipt of bids will be compared to all other final bids to determine the winning bid.
8. During the Bidding, no Bidder will see any other Bidder's Bid. However, Bidders will be able to see the ranking of their Bid relative to other Bids (e.g. "Leader", "Cover", "3rd", etc.).

Rules of MuniAuction

The rules of MuniAuction (the "Rules") can be viewed on MuniAuction and are incorporated herein by reference. Bidders must comply with the Rules in addition to the requirements of the Notice of Sale for the County's Bonds dated the date hereof (the "Notice of Sale"). To the extent there is a conflict between the Rules and the Notice of Sale, the Notice of Sale shall control.

Rules

1. A Bidder submitting a Winning Bid is irrevocably obligated to purchase the Bonds at the rates and prices of the Winning Bid, if acceptable to the County, as set forth in the related Notice of Sale. **Winning Bids are not officially awarded to the Bidder until formally accepted by the County.**
2. Neither the County, Bond Counsel nor MuniAuction (the "Auction Administrator") is responsible for technical difficulties which result in loss of Bidder's internet connection with MuniAuction; slowness in transmission of Bids; or other technical problems.
3. If for any reason a Bidder is disconnected from MuniAuction's Auction Page during the auction after having submitted a Winning Bid, such Bid is valid and binding upon the Bidder, unless the County exercises its right to reject Bids, as set forth herein.
4. Bids that generate error messages are not accepted until the error is corrected and the Bid is received prior to the deadline.
5. Bidders accept and agree to abide by all terms and conditions specified in the Notice of Sale (including amendments, if any) related to each auction.

6. Neither the County, Bond Counsel, nor the Auction Administrator is responsible to any Bidder for any defect or inaccuracy in the Notice of Sale, amendments, or the Preliminary Official Statement as they appear on MuniAuction.
7. Only Bidders who request and receive admission to an auction and who have submitted a good faith deposit as required by the terms of this Notice of Sale may submit Bids. Bond Counsel and the Auction Administrator reserve the right to deny access to MuniAuction to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.
8. Neither the County, Bond Counsel, nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder's MuniAuction password.
9. If two (2) Bids are submitted in the auction by the same or two or more different Bidders and result in the same true interest cost, the first confirmed Bid received by MuniAuction prevails. Any change to a submitted Bid constitutes a new Bid, regardless of whether there is a corresponding change in true interest cost.
10. Bidders must compare their final Bids to those shown on the Observation Pages immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Pages they must report them to MuniAuction within fifteen (15) minutes after the bidding time period ends. Regardless of the final results reported by MuniAuction, bonds are definitively awarded to winning Bidders only upon official award by the County. If, for any reason, the County fails to: (i) award the Bonds to the winning Bidder reported by MuniAuction, or (ii) deliver the Bonds to the winning Bidders at settlement, neither Bond Counsel nor the Auction Administrator will be liable for damages.

Definitions

- “Bid” any confirmed purchase offer received by MuniAuction on or before the auction deadline.
- “Bidder” any firm registered with either MuniAuction or Grant Street and approved for participation in auctions.
- “Winning Bid” any purchase offer made by a Bidder by clicking the “Submit Bid” button and received by MuniAuction that, at the end of the bidding time period, results in the lowest true interest cost that is acceptable to the County.

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 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 and one percent (101%) 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 as set forth above (See "Rules" above). 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, April 19, 2005 at the offices of Gibbons, Del Deo, Dolan, Griffinger & Vecchione 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 MuniAuction. 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 MuniAuction.

A postponement of the bid date will be announced via MuniAuction not later than 11:00 a.m., New York City time, on the last business day prior to any announced date for receipt of bids, and an alternative sale date and time will be announced via MuniAuction 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 MuniAuction at the time the date and time for receipt of bids are announced.

Right To Reject Bids; Waive Irregularities

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

Good Faith Deposit

A good faith deposit (the "Deposit"), in the form of a financial surety bond (the "Financial Surety Bond") in the amount of \$771,300 is required for each bid for the Bonds to be considered. The Financial Surety Bond must be from an insurance company licensed to issue such a bond in the State of New Jersey and approved by the Director of the Division of Local Government Services of New Jersey (the "Director"). At present, the Director has approved the use of Sure-Bid, a division of Financial Security Assurance Inc. Use of any other Financial Surety Bond must be approved by the Director prior to the bid and will not be accepted by the County unless evidence of such approval is provided prior to the bid. The Financial Surety Bond must be submitted to the County prior to 5:00 p.m. New York City time on the day prior to the date for receipt of bids, and must be in the form and substance acceptable to the County. A Financial Surety Bond must identify the bidder whose Deposit is guaranteed by such Financial Surety Bond. The Successful Bidder for the Bonds is required to submit its Deposit to the County in the form of a wire transfer not later than 1:00 p.m. New York City time on the next business day following the award. If such Deposits are not received by that time, the Financial Surety Bond may be drawn by the County to satisfy the Deposit requirement. The Deposit of the Successful Bidder will be collected and the proceeds thereof retained by the County to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the Successful Bidder shall fail to comply with the terms of its respective bid, the proceeds thereof will be retained as and for full liquidated damages. Award of the Bonds to the Successful Bidder or rejection of all bids is expected to be made within five hours after opening of the bids, but such Successful Bidder may not withdraw its Proposal for Bonds until after 5:00 p.m. of the day of such bid-opening and then only if such award has not been made prior to the withdrawal.

Bond Insurance

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

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

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for the failure or refusal of the Successful Bidder to accept delivery of and pay for the Bonds. The CUSIP Service Bureau charges for the assignment of CUSIP numbers on the Bonds shall be the responsibility of and shall be paid for by the Successful Bidder. One series of CUSIP numbers will be assigned to the Series 2005A Bonds and Series 2005C Bonds and a separate series of CUSIP numbers will be assigned to the Series 2005B Bonds.

Undertakings of the Successful Bidder

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

The successful bidder(s) 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(s) 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(s) may reasonably request. The successful bidder(s) will be responsible to the County in all aspects for the accuracy and completeness of information provided by such successful bidder(s) with respect to such reoffering.

SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, THE SUCCESSFUL BIDDER(S) SHALL FURNISH TO THE COUNTY A CERTIFICATE

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

Legal Opinions

The obligations hereunder to pay for and to accept delivery of the Bonds shall be conditioned on the availability and the delivery at the time of delivery of the Bonds of the approving opinion of the law firm of Gibbons, Del Deo, Dolan, Griffinger & Vecchione P.C., Newark, New Jersey, bond counsel to the County, which will be furnished without cost to the Successful Bidder(s), 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.grantstreet.com. A printed version is also available upon request made to the Director of Finance of the County at the Hall of Records, Finance Department, Third Floor, Freehold, New Jersey 07728-1256 (telephone (732) 431-7391), or from the County's financial advisor, Public Resources Advisory Group, 40 Rector Street, New York, New York 10006 (telephone (212) 566-7800).

Official Statement

The County agrees to provide the successful bidder with up to two hundred (200) copies of the final Official Statement adopted by the County in relation to the sale by the County of the Bonds within the period of time allowed under Rule 15c2-12, at the sole cost and expense of the County, with any additional copies which the successful bidder shall reasonably request to be provided at the sole cost and expense of the successful bidder.

Continuing Disclosure

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

Mark E. Acker
Director of Finance

Dated: March 26, 2005

APPENDIX D

**FORM OF OPINION OF GIBBONS, DEL DEO, DOLAN,
GRIFFINGER & VECCHIONE P.C., BOND COUNSEL
TO THE COUNTY OF MONMOUTH, NEW JERSEY**

April __, 2005

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 \$38,565,000 General Obligation Bonds, Series 2005 consisting of \$27,035,000 General Improvement Bonds, Series 2005A, \$4,530,000 County College Bonds, Series 2005B (County College Bond Act, P.L. 1971, c. 12) (the "Series 2005B Bonds") and \$7,000,000 Utility Bonds, Series 2005C (the "Series 2005C Bonds" and, together with the Series 2005A Bonds and the Series 2005B Bonds, collectively, the "Series 2005 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 (the "Education Law"), a resolution of the Board of Chosen Freeholders adopted on March 23, 2005 (the "Resolution") and by virtue of various bond ordinances of the County (the "Bond Ordinance").

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

Series 2005A Bonds

<u>Maturing January 15</u>	<u>Annual Amount Maturing</u>	<u>Maturing January 15</u>	<u>Annual Amount Maturing</u>
2006	\$1,750,000	2014	\$1,950,000
2007	2,000,000	2015	2,000,000
2008	2,000,000	2016	2,000,000
2009	2,000,000	2017	2,000,000
2010	1,435,000	2018	2,000,000
2011	1,000,000	2019	2,000,000
2012	1,000,000	2020	2,000,000
2013	1,900,000		

Series 2005B Bonds

<u>Maturing January 15</u>	<u>Annual Amount Maturing</u>	<u>Maturing January 15</u>	<u>Annual Amount Maturing</u>
2006	\$455,000	2011	\$455,000
2007	455,000	2012	450,000
2008	455,000	2013	450,000
2009	455,000	2014	450,000
2010	455,000	2015	450,000

Series 2005C Bonds

<u>Maturing January 15</u>	<u>Annual Amount Maturing</u>	<u>Maturing January 15</u>	<u>Annual Amount Maturing</u>
2006	\$400,000	2012	\$750,000
2007	400,000	2013	750,000
2008	400,000	2014	750,000
2009	400,000	2015	750,000
2010	400,000	2016	800,000
2011	400,000	2017	800,000

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. The Series 2005B Bonds are entitled to the benefits of the provisions of the County College Bond Act, N.J.S.A. 18A:64A-22.1, et seq.

2. The County has the power and is obligated to levy ad valorem taxes upon all the taxable property within the County for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

3. Under existing law, interest on the Bonds is excluded from the gross income of the owners of the Bonds for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax. We express no opinion regarding any other Federal income tax consequences arising with respect to the Bonds.

4. Under existing law, interest on the Bonds and net gains on the sale of the Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

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

Attention is called to the fact that we have not been requested to examine and have not examined any documents or information relating to the County other than the certified copies of

the proceedings and proofs referred to hereinabove, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of said Bonds.

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

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

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

Very truly yours,