

NEW ISSUE

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 2002 Bonds is excluded from the gross income of the owners of the Series 2002 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 2002 Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. Under existing law, interest on the Series 2002 Bonds and net gains from the sale of the Series 2002 Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act. In the case of certain corporate holders of the Series 2002 Bonds, interest on the Series 2002 Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Series 2002 Bonds in "adjusted current earnings" of certain corporations. See "TAX MATTERS" herein.

\$53,515,000

COUNTY OF MONMOUTH

New Jersey

General Obligation Bonds, Series 2002

Consisting of

\$40,000,000 General Improvement Bonds, Series 2002

\$4,515,000 County College Bonds, Series 2002 (County College Bonds Act, P.L. 1971, c.12)

\$9,000,000 Utility Bonds, Series 2002

Dated: July 15, 2002

Due: As shown below

The \$53,515,000 General Obligation Bonds (the "Series 2002 Bonds"), will be issued by the County of Monmouth, New Jersey (the "County") in fully registered form and, when issued, the Series 2002 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 2002 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 2002 Bonds, principal of, redemption premium, if any, and interest (payable semi-annually on January 15, 2003 and on each July 15 and January 15 thereafter until maturity), on the Series 2002 Bonds will be paid to DTC or its nominee which is obligated to remit such

Dated: July 10, 2002

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 2002 Bonds. See “OTHER INFORMATION - The DTC Book-Entry-Only System.”

The Series 2002 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, Title 18A, Education, of the New Jersey Statutes and various ordinances and resolutions of the County, to permanently finance specified general improvements.

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 2002 Bonds. The Series 2002 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 real property within the County, without limitation as to rate or amount. The Series 2002 Bonds maturing on or after July 15, 2013 are subject to redemption prior to maturity as set forth herein.

\$40,000,000 General Improvement Bonds, Series 2002

<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
July 15, 2003	\$ 2,000,000	3.25%	1.60%
July 15, 2004	2,000,000	3.25	1.97
July 15, 2005	2,000,000	3.25	2.40
July 15, 2006	2,000,000	3.25	2.72
July 15, 2007	2,000,000	3.25	3.00
July 15, 2008	2,000,000	3.25	3.32
July 15, 2009	3,250,000	3.40	3.51
July 15, 2010	3,250,000	3.65	3.73
July 15, 2011	3,250,000	4.00	3.85
July 15, 2012	3,250,000	4.00	3.97
July 15, 2013	3,250,000	4.00	4.10
July 15, 2014	3,250,000	4.10	4.21
July 15, 2015	3,250,000	4.20	4.31
July 15, 2016	3,250,000	4.25	4.35
July 15, 2017	2,000,000	4.35	4.45

\$4,515,000
County College Bonds, Series 2002
(County College Bond Act, P.L. 1971, c.12)

<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield or Price</u>
July 15, 2003	\$ 450,000	3.25%	1.60%
July 15, 2004	450,000	3.25	1.97
July 15, 2005	450,000	3.25	2.40
July 15, 2006	450,000	3.25	2.72
July 15, 2007	450,000	3.25	3.00
July 15, 2008	450,000	3.25	3.32
July 15, 2009	450,000	3.40	3.51
July 15, 2010	450,000	3.65	3.73
July 15, 2011	450,000	4.00	3.85
July 15, 2012	465,000	4.00	3.97

\$9,000,000
Utility Bonds

<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield or Price</u>
July 15, 2003	\$ 400,000	3.25%	1.60%
July 15, 2004	400,000	3.25	1.97
July 15, 2005	400,000	3.25	2.40
July 15, 2006	400,000	3.25	2.72
July 15, 2007	450,000	3.25	3.00
July 15, 2008	450,000	3.25	3.32
July 15, 2009	450,000	3.40	3.51
July 15, 2010	450,000	3.65	3.73
July 15, 2011	800,000	4.00	3.85
July 15, 2012	800,000	4.00	3.97
July 15, 2013	800,000	4.00	4.10
July 15, 2014	800,000	4.10	4.21
July 15, 2015	800,000	4.20	4.31

July 15, 2016	800,000	4.25	4.35
July 15, 2017	800,000	4.35	4.45

(Accrued interest to be added)

The issuance of the Series 2002 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 2002 Bonds will be available for delivery to DTC on or about July 23, 2002, in New York, New York, or at such other place and time as may be agreed to by the County.

This is a Preliminary Official Statement “deemed final” within the meaning of and with the exception of certain information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission, and is otherwise subject to change in accordance with applicable law. The County will deliver a final Official Statement in compliance with Rule 15c2-12. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

COUNTY OF MONMOUTH
STATE OF NEW JERSEY

BOARD OF CHOSEN FREEHOLDERS

Harry Larrison, Jr.	Director of the Board
Thomas J. Powers	Deputy Director
Theodore J. Narozanick	Freeholder
Amy H. Handlin	Freeholder
Edward J. Stominski	Freeholder

COUNTY OFFICIALS

Robert J. Collins	County Administrator
James S. Gray	Clerk of the Board of Chosen Freeholders
Mark E. Acker	Director of Finance
Malcolm V. Carton	County Counsel
Benjamin H. Danskin	County Treasurer

PROFESSIONALS

Gibbons, Del Deo, Dolan, Griffinger & Vecchione	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 2002 Bonds, other than those contained in this Official Statement, in connection with the offering of the Series 2002 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 2002 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 2002 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 2002 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 2002**

I. DESCRIPTION OF THE SERIES 2002 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 \$53,515,000 aggregate principal amount of the County's General Obligation Bonds, Series 2002 (the "Series 2002 Bonds") dated July 15, 2002, consisting of \$40,000,000 General Improvement Bonds, Series 2002 (the "General Improvement Bonds"), \$4,515,000 County College Bonds, Series 2002 (County College Bond Act, P.L. 1971, c.12) (the "County College Bonds") and \$9,000,000 Utility Bonds, Series 2002 ("Utility Bonds").

The Series 2002 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 2002 Bonds have been authorized by various ordinances duly adopted by the County and a resolution of the County adopted at meeting of the Board of Freeholders of the County (the "County Board") held on June 13, 2002. The Series 2002 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 2002 Bonds, and for which the County shall, unless otherwise paid, levy ad valorem taxes upon all taxable real property within the County without limitation as to rate or amount.

Term

The Series 2002 Bonds will be dated July 15, 2002, 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 2002 Bonds will bear interest payable semi-annually on January 15, 2003 and on each July 15 and January 15 thereafter.

Denomination and Place of Payments

The Series 2002 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 2002 Bonds under its book-entry-only system (the "DTC Book-Entry-Only System"). An individual purchaser (the "Beneficial

Owner”) may purchase a Series 2002 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 2002 Bonds, the principal, redemption premium, if any, and interest on, the Series 2002 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 2002 Bonds). See “OTHER INFORMATION - The DTC Book-Entry-Only System” herein.

Redemption Provisions

The Series 2002 Bonds maturing on or prior to July 15, 2012 shall not be subject to redemption prior to their respective maturity dates. The Series 2002 Bonds maturing on or after July 15, 2013 shall be subject to redemption prior to their respective maturity dates, on or after July 15, 2012 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 2002 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 2002 Bonds, Notices of Redemption shall be sent to such depository and shall not be sent to the beneficial owners of the Series 2002 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 2002 Bonds of a maturity, such Series 2002 Bonds shall be selected by the County by lot. If Notice of Redemption has been given as described herein, the Series 2002 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 2002 Bonds redeemed.

Authorization

The Series 2002 Bonds have been authorized and are to be issued in accordance with the Local Bond Law and Title 18A, Education, of the New Jersey Statutes and various ordinances and a resolution adopted by the Board of Chosen Freeholders of the County. The ordinances included in the sale of the Series 2002 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 2002 Bonds by the County.

Security for the Series 2002 Bonds

The Series 2002 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 real property within the County without limitation as to rate or amount for the payment of the principal of and interest on the Series 2002 Bonds.

The County College 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 County College Bonds. The amount paid by the state pursuant to the Act are paid directly to the paying agent for the County College Bonds and therefore must be used for the payment of the principal of an interest on the County College Bonds. Any obligations 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 2002 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 General Improvement Bonds Authorized</u>	<u>Amount of General Improvement Bonds Issued</u>	<u>Adoption Dates</u>
Various Improvements and Purposes for and by the County (Ord. No. 96-2)	\$ 1,127,000	\$ 1,127,000	May 9, 1996
Various Improvements and Purposes for and by the County (Ord. No. 98-1)	16,840,000	4,000,000	March 19, 1998
Various Improvements and Purposes for and by the County (Ord. No. 99-1)	12,497,000	5,950,000	February 25, 1999
Various Improvements – Brookdale Community College (Ord. No. 99-2, as amended)	3,665,000	1,665,000	May 27, 1999 and June 8, 2000
Various Improvements and Purposes for and by the County (Ord. No. 00-1, as amended)	17,175,000	9,423,000	April 13, 2000, July 13, 2000 and July 26, 2001
Various Improvements and Purposes for and by the County (Ord. No 01-1)	16,930,000	9,052,000	March 22, 2001
Various Improvements and Purposes for and by the County (Ord. No 02-2)	43,200,000	8,783,000	February 14, 2002
TOTAL	<u>\$ 111,434,000</u>	<u>\$ 40,000,000</u>	

<u>County College Project</u>	<u>Amount of County College Bonds Authorized</u>	<u>Amount of County College Bonds Issued</u>	<u>Adoption Dates</u>
Various Improvements – Brookdale Community College (Ord. No. 99-2, as amended)	\$ 4,515,000	\$ 4,515,000	May 27, 1999 and June 8, 2000
TOTAL	<u>\$ 4,515,000</u>	<u>\$ 4,515,000</u>	

<u>Utility Project</u>	<u>Amount of Utility Bonds Authorized</u>	<u>Amount of Utility Bonds Issued</u>	<u>Adoption Dates</u>
Construction of Area 3, Phase III Landfill (Ord. No 02-1)	\$ 9,750,000	\$ 9,000,000	February 14, 2002
TOTAL	<u>\$ 9,750,000</u>	<u>\$ 9,000,000</u>	

COMBINED MATURITY SCHEDULE

<u>Date</u>	<u>General Improvement Bonds</u>	<u>County College Bonds</u>	<u>Utility Bonds</u>	<u>Total</u>
July 15, 2003	\$ 2,000,000	\$ 450,000	\$ 400,000	\$ 2,850,000
July 15, 2004	2,000,000	450,000	400,000	2,850,000
July 15, 2005	2,000,000	450,000	400,000	2,850,000
July 15, 2006	2,000,000	450,000	400,000	2,850,000
July 15, 2007	2,000,000	450,000	450,000	2,900,000
July 15, 2008	2,000,000	450,000	450,000	2,900,000
July 15, 2009	3,250,000	450,000	450,000	4,150,000
July 15, 2010	3,250,000	450,000	450,000	4,150,000
July 15, 2011	3,250,000	450,000	800,000	4,500,000
July 15, 2012	3,250,000	465,000	800,000	4,515,000
July 15, 2013	3,250,000		800,000	4,050,000
July 15, 2014	3,250,000		800,000	4,050,000
July 15, 2015	3,250,000		800,000	4,050,000
July 15, 2016	3,250,000		800,000	4,050,000
July 15, 2017	2,000,000		800,000	2,800,000

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 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>
Harry Larrison, Jr.	Director of the Board	January 2003
Thomas J. Powers	Deputy Director	January 2003
Theodore J. Narozanick	Freeholder	January 2004
Amy H. Handlin	Freeholder	January 2005
Edward J. Stominski	Freeholder	January 2005

County Officials

James S. Gray	Clerk of the Board of Chosen Freeholders
Robert J. Collins	County Administrator
Mark E. Acker	Director of Finance
Malcolm V. Carton, Esq.	County Counsel
Benjamin H. Danskin	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 - (1997-2001)" 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 over 520,000 tons during 2001 and, at current monthly deliveries, is expected to accept a similar amount during 2002. 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 2002 is 2.5%.

**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>
1998	40,136,754,115	93.96	42,716,356,592	0.445257775
1999	41,151,055,725	92.35	44,560,096,550	0.436243045
2000	42,241,110,283	89.43	47,235,372,676	0.427296588
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

DISTRIBUTION OF ASSESSED VALUATION

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Vacant Land	\$ 1,113,290,735	\$ 1,076,449,055	\$ 1,030,855,227	\$ 1,005,920,615	\$ 1,083,767,615
Residential	31,696,484,054	32,668,666,649	33,726,074,088	34,692,550,760	37,649,570,005
Farm Regular	389,818,200	391,454,800	384,993,100	396,728,900	424,951,430
Farm Qualified	33,717,474	35,432,654	32,591,074	32,216,674	31,339,384
Commercial	4,976,687,377	5,090,548,661	5,323,052,063	5,557,630,487	5,932,925,687
Industrial	809,535,550	809,691,550	781,513,450	773,371,250	832,732,150
Apartments	<u>723,687,615</u>	<u>735,215,300</u>	<u>749,137,350</u>	<u>787,191,250</u>	<u>858,223,450</u>
	\$39,743,221,005	\$40,807,458,669	\$42,028,216,352	\$43,245,609,936	\$46,813,509,721

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, 2001

<u>Owner of Record</u>	<u>Property Location</u>	<u>2001 Total Assessed Value</u>	<u>2001 Tax Rate Per \$100</u>	<u>Total 2001 Taxes</u>
1. AT&T Corporate Offices				
Four Ponds % ATT Lease Adm.	Middletown Township	\$ 28,000,000	2.918	\$ 817,040.00
199 Laurel Asso. %Steiner Equ. Group (Vacant Land)	Middletown Township	366,000	2.918	10,679.88
200 Laurel Associates, L.L.C.	Middletown Township	215,029,300	2.918	6,274,554.97
		\$243,395,300		\$7,102,274.85
2. Freehold Mall				
Commercial Net Lease Realty Inc. (Linn & Marsh)	Freehold Township	\$ 5,682,400	2.401	\$ 136,434.42
Freemall Associates (Mall, Bobs, Comp USA, Land)	Freehold Township	169,340,900	2.401	4,065,875.01
JC Penney Properties, Inc.	Freehold Township	12,050,600	2.401	289,334.91
Loews Theater Lessee, % Freemall	Freehold Township	12,557,600	2.401	301,507.98
Macy's East, Inc.	Freehold Township	24,897,800	2.401	597,796.18
Nordstrom, Inc.	Freehold Township	14,257,000	2.401	342,310.57
Sears D/768TAX B2-109A	Freehold Township	10,524,500	2.401	252,693.25
State St. Bank & Trust Co. of Conn. (Sam's Club)	Freehold Township	9,300,000	2.401	223,293.00
Kmart Corporation	Freehold Township	9,380,800	2.401	225,233.01
The May Department Stores Co. (Lord & Taylor)	Freehold Township	12,204,600	2.401	293,032.45
Tru-Freehold Realty Inc (Toys R Us, Kids R Us)	Freehold Township	7,303.500	2.401	175,357.04
		\$287,499,700		\$6,902,867.80
3. Monmouth Mall				
JC Penney 1150-0 Property Tax Off.	Eatontown Township	\$ 11,672,000	2.982	\$ 348,059.04
Lord & Taylor-May Stores #57	Eatontown Township	9,728,500	2.982	290,103.87
Macy's East Federated Dept. Stores	Eatontown Township	13,026,000	2.982	388,435.32
Zell & Lurie Equity Property Tax	Eatontown Township	130,000,000	2.982	3,876,600.00
		\$164,426,500		\$4,903,198.23
4. Lucent Technologies				
LTI NJ Finance L.L.C.	Holmdel Township	\$ 130,000,000	2.642	\$ 3,434,600.00
NS-MPG INC.%LUCENT T	Holmdel Township	4,600,200	2.642	121,537.28
Weill, M. Trust Lucent Tech. Admin.	Middletown Township	28,637,500	2.918	835,642.25
		\$163,237,700		\$4,391,779.53
5. International Flavors & Fragrances				
International Flavors & Fragrances	Hazlet Township	\$ 15,820,000	3.151	\$ 498,488.20
	Union Beach	37,790,300	3.175	1,199,842.03
		\$53,610,300		\$1,698,330.23

	<u>Owner of Record</u>	<u>Property Location</u>	<u>2001 Total Assessed Value</u>	<u>2001 Tax Rate Per \$100</u>	<u>Total 2001 Taxes</u>
6.	Tinton Falls Campus (Assisted Living Facility)	Tinton Falls	\$48,296,400	2.999	\$1,448,409.04
7.	One Rvr. Assoc. (Belcore Research)	Middletown Township	\$48,140,100	2.918	\$1,404,728.12
8.	New Jersey Sports & Exposition Auth	Long Branch	\$ 1,139,200	3.437	\$ 39,154.30
	New Jersey Sports & Exposition Auth	Oceanport	47,539,700	2.738	1,301,636.99
			<u>\$48,678,900</u>		<u>\$1,340,791.29</u>
9.	Monmouth/Atlantic Realty Assoc LLC	Wall Township	\$38,802,900	2.579	\$1,000,726.79
10.	Wall Herald Corp	Wall Township	\$36,836,800	2.579	\$950,021.07
11.	Caydenzar Ats I, LP	Holmdel Township	\$35,621,600	2.642	\$941,12267.00
12.	Nestle USA-ATT:D. Amrozowicz	Freehold Boro	\$ 27,300,000	3.023	\$ 825,279.00
	Nestle/Hills Bros Coffee Company	Freehold Township	1,602,500	2.401	38,476.03
			<u>\$28,902,500</u>		<u>\$863,755.03</u>

Source: Monmouth County Board of Taxation (May 8, 2002).

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, 2001 appears in Appendix A to this Official Statement.

COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>Unaudited 2001</u>
Revenues and Other Additions:					
Fund Balance Utilized	\$ 27,500,000	\$ 29,000,000	\$ 31,000,000	\$ 35,000,000	\$ 35,000,000
Miscellaneous Revenue					
Anticipated	117,052,692	112,928,992	121,474,230	128,571,127	144,425,067
Miscellaneous Revenue Not					
Anticipated	12,719,546	13,709,117	13,269,820	14,930,954	14,957,122
Receipts from Current Taxes	184,600,000	189,700,000	193,900,000	201,529,528	218,585,192
Other Credits to Revenue	144,955	2,197,540	98,179	28,669	92,462
Unexpended Balance of					
Appropriations Lapsed	<u>7,180,369</u>	<u>8,035,083</u>	<u>9,544,742</u>	<u>8,523,139</u>	<u>10,272,732</u>
 Total Revenues and Other Additions	 \$349,197,562	 \$355,570,732	 \$369,286,971	 \$388,583,417	 \$423,332,575
 Expenditures:					
Budget Appropriations*	\$318,384,910	\$323,789,117	\$327,932,072	\$349,888,842	381,009,412
Other Charges				--	--
 Total Expenditures	 \$318,384,910	 \$323,789,117	 \$327,932,072	 \$349,888,842	 \$381,009,412
 Excess in Revenue	 30,812,652	 31,781,615	 41,354,899	 38,694,575	 42,323,163
Adjustment to Income Before					
Surplus: Emergency Authorization	450,000	--	--	470,000	--
 Fund Balance, January 1	 <u>37,217,696</u>	 <u>40,980,348</u>	 <u>43,761,963</u>	 <u>54,116,862</u>	 <u>58,281,437</u>
	68,480,348	72,761,963	85,116,862	93,281,437	100,604,600
Decreased by:					
Utilized as Anticipated Revenue	<u>27,500,000</u>	<u>29,000,000</u>	<u>31,000,000</u>	<u>35,000,000</u>	<u>35,000,000</u>
 Fund Balance, December 31	 <u>\$ 40,980,348</u>	 <u>\$43,761,963</u>	 <u>\$54,116,862</u>	 <u>\$58,281,437</u>	 <u>\$65,604,600</u>
 Fund Balance, as a percentage of Total Expenditures	 12.87%	 13.52%	 16.50%	 16.66%	 17.22%
 * Paid or Charged	 \$308,221,789	 \$312,881,997	 \$318,020,001	 \$338,406,413	 \$368,960,010
Appropriation Reserves	10,018,166	10,780,782	9,824,640	11,453,760	12,045,806
Current Appropriations Cancelled	<u>144,955</u>	<u>126,338</u>	<u>87,431</u>	<u>28,669</u>	<u>3,596</u>
	\$318,384,910	\$323,789,117	\$327,932,072	\$349,888,842	381,009,412

Current Fund operating results reflect a policy of conservatively estimating revenues so that at year-end positive fund balances are maintained. Revenue growth, plus the benefits of a tightly monitored hiring freeze and a new, managed budget approach, analogous to zero based budgeting, both implemented in the early nineties, have resulted in increased fund balances. Fund balance, as a percentage of expenditures, has increased from 5.7% in 1990 to 17.2% in 2001. 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 3.1%, consistent with corresponding rates of inflation throughout the decade. Revenue growth is expected to continue through 2002, albeit at a slower pace, as a result of the strong local economy.

FIVE YEAR SUMMARY OF CURRENT FUND BUDGET AND ACTUAL RESULTS

	1997		1998		1999		2000		2001	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:										
County Clerk	\$4,400,000	\$5,533,496	\$4,600,000	\$6,534,353	\$4,700,000	\$7,403,270	\$5,000,000	\$7,416,712	\$5,000,000	\$7,673,789
Interest on Investments	3,600,000	7,446,755	3,600,000	8,096,365	3,600,000	7,747,151	3,700,000	10,465,873	3,700,000	9,202,999
Parks & Recreation	3,180,000	4,138,635	4,100,000	5,329,077	5,100,000	5,662,674	5,200,000	5,367,877	5,200,000	6,063,762
Medical Homes	15,695,000	15,634,490	15,150,000	15,251,931	14,600,000	17,110,400	16,000,000	17,533,431	16,500,000	18,814,635
Division of Social Services	19,412,257	19,904,642	19,281,850	19,433,572	19,259,900	19,544,932	19,060,500	19,803,277	19,341,000	22,810,796
Stated N.J. Social Service Reimbursement	15,631,253	15,631,253	15,571,808	15,571,808	14,251,775	14,251,775	14,804,415	14,804,415	15,939,923	15,939,923
State of N.J. - Inmate Reimbursement	5,350,000	8,683,097	5,350,000	4,521,231	4,500,000	9,939,655	6,000,000	5,777,667	3,017,000	2,336,778
State of N.J. - Remaining Aid	1,279,532	1,544,259	2,246,545	2,412,340	2,001,351	2,318,572	2,530,056	2,850,069	2,426,550	2,683,309
State & Federal Grants	24,672,594	24,672,594	23,426,875	23,426,875	22,415,439	22,415,439	24,455,111	24,455,111	39,581,533	39,581,533
Miscellaneous Revenue	12,614,275	26,583,017	11,762,040	26,060,557	12,603,607	28,350,182	16,139,232	35,027,649	16,718,214	34,274,664
Fund Balance Utilized	27,500,000	27,500,000	29,000,000	29,000,000	31,000,000	31,000,000	35,000,000	35,000,000	35,000,000	35,000,000
County Tax Levy	<u>184,600,000</u>	<u>184,600,000</u>	<u>189,700,000</u>	<u>189,700,000</u>	<u>193,900,000</u>	<u>193,900,000</u>	<u>201,529,528</u>	<u>201,529,528</u>	<u>218,585,192</u>	<u>218,585,192</u>
TOTAL REVENUES	\$317,934,911	\$341,872,238	\$323,789,118	\$345,338,109	\$327,932,072	\$359,644,050	\$349,418,842	\$380,031,609	\$381,009,412	\$412,967,380
Appropriations:										
General Government	\$46,671,860	\$44,600,435	\$52,396,713	\$50,485,008	\$49,631,908	\$46,955,957	\$55,507,307	\$52,885,608	\$19,334,265	\$18,681,257
Judiciary	8,714,167	8,711,273	570,859	557,802	561,171	557,016	607,199	600,656		
Regulation	12,480,382	11,911,093	12,845,107	12,392,728	13,129,139	12,765,610	14,896,057	14,482,776		
Public Works & Engineering	23,410,000	22,639,744	25,196,733	24,207,320	26,676,236	25,891,333	29,636,227	28,539,748	31,955,468	31,101,984
Penal Institutions	25,623,978	24,996,320	26,489,140	26,084,609	30,653,149	30,154,491	32,906,832	32,555,546		
Health & Human Services	76,451,952	72,449,796	77,766,425	73,258,388	76,102,964	72,719,641	78,395,711	73,811,092	82,643,937	76,949,912
Education	31,288,440	31,038,862	32,121,458	31,868,087	32,161,376	31,850,818	32,500,433	32,143,726	31,950,285	31,835,117
Parks & Recreation	12,355,234	12,156,743	13,410,125	13,075,443	14,190,611	14,032,991	15,100,300	14,968,867	16,042,878	15,877,743
State & Federal Grants	25,772,594	25,628,401	24,526,875	24,286,968	23,515,439	23,373,398	25,555,111	25,461,171	40,681,533	40,597,828
Capital Improvements	9,247,000	8,541,417	10,625,000	10,265,477	12,697,000	11,853,608	14,165,000	13,051,399	13,498,000	11,563,261
Debt Service	34,658,421	34,513,466	35,621,396	35,495,057	36,791,942	36,704,511	38,601,665	38,572,996	38,789,150	38,785,555
Statutory Expenditures	11,320,883	10,842,388	11,813,252	10,714,462	11,566,137	10,945,608	11,762,000	11,080,947	10,732,192	10,277,910
Unclassified/Contingent	<u>390,000</u>	<u>191,851</u>	<u>406,035</u>	<u>190,648</u>	<u>255,000</u>	<u>215,019</u>	<u>255,000</u>	<u>251,881</u>	200,000	197,810
Public Safety									63,159,166	62,120,630
Land Use Administration									1,289,815	1,255,828
Code Enforcement									341,531	324,025
Insurance									29,266,000	28,484,320
Utility Expenses									<u>1,125,192</u>	<u>906,830</u>
TOTAL APPROPRIATIONS	\$318,384,911	\$308,221,789	\$323,789,118	\$312,881,997	\$327,932,072	\$318,020,001	\$349,888,842	\$338,406,413	\$381,009,412	\$368,960,010
Excess in Revenues		\$33,650,449		\$32,456,112		\$41,624,049		\$41,625,196		\$44,007,370
Appropriation Reserve		<u>10,018,166</u>		<u>10,780,782</u>		<u>9,824,640</u>		<u>11,453,760</u>		<u>12,045,806</u>
Excess in Revenues, Net		\$23,632,283		\$21,675,330		\$31,799,409		\$30,171,436		\$31,961,564
Other Credits to Income:										
Refund of Prior Year Loan to Grant Fund				2,020,629						
Unexpended Balance of Previous Year										
Appropriation Reserve		7,180,369		8,035,083		9,544,742		8,523,139		10,272,732
Emergency Authorization		450,000						470,000		
Other				<u>50,572</u>		<u>10,748</u>				<u>88,867</u>
		<u>\$31,262,652</u>		<u>\$31,781,614</u>		<u>\$41,354,899</u>		<u>\$39,164,575</u>		<u>\$42,323,163</u>
Fund Balance, Beginning of Year		<u>9,717,697</u>		<u>11,980,349</u>		<u>12,761,963</u>		<u>19,116,862</u>		<u>23,281,437</u>
Fund Balance, End of Year		\$40,980,349		\$43,761,963		\$54,116,862		\$58,281,437		\$65,604,600

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

	<u>2001(1)</u>	<u>2002(2)</u>
Anticipated Revenues:		
Fund Balance Utilized	\$35,000,000	\$37,500,000
State Aid	38,724,473	39,546,707
State and Federal Grants	10,419,092	12,168,125
Miscellaneous Revenue	49,118,215	51,087,063
County Tax Levy	<u>218,585,192</u>	<u>236,020,000</u>
Total Anticipated Revenues	<u>\$351,846,972</u>	<u>\$376,321,895</u>
Appropriations:		
Operations	\$288,277,630	\$308,383,750
Capital Improvements	13,498,000	15,962,000
Debt Service	38,789,150	39,801,145
Pension Contributions and Social Security Taxes	<u>11,282,192</u>	<u>12,175,000</u>
Total Appropriations	<u>\$351,846,972</u>	<u>\$376,321,895</u>

- (1) The 2001 County Budget was adopted by the Board of Freeholders on February 22, 2001.
(2) The 2002 County Budget was adopted by the Board of Freeholders on February 28, 2002.

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

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
REVENUES					
Fund Balance	\$26,000,000	\$20,124,282	\$18,500,000	\$20,00,000	\$22,979,901
Utility Fees	30,680,396	22,144,136	24,292,147	25,834,224	27,791,733
Miscellaneous Revenue Not Anticipated	4,023,208	9,129,792	3,421,611	3,983,065	3,751,056
Other Income	224,074	552,143	252,050	58,137	698,047
Unexpended Appropriations	6,530,319	3,502,238	5,923,254	3,516,443	4,535,335
Total Revenue	<u>\$67,457,997</u>	<u>\$55,452,591</u>	<u>\$52,389,062</u>	<u>\$53,391,869</u>	<u>\$59,756,072</u>
EXPENDITURES					
Operations with Reserves	\$42,803,258	\$30,377,365	\$28,292,160	\$31,066,139	\$41,017,887
Other Expenditures and Commitments	29,268	567	--	6,462	--
Total Expenditures	<u>\$42,832,526</u>	<u>\$30,377,932</u>	<u>\$28,292,160</u>	<u>\$31,072,601</u>	<u>\$41,017,887</u>
Net Revenues	<u>\$24,625,471</u>	<u>\$25,074,659</u>	<u>\$24,096,902</u>	<u>\$22,319,268</u>	<u>\$18,738,185</u>
Debt Service	<u>2,696,742</u>	<u>6,114,624</u>	<u>5,946,397</u>	<u>2,433,861</u>	<u>3,182,113</u>
Change in Fund Balance	\$21,928,729	\$18,960,035	\$18,150,505	\$19,885,407	\$15,556,072
Fund Balance, January 1	<u>\$34,777,006</u>	<u>\$30,705,735</u>	<u>\$29,541,488</u>	<u>\$29,191,993</u>	<u>\$29,077,400</u>
	\$56,705,735	\$49,665,770	\$47,691,993	\$49,077,400	\$44,633,472
Utilized as Revenue	<u>26,000,000</u>	<u>20,124,282</u>	<u>18,500,000</u>	<u>20,000,000</u>	<u>22,979,901</u>
Fund Balance, December 31	<u>\$30,705,735</u>	<u>\$29,541,488</u>	<u>\$29,191,993</u>	<u>\$29,077,400</u>	<u>\$21,653,571</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 February 28, 2002 calls for expenditures of \$261,275,000 through the year 2007. Of this \$261,275,000 total, \$20,340,000 is anticipated to be paid from cash and Federal and State grants; the remaining \$240,935,000 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)	\$201,051,700	75.00%
Federal Home Loan Mortgage Corp. (2)	50,000,000	18.65
Taxable Bond Anticipation Notes (3)	<u>17,000,000</u>	<u>6.35</u>
	\$268,051,700	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) Maturity value.
- (3) Hudson County and Atlantic City BAN's 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 three pension systems administered by the Division of Pensions; Treasury Department of the State of New Jersey. The three plans are: The Public Employees' Retirement System, Police and Firemen's Retirement System of New Jersey and the Judicial 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 \$851,857 for 2001 and \$104,286 for 2002.

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 June 30, 2002 is .6366% 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
June 30, 2002

GROSS DEBT:		
General Bonds Issued and Outstanding		\$188,890,000.00
Self-Liquidating Utility		18,920,000.00
County College Bonds Issued and Outstanding		16,950,000.00
County Vocational Bonds Issued and Outstanding		3,175,544.97
NJDEP-Green Trust Program		<u>16,339,145.01</u>
		\$244,274,689.98
BONDS/NOTES AUTHORIZED:		
General Improvements:		
Notes Issued		
Authorized but not Issued	\$159,715,000.00	
Self-Liquidating Utility:		
Notes Issued:	-0-	
Authorized but not Issued	9,750,000.00	<u>\$169,465,000.00</u>
TOTAL GROSS DEBT		<u>\$413,739,689.98</u>
LESS: STATUTORY DEDUCTIONS:		
Guaranty Equipment Lease Program:		
M.C.I.A.	\$38,155,000.00 ⁽¹⁾	
County College Bonds	21,465,000.00	
Vocational School Bonds	149,000.00	
Self-Liquidating Utility	28,670,000.00 ⁽²⁾	
		88,439,000.00
STATUTORY NET DEBT		<u>\$325,300,689.98</u>
Three-Year Average (1999-2001) Equalized Valuation of Real Property (Pursuant to N.J.S.A. 15:1-35.1)		\$51,103,557,066
Net Debt Expressed as a Percentage of Average Equalized Valuation of Real Property		.6366%
Debt Limitation Per N.J.S.A. 40A:2-6 (Counties) 2% of Three-Year Average Equalized Valuation		1,022,071,141.32
Total Net Debt		<u>325,300,689.98</u>
Remaining Net Debt Capacity		\$696,770,451.34

(1) The County has unconditionally guaranteed \$38,155,000 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)).

**COUNTY OF MONMOUTH
SCHEDULE OF DEBT SERVICE
DECEMBER 31, 2001**

<u>Year</u>	<u>General</u>	<u>County College</u>	<u>Vocational School</u>	<u>NJDEP Green Trust</u>	<u>Total Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal Reclamation Center</u>	<u>Interest Reclamation Center</u>	<u>Total Including Reclamation Center</u>
2002	21,360,000.00	2,250,000.00	374,592.86	1,733,864.17	25,718,457.03	10,062,450.81	35,780,907.84	2,230,000.00	876,010.00	38,886,917.84
2003	20,200,000.00	2,250,000.00	377,848.89	1,768,714.86	24,596,563.75	8,926,595.71	33,523,159.46	2,190,000.00	775,447.50	36,488,606.96
2004	18,195,000.00	2,250,000.00	233,216.38	1,804,266.01	22,482,482.39	7,855,585.05	30,338,067.44	2,150,000.00	676,685.00	33,164,752.44
2005	16,645,000.00	2,250,000.00	237,745.62	1,787,476.78	20,920,222.40	6,871,094.07	27,791,316.47	2,110,000.00	579,710.00	30,481,026.47
2006	13,395,000.00	2,050,000.00	242,720.31	1,605,710.98	17,293,431.29	5,967,307.09	23,260,738.38	2,065,000.00	484,522.50	25,810,260.88
2007	13,020,000.00	2,050,000.00	247,890.26	1,418,114.76	16,736,005.02	5,220,807.48	21,956,812.50	2,105,000.00	391,347.50	24,453,160.00
2008	13,220,000.00	1,320,000.00	253,366.87	1,237,772.39	16,031,139.26	4,471,979.76	20,503,119.02	2,065,000.00	291,360.00	22,859,479.02
2009	13,420,000.00	1,320,000.00	258,927.61	1,262,651.61	16,261,579.22	3,749,143.29	20,010,722.51	2,025,000.00	192,240.00	22,227,962.51
2010	13,620,000.00	600,000.00	264,916.11	1,288,030.94	15,772,947.05	3,015,412.69	18,788,359.74	1,980,000.00	95,040.00	20,863,399.74
2011	13,770,000.00	610,000.00	271,214.09	1,007,468.88	15,658,682.97	2,306,839.92	17,965,522.89			17,965,522.89
2012	11,220,000.00		277,993.62	1,027,719.01	12,525,712.63	1,588,711.29	14,114,423.92			14,114,423.92
2013	8,300,000.00		285,112.36	751,278.66	9,336,391.02	1,020,819.62	10,357,210.64			10,357,210.64
2014	6,190,000.00			346,625.85	6,536,625.85	604,923.94	7,141,549.79			7,141,549.79
2015	4,230,000.00			162,069.11	4,392,069.11	304,098.62	4,696,167.73			4,696,167.73
2016	2,105,000.00	-	-	-	2,105,000.00	98,935.00	2,203,935.00	-	-	2,203,935.00
2017	-	-	-	-	-	-	-	-	-	-
	<u>\$188,890,000.00</u>	<u>\$16,950,000.00</u>	<u>\$3,325,544.98</u>	<u>\$17,201,764.01</u>	<u>\$226,367,308.99</u>	<u>\$62,064,704.35</u>	<u>288,432,013.34</u>	<u>\$18,920,000.00</u>	<u>\$4,362,362.50</u>	<u>\$311,714,375.84</u>

DEBT ANALYSIS

	December 31, <u>1997⁽¹⁾</u>	December 31, <u>1998⁽¹⁾</u>	December 31, <u>1999⁽¹⁾</u>	December 31, <u>2000⁽¹⁾</u>	December 31, <u>2001⁽¹⁾</u>
Full Valuation Per Capita	\$75,389.00	\$77,231.00	\$80,565.00	\$76,768.00	\$84,279.00
County Net Debt as a Percentage of Full Value	.56%	.59%	.61%	.59%	.54%
County Net Debt Per Capita	\$ 422.59	\$ 454.52	\$ 489.16	\$ 453.93	\$ 458.72
Overlapping Net Debt as a Percentage of Full Value	2.38%	2.46%	2.58%	2.68%	2.85%
Overlapping Net Debt Per Capita	\$ 1,793.89	\$ 1,898.64	\$ 2,078.63	\$ 2,058.54	\$ 2,404.70

⁽¹⁾ Per capita figures for 1997 through 1999 have been calculated utilizing 1990 Census Data; for 2000 and 2001 utilizing 2000 Census Data.

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

December 31, 2001

	<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>			
Aberdeen Township	\$30,300,313.79	\$16,522,963.37	\$10,315,442.00	\$3,461,908.42	\$16,522,963.37	\$0.00	\$10,315,442.00	\$943,252,025.00	1.0900%
Allenhurst Borough	0.00	225,883.20	2,600,623.00	225,883.20	276,750.00	502,633.20	2,323,873.00	152,777,752.00	1.5200
Allentown Borough	6,022,642.57	2,469,483.93	626,280.30	6,022,642.57	2,469,483.95	0.00	626,280.30	104,805,343.00	0.5900
Asbury Park City	15,734,646.68	0.00	8,513,250.00	14,283,998.69	0.00	500,000.00	9,463,897.99	355,099,967.00	2.6600
Atlantic Highlands Borough	100,000.00	10,130,442.33	10,223,214.21	200,000.00	8,442,753.33	0.00	11,910,903.21	371,414,587.00	3.2000
Avon-By-The-Sea Borough	0.00	1,836,700.89	3,036,903.00	0.00	954,443.22	0.00	3,919,160.67	336,107,720.00	1.1600
Belmar Borough	1,210,617.98	4,145,050.00	8,746,648.86	1,210,617.98	4,145,050.00	37,687.48	8,708,961.38	521,656,900.00	1.6600
Bradley Beach Borough	0.00	2,340,000.00	5,336,142.77	0.00	2,340,000.00	515,703.32	4,820,439.45	320,589,616.00	1.5000
Brielle Borough	6,915,708.00	1,605,402.40	1,971,364.00	6,915,708.00	1,605,402.40	0.00	1,971,364.00	666,528,931.00	0.2900
Colts Neck Township	30,252,932.19	0.00	9,055,500.00	30,252,932.19	0.00	130,000.00	8,925,500.00	1,547,240,184.00	0.5700
Deal Borough	0.00	1,802,734.00	1,991,011.00	0.00	1,082,734.00	0.00	1,991,011.00	646,654,958.00	0.3000
Eatontown Borough	2,808,611.00	0.00	8,846,699.00	2,808,611.00	0.00	948,000.00	7,898,669.00	1,077,129,628.00	0.7300
Englishtown Borough	1,936,576.35	1,067,614.45	1,257,025.19	1,936,576.35	730,895.13	0.00	1,593,746.51	94,943,897.00	1.6700
Fair Haven Borough	4,219,000.00	0.00	3,117,195.00	4,219,000.00	0.00	0.00	3,117,195.00	705,320,006.00	0.4400
Farmingdale Borough	414,651.58	1,744,800.00	183,002.21	414,651.58	1,744,800.00	0.00	183,002.21	72,428,369.00	0.2500
Freehold Borough	14,299,061.94	3,177,700.00	8,763,150.00	14,299,061.94	3,177,700.00	2,597,135.67	6,166,014.33	507,746,100.00	1.2100
Freehold Township	85,767,767.51	25,819,024.93	0.00	37,807,164.74	85,767,767.51	25,819,024.93	0.00	37,807,164.74	1.3300

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

December 31, 2001

GROSS DEBT

DEDUCTIONS

	<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>			
Hazlet Township	\$8,550,000.00	\$637,411.10	\$11,507,152.50	\$8,550,000.00	\$637,411.10	\$3,694,500.00	\$7,812,652.50	\$1,217,699,920.00	0.6400%
Highlands Borough*	507,608.57	0.00	3,431,572.00	0.00	95,625.44	603,234.01	3,35,946.56	250,117,292.00	1.3300
Holmdel Township	38,620,000.00	2,400,223.45	25,960,017.21	2,400,223.45	5,828,500.00	46,848,723.45	20,131,517.21	2,377,905,501.00	0.8500
Howell Township	93,176,797.09	18,493,600.00	9,706,039.28	93,176,797.09	16,374,533.40	503,676.40	11,321,429.48	2,856,705,515.00	0.3900
Interlaken Borough	0.00	0.00	481,811.97	0.00	0.00	0.00	481,811.97	114,498,521.00	0.4200
Keansburg Borough*	10,730.00	0.00	7,081,275.09	0.00	0.00	10,730.00	7,081,275.09	303,446,729.00	2.4200
Keyport Borough	3,755,000.00	1,346,450.00	6,222,600.00	3,755,000.00	1,346,450.00	76,828.37	6,145,771.63	337,033,857.00	1.8200
Little Silver Borough	12,874,956.09	0.00	4,828,746.18	12,874,956.09	0.00	50,000.00	4,778,746.18	797,270,182.00	0.5900
Loch Arbour Village	369,953.41	0.00	260,400.00	369,953.41	0.00	0.00	260,400.00	47,990,555.00	0.5400
Long Branch City	95,000.00	0.00	23,581,910.11	95,000.00	0.00	0.00	23,581,910.11	1,511,883,927.00	1.5500
Manalapan Township	55,694,012.47	25,000.00	12,305,683.41	55,694,012.47	25,000.00	1,149,184.29	11,156,499.12	2,730,492,166.00	0.4000
Manasquan Borough	20,629,004.82	1,179,652.40	4,255,885.96	20,629,004.82	1,179,652.40	0.00	4,255,885.96	772,388,657.00	0.5500
Marlboro Township	76,113,885.25	80,000.00	21,810,916.06	76,113,885.25	80,000.00	5,353,970.00	16,456,946.06	3,367,497,665.00	0.4800
Matawan Borough	770,555.12	5,661,295.98	11,061,102.16	770,555.12	5,661,295.98	0.00	11,061,102.16	481,833,961.00	2.2900
Middletown Township	86,773,000.00	1,877,423.00	48,418,463.00	86,773,000.00	1,877,423.00	0.00	48,418,463.00	5,613,265,467.00	0.8600
Millstone Borough	15,062,000.00	0.00	7,453,032.00	15,062,000.00	0.00	4,693,282.00	2,759,750.00	909,714,823.00	0.3000
Monmouth Beach Borough	3,401,000.00	0.00	1,098,038.00	3,401,000.00	0.00	0.00	1,098,038.00	487,823,491.00	0.2200

* As of June 30, 2001.

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

December 31, 2001

	<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>			
Neptune City Borough	0.00	289,500.00	2,839,074.00	0.00	289,500.00	0.00	2,839,074.00	252,283,467.00	1.1200%
Neptune Township	11,362,423.00	3,014,250.00	14,687,643.23	11,362,423.00	3,014,250.00	1,174.92	14,686,468.31	1,529,640,420.00	0.9600
Ocean Township	30,689,293.23	0.00	12,611,793.93	30,689,293.23	0.00	561,675.52	12,050,118.41	2,141,692,112.00	0.5600
Oceanport Borough	1,191,000.00	0.00	1,973,031.48	1,191,000.00	0.00	0.00	1,973,031.48	559,040,151.00	0.3500
Red Bank Borough	7,539,572.45	2,252,955.77	14,825,945.72	2,252,955.77	211,560.14	10,004,088.36	14,614,385.58	885,591,411.33	1.6500
Roosevelt Borough	708,000.00	2,627,691.82	0.00	708,000.00	2,627,691.82	0.00	0.00	41,324,678.00	0.0000
Rumson Borough	4,628,000.00	0.00	9,428,166.00	4,628,000.00	0.00	17,575.43	9,410,590.57	1,397,913,192.00	0.6700
Sea Bright Borough	0.00	473,452.00	4,200,864.67	0.00	473,452.00	313,637.65	3,887,227.02	245,149,747.00	1.5800
Sea Girt Borough	0.00	833,450.00	2,547,252.90	0.00	362,311.62	0.00	3,018,391.28	768,664,857.00	0.3900
Shrewsbury Borough	2,779,951.55	0.00	6,290,200.00	2,779,951.55	0.00	40,193.50	6,250,006.50	531,378,541.00	1.1700
Shrewsbury Township	585,217.80	0.00	367,639.93	585,217.80	0.00	0.00	367,639.93	29,972,496.00	1.2200
South Belmar Borough*	0.00	0.00	971,953.14	0.00	0.00	0.00	971,953.14	111,794,663.00	0.8700
Spring Lake Borough	2,420,000.00	3,857,554.00	5,587,440.51	2,420,000.00	2,761,570.40	0.00	6,683,424.11	1,258,431,407.00	0.5300
Spring Lake Heights Borough	10,156,917.00	526,250.02	997,871.10	10,156,917.00	526,250.00	0.00	997,871.10	518,687,538.00	0.1900
Tinton Falls Borough	23,004,786.00	524,999.93	21,459,560.76	23,004,786.00	524,999.93	3,741,060.61	17,718,500.15	1,188,203,551.00	1.4900

* As of June 30, 2001.

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

December 31, 2001

	<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>			
Union Beach Borough*	0.00	0.00	8,775,500.00	0.00	0.00	0.00	8,775,500.00	292,236,735.67	3.003%
Upper Freehold Township	20,521,357.43	0.00	3,997,700.00	20,521,357.43	0.00	0.00	3,997,700.00	379,679,041.00	1.0500
Wall Township	40,935,000.00	22,088,753.00	27,648,143.00	40,935,000.00	22,088,753.00	0.00	27,648,143.00	2,818,780,281.00	0.9800
West Long Branch Borough	0.00	0.00	6,731,771.24	0.00	0.00	2,479,173.00	4,252,598.24	671,199,355.00	0.6300
TOTAL	756,788,415.50	140,357,713.97	467,796,811.82	755,337,767.51	133,764,857.40	33,816,893.74	442,023,422.64		

* As of June 30, 2001.

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 June 30, 2002, \$31,255,000 of the bonds were outstanding.

Maturities of Bonds Outstanding June 30, 2002

<u>Date</u>	<u>Amount</u>
2002	\$2,510,000
2003	2,660,000
2004	2,775,000
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 June 30, 2002, \$11,495,000 of the bonds were outstanding.

Maturities of Bonds
Outstanding June 30, 2002

<u>Date</u>	<u>Amount</u>
2002	\$3,160,000
2003	3,290,000
2004	3,430,000
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 and the \$16,885,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2001 (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 June 30, 2002, \$38,155,000 of the bonds were outstanding.

Maturities of Bonds
Outstanding June 30, 2002

<u>Date</u>	<u>Amount</u>
2002	\$8,065,000
2003	6,050,000
2004	6,110,000
2005	4,525,000
2006	4,275,000
2007	3,085,000
2008	2,325,000
2009	2,155,000
2010	765,000
2011	800,000

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
as of September 30

<u>Year</u>	<u>Number of Jobs</u>	<u>Percentage Change</u>
1996	181,804	1.3%
1997	184,804	1.7
1998	188,795	2.2
1999	191,804	1.6
2000	197,825	3.1

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 39.6%, with retail trade next at 25.8% and construction at 7.2%. A breakdown of these data follows:

EMPLOYMENT BY INDUSTRIAL SECTOR
as of September 30

Sector	Number Employed <u>1998</u>	Percentage of Total	Number Employed <u>1999</u>	Percentage of Total	Number Employed <u>2000</u>	Percentage of Total
Services	75,629	40.06%	76,298	39.78%	78,374	39.62%
Retail Trade	49,236	26.08	49,600	25.86	51,088	25.82
Manufacturing	13,335	7.06	12,481	6.51	12,455	6.29
Finance	12,712	6.73	12,196	6.36	12,793	6.47
Construction	11,565	6.13	12,646	6.59	14,331	7.24
Wholesale Trade	10,547	5.59	10,088	5.26	10,497	5.31
Regulated Industry	12,452	6.60	14,827	7.73	14,757	7.46
Agriculture	3,319	1.76	3,615	1.88	3,458	1.75
Other	<u>0</u>	<u>0.00</u>	<u>53</u>	<u>0.03</u>	<u>72</u>	<u>.04</u>
TOTAL	188,795	100.00%	191,804	100.00%	197,825	100.00%

Source: New Jersey Department of Labor

MAJOR EMPLOYERS - MONMOUTH COUNTY

The leading industries in the County by number of employees as of June 2002 are as follows:

	<u>Employer</u>	<u>Municipality</u>	<u>Number of Employees</u>
1.	Fort Monmouth	Eatontown & Oceanport	5,881
2.	Meridian Health Care (Jersey Shore Medical Center and Riverview Medical Center)	Neptune & Red Bank	4,082
3.	County of Monmouth	Various Locations	3,397
4.	AT&T	Various Locations	3,330
5.	Lucent Technologies	Holmdel	2,800
6.	Monmouth Medical Center	Long Branch	2,250
7.	Foodarama Supermarkets, Inc. (Shop Rite Supermarkets)	Various locations	2,080
8.	CentraState Hospital	Freehold Township	1,900
9.	Naval Weapons Station Earle	Colts Neck & Middletown	1,700
10.	Prudential Insurance	Holmdel	1,339
11.	New Jersey Press, Inc. (Asbury Park Press)	Neptune	1,200
12.	Bayshore Community Hospital	Holmdel	1,150

Source: The Monmouth County Planning Board

**COUNTY OF MONMOUTH
LABOR FORCE DATA**

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>April 2002*</u>
Labor Force	309,794	305,543	309,030	309,400	313,950	319,600
Employment	296,184	293,295	296,747	299,300	302,585	305,100
Unemployment	13,610	12,248	12,283	10,000	11,365	14,500
Unemployment Rate	4.4%	4.0%	4.0%	3.2%	3.6%	4.5%
New Jersey						
Unemployment Rate	5.1%	4.6%	4.6%	3.8%	4.2%	5.5%
United States						
Unemployment Rate	4.9%	4.5%	4.2%	4.0%	4.8%	6.0%

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

*Not seasonally adjusted.

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>
1996	\$31,826	131.13%	\$30,266	124.71%	\$24,270
1997	33,671	132.50	31,720	124.82	25,412
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

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 (2000 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	14.9%	14.3%	14.9%	55.9%	\$55,334
New Jersey	17.0	15.6	15.1	52.3	52,167
United States	24.3	20.7	16.8	38.2	39,129

Source: Sales and Marketing Management Magazine “2001 Survey of Buying Power and Media Markets” (September 2001)

Housing and Construction Values

The U.S. Census Bureau lists 2001 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>
1997	3,234	28,018	11.5%
1998	3,277	31,345	10.5
1999	2,974	31,976	9.3
2000	2,912	34,585	8.4
2001	2,194	28,267	7.8

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>
1997	319,914	2,533,451	12.6%
1998	350,432	2,936,016	11.9
1999	355,806	3,162,436	11.3
2000	322,127	3,375,978	9.5
2001	312,761	3,013,190	10.4

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>
1997	\$65,553,932	\$11,664,894	\$44,621,246	--	\$121,840,072
1998	79,328,759	8,648,375	80,108,030	--	168,085,164
1999	80,274,605	11,399,923	70,967,608	--	162,642,136
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

Source: Monmouth County Department of Economic Development and Tourism

VI. LEGAL MATTERS

Legality of the Bonds

The legality of the Series 2002 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 2002 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 real property by said County for the payment of Series 2002 Bonds and the interest thereon without limitation as to rate or amount.

Tax Matters

Exclusion of Interest on the Series 2002 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 2002 Bonds in order to assure that interest on the Series 2002 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 2002 Bonds to be included in gross income for Federal income tax purposes, retroactive to the date of the issuance of the Series 2002 Bonds. The County has covenanted to comply with the provisions of the Code applicable to the Series 2002 Bonds and has covenanted not to take any action or permit any action that would cause the interest on the Series 2002 Bonds to be included in gross income under Section 103 of the Code or cause interest on the Series 2002 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 2002 Bonds is excluded from the gross income of the owners of the Series 2002 Bonds for Federal income tax purposes pursuant to Section 103 of the Code and interest on the Series 2002 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 2002 Bonds, interest on the Series 2002 Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Series 2002 Bonds in “adjusted current earnings” of certain corporations.

Prospective purchasers of the Series 2002 Bonds should be aware that ownership of, accrual of or receipt of interest on or disposition of tax-exempt obligations, such as the Series 2002 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 2002 Bonds from gross income pursuant to Section 103 of the Code and interest on the Series 2002 Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Series 2002 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 2002 Bonds.

State Taxation. Bond Counsel is of the opinion that, under existing law, interest on the Series 2002 Bonds and net gains from the sale of the Series 2002 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 2002 Bonds, and such Series 2002 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 2002 Bonds offered for sale or the levy or collection of any taxes to pay interest or principal of the Series 2002 Bonds, or in any manner questioning the authority of proceedings for the issuance of the Series 2002 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 2002 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 2002 Bonds.

The DTC Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2002 Bonds. The Series 2002 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 2002 Bond certificate will be issued for each issue of the Series 2002 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 2002 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2002 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2002 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 2002 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 2002 Bonds, except in the event that use of the book-entry system for the Series 2002 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2002 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 2002 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 2002 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2002 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 2002 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 2002 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 2002 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 2002 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 2002 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 2002 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 2002 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 2002 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 2002 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, 2002 (which is currently scheduled to end on December 31, 2002) (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 2002 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 July __, 2002 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 July 15, 2002 in the aggregate principal amount of \$53,515,000 (the “Bonds”) on the date hereof; and

WHEREAS, the Bonds are being issued pursuant to bond ordinances adopted by the Issuer and a certificate signed by the Issuer on July __, 2002; 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 June __, 2002 (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 July __, 2002, the Issuer accepted the bid of _____, on behalf of itself and each of the original underwriters for the Bonds (each, a “Participating Underwriter”) for the purchase of the Bonds; and

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

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

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

ARTICLE I

DEFINITIONS

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

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

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

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

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

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

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

“Disclosure Event Notice” means the notice to the 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 July __, 2002 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:

1818 N. Street, NW, Suite 800
Washington, DC 20036-2491

“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 J. J. Kenny Repository
55 Water Street, 45th Floor
New York, New York 10014
Phone: (212) 438-4595
Telecopier: (212) 438-3975
- (b) Bloomberg Municipal Repositories
100 Business Park Drive
Skillman, New Jersey 08558
Phone: (609) 279-3225
Telecopier: (609) 279-5962
- (c) DPC Data, Inc.
One Executive Drive
Fort Lee, New Jersey 07024
Phone: (201) 346-0701
Telecopier: (201) 947-0107
- (d) FT Interactive Data
Attn: NRMSIR
100 Williams Street
New York, New York 10038
Phone: (212) 771-6999
Telecopier: (212) 771-7390 (Secondary Market Information)
(212) 771-7391 (Primary Market Information)

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

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

“State” means the State of New Jersey.

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

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

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

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

ARTICLE II

CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

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

- (a) Not later than September 1 of each year, commencing with the first Fiscal Year of the Issuer ending after January 1, 2002, 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.

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

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

**FORM OF OPINION OF
GIBBONS, DEL DEO, DOLAN, GRIFFINGER & VECCHIONE, P.C.**

July __, 2002

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 \$53,515,000 aggregate principal amount of general obligation bonds, Series 2002, dated July 15, 2002 (the "Series 2002 Bonds"), consisting of \$40,000,000 General Improvement Bonds, Series 2002 (the "General Improvement Bonds"), \$4,515,000 County College Bonds, Series 2002 (County College Bond Act, P.L. 1971. c.12) (the "County College Bonds") and \$9,000,000 Utility Bonds, Series 2002 ("Utility Bonds").

The Series 2002 Bonds are issued pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the New Jersey Statutes (the "Local Bond Law"), Title 18A, Education, of the New Jersey Statutes (the "Education Law"), a resolution of the Board of Chosen Freeholders adopted on June 13, 2002 (the "Resolution") and by virtue of various bond ordinances of the County (the "Bond Ordinance").

Each of the Series 2002 Bonds is dated July 15, 2002, bears interest at the interest rates set forth on the cover of the Official Statement relating to the Series 2002 Bonds and matures on the dates and in the principal amounts as set forth below:

General Improvement Bonds

<u>Date</u>	<u>Amount</u>
July 15, 2003	\$ 2,000,000
July 15, 2004	2,000,000
July 15, 2005	2,000,000
July 15, 2006	2,000,000
July 15, 2007	2,000,000
July 15, 2008	2,000,000
July 15, 2009	3,250,000
July 15, 2010	3,250,000
July 15, 2011	3,250,000
July 15, 2012	3,250,000
July 15, 2013	3,250,000
July 15, 2014	3,250,000
July 15, 2015	3,250,000
July 15, 2016	3,250,000
July 15, 2017	2,000,000

County College Bonds

<u>Date</u>	<u>Amount</u>
July 15, 2003	\$ 450,000
July 15, 2004	450,000
July 15, 2005	450,000
July 15, 2006	450,000
July 15, 2007	450,000
July 15, 2008	450,000
July 15, 2009	450,000
July 15, 2010	450,000
July 15, 2011	450,000
July 15, 2012	465,000

Utility Bonds

<u>Date</u>	<u>Amount</u>
July 15, 2003	\$ 400,000
July 15, 2004	400,000
July 15, 2005	400,000
July 15, 2006	400,000
July 15, 2007	450,000
July 15, 2008	450,000
July 15, 2009	450,000
July 15, 2010	450,000
July 15, 2011	800,000
July 15, 2012	800,000
July 15, 2013	800,000
July 15, 2014	800,000
July 15, 2015	800,000

July 15, 2016	800,000
July 15, 2017	800,000

The Series 2002 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 Series 2002 Bonds pursuant to the Local Bond Law, the Education Law and other applicable provisions of law, and that the Series 2002 Bonds have been duly authorized, executed and delivered and are valid and legally binding obligations of the County. The County College 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 real property within the County for the payment of the principal of and interest on the Series 2002 Bonds, without limitation as to rate or amount.

3. Under existing law, interest on the Series 2002 Bonds is excluded from the gross income of the owners of the Series 2002 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 2002 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 Series 2002 Bonds.

4. Under existing law, interest on the Series 2002 Bonds and net gains on the sale of the Series 2002 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 Series 2002 Bonds in order for interest on the Series 2002 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 Series 2002 Bonds and has

covenanted not to take any action or permit any action to be taken which would cause the interest on the Series 2002 Bonds to lose the exclusion from gross income for Federal income tax purposes under Section 103 of the Code or cause interest on the Series 2002 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 Series 2002 Bonds from gross income for Federal income tax purposes and with respect to interest on the Series 2002 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 Series 2002 Bonds.

Our opinion concerning the enforceability of the Series 2002 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 Series 2002 Bonds.

Very truly yours,