

In the opinion of Gibbons P.C., Bond Counsel to the County (as defined herein), assuming continuing compliance by the County with certain tax covenants described herein, under existing law, interest on the Series 2017 Bonds (as defined herein) is excluded from the gross income of the owners of the Series 2017 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 2017 Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. In the case of certain corporate holders of the Series 2017 Bonds, interest on the Series 2017 Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Series 2017 Bonds in "adjusted current earnings" of certain corporations. Under existing law, interest on the Series 2017 Bonds and net gains from the sale of the Series 2017 Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax. See "TAX MATTERS" herein.

\$84,530,000
COUNTY OF MONMOUTH
New Jersey
General Obligation Bonds, Series 2017
Consisting of
\$65,995,000 General Improvement Bonds, Series 2017
\$4,530,000 Reclamation Center Utility Bonds, Series 2017
\$7,105,000 County Vocational School Bonds, Series 2017
(New Jersey School Bond Reserve Act, P.L. 1980, c. 72)
\$3,650,000 County College Bonds, Series 2017
and
\$3,250,000 County College Bonds, Series 2017
(County College Bond Act, P.L. 1971, c. 12)

Dated: Date of Delivery

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

The \$84,530,000 General Obligation Bonds, Series 2017, consisting of \$65,995,000 General Improvement Bonds, Series 2017, \$4,530,000 Reclamation Center Utility Bonds, Series 2017, \$7,105,000 County Vocational School Bonds, Series 2017 (New Jersey School Bond Reserve Act, P.L. 1980, c.72), \$3,650,000 County College Bonds, Series 2017 and \$3,250,000 County College Bonds, Series 2017 (County College Bond Act, P.L. 1971, c. 12) (collectively, the "Series 2017 Bonds") will be issued by the County of Monmouth, New Jersey (the "County") in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house transactions, which will act as securities depository for the Series 2017 Bonds. Individual purchases will be made in book-entry form (without certificates) through DTC Participants, as hereinafter defined, in the principal amount of \$5,000 each or any integral multiple thereof. Provided DTC or its nominee Cede is the registered owner of the Series 2017 Bonds, principal of, redemption premium, if any, and interest (payable semi-annually on July 15, 2018 and on each January 15 and July 15 thereafter until maturity or prior redemption), on the Series 2017 Bonds will be paid to DTC or its nominee which is obligated to remit such principal, redemption premium, if any, and interest to DTC Participants, as defined herein. DTC Participants and Indirect Participants, as defined herein, will be responsible for remitting such payments to the Beneficial Owners of the Series 2017 Bonds. See "OTHER INFORMATION - The DTC Book-Entry-Only System."

The Series 2017 Bonds are being issued pursuant to the Local Bond Law of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended (the "Local Bond Law"), and where appropriate, Title 18A, Education of the New Jersey Statutes, as amended, various ordinances and a resolution of the County, to permanently finance specified general improvements and to pay the costs of issuance with respect to the Series 2017 Bonds.

The full faith and credit of the County are irrevocably pledged for the payment of the principal of, redemption premium, if any, and interest on the Series 2017 Bonds. The Series 2017 Bonds will be valid and binding general obligations of the County, payable as to principal, redemption premium, if any, and interest from the levy of *ad valorem* taxes upon all taxable property within the County, without limitation as to rate or amount. The Series 2017 Bonds are subject to redemption prior to maturity as set forth herein.

The issuance of the Series 2017 Bonds is subject to the approving legal opinion of Gibbons P.C., Newark, New Jersey, Bond Counsel to the County, and certain other conditions described herein. It is anticipated that the Series 2017 Bonds will be available for delivery through the facilities of DTC on or about December 28, 2017, in New York, New York, or at such other place and time as may be agreed to by the County.

**COUNTY OF MONMOUTH
STATE OF NEW JERSEY**

\$65,995,000 GENERAL IMPROVEMENT BONDS, SERIES 2017

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2018	\$2,545,000	5.00%	1.170%	2026	\$5,060,000	5.00%	1.780%
2019	5,060,000	5.00	1.388	2027	5,060,000	5.00	1.860
2020	3,185,000	5.00	1.460	2028	4,530,000	5.00	1.920*
2021	5,060,000	5.00	1.500	2029	2,545,000	5.00	1.980*
2022	5,060,000	5.00	1.560	2030	2,600,000	4.00	2.140*
2023	5,060,000	5.00	1.620	2031	5,055,000	4.00	2.250*
2024	5,060,000	5.00	1.680	2032	5,055,000	4.00	2.350*
2025	5,060,000	5.00	1.720				

\$4,530,000 RECLAMATION CENTER UTILITY BONDS, SERIES 2017

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2018	\$305,000	5.00%	1.170%	2026	\$300,000	5.00%	1.780%
2019	305,000	5.00	1.388	2027	300,000	5.00	1.860
2020	305,000	5.00	1.460	2028	300,000	5.00	1.920*
2021	305,000	5.00	1.500	2029	300,000	5.00	1.980*
2022	305,000	5.00	1.560	2030	300,000	4.00	2.140*
2023	305,000	5.00	1.620	2031	300,000	4.00	2.250*
2024	300,000	5.00	1.680	2032	300,000	4.00	2.350*
2025	300,000	5.00	1.720				

**\$7,105,000 COUNTY VOCATIONAL SCHOOL BONDS, SERIES 2017
(NEW JERSEY SCHOOL BOND RESERVE ACT, P.L. 1980, c. 72)**

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2018	\$305,000	5.00%	1.170%	2025	\$600,000	5.00%	1.720%
2019	475,000	5.00	1.388	2026	600,000	5.00	1.780
2020	305,000	5.00	1.460	2027	600,000	5.00	1.860
2021	605,000	5.00	1.500	2028	600,000	5.00	1.920*
2022	605,000	5.00	1.560	2029	600,000	5.00	1.980*
2023	605,000	5.00	1.620	2030	600,000	4.00	2.140*
2024	605,000	5.00	1.680				

\$3,650,000 COUNTY COLLEGE BONDS, SERIES 2017

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2018	\$145,000	5.00%	1.170%	2026	\$280,000	5.00%	1.780%
2019	285,000	5.00	1.388	2027	280,000	5.00	1.860
2020	145,000	5.00	1.460	2028	145,000	5.00	1.920*
2021	285,000	5.00	1.500	2029	145,000	5.00	1.980*
2022	285,000	5.00	1.560	2030	240,000	4.00	2.140*
2023	285,000	5.00	1.620	2031	280,000	4.00	2.250*
2024	285,000	5.00	1.680	2032	280,000	4.00	2.350*
2025	285,000	5.00	1.720				

**\$3,250,000 COUNTY COLLEGE BONDS, SERIES 2017
(COUNTY COLLEGE BOND ACT, P.L. 1971, c. 12)**

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2018	\$325,000	5.00%	1.170%	2023	\$325,000	5.00%	1.620%
2019	325,000	5.00	1.388	2024	325,000	5.00	1.680
2020	325,000	5.00	1.460	2025	325,000	5.00	1.720
2021	325,000	5.00	1.500	2026	325,000	5.00	1.780
2022	325,000	5.00	1.560	2027	325,000	5.00	1.860

* Priced to the July 15, 2027 optional call date.

COUNTY OF MONMOUTH
STATE OF NEW JERSEY

BOARD OF CHOSEN FREEHOLDERS

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

COUNTY OFFICIALS

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

PROFESSIONALS

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

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations with respect to the Series 2017 Bonds, other than those contained in this Official Statement, in connection with the offering of the Series 2017 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 2017 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 2017 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 2017 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
\$84,530,000 General Obligation Bonds, Series 2017
Consisting of
\$65,995,000 General Improvement Bonds, Series 2017
\$4,530,000 Reclamation Center Utility Bonds, Series 2017
\$7,105,000 County Vocational School Bonds, Series 2017
(New Jersey School Bond Reserve Act, P.L. 1980, c. 72)
\$3,650,000 County College Bonds, Series 2017
and
\$3,250,000 County College Bonds, Series 2017
(County College Bond Act, P.L. 1971, c. 12)**

I. DESCRIPTION OF THE SERIES 2017 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 \$84,530,000 aggregate principal amount of the County’s General Obligation Bonds, Series 2017, consisting of \$65,995,000 General Improvement Bonds, Series 2017, \$4,530,000 Reclamation Center Utility Bonds, Series 2017, \$7,105,000 County Vocational School Bonds, Series 2017 (New Jersey School Bond Reserve Act, P.L. 1980, c.72), \$3,650,000 County College Bonds, Series 2017 and \$3,250,000 County College Bonds, Series 2017 (County College Bond Act, P.L. 1971, c. 12) (collectively, the “Series 2017 Bonds”), dated the date of delivery.

The Series 2017 Bonds are issued pursuant to the Local Bond Law of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended (the “Local Bond Law”), and where appropriate, Title 18A, Education of the New Jersey Statutes, as amended. The Series 2017 Bonds have been authorized by various ordinances duly adopted by the County and a resolution of the County adopted at meeting of the Board of Freeholders of the County (the “County Board”) on November 21, 2017. The Series 2017 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 2017 Bonds, and for which the County shall, unless otherwise paid, levy *ad valorem* taxes upon all taxable property within the County without limitation as to rate or amount.

Term

The Series 2017 Bonds will be dated the date of delivery, and will mature on July 15 in the years and in the amounts set forth on the inside cover page hereof. The Series 2017 Bonds will bear interest, calculated on the basis of a 360-day year of twelve 30-day months, payable

semi-annually on July 15, 2018 and on each January 15 and July 15 thereafter until maturity or optional redemption.

Denomination and Place of Payment

The Series 2017 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 2017 Bonds under its book-entry-only system (the “DTC Book-Entry-Only System”). An individual purchaser (the “Beneficial Owner”) may purchase a Series 2017 Bond in book-entry form (without certificates) in denominations of \$5,000 each or any integral multiple thereof.

Provided Cede is the registered owner of the Series 2017 Bonds, the principal, redemption premium, if any, and interest on, the Series 2017 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 2017 Bonds). See “OTHER INFORMATION - The DTC Book-Entry-Only System” herein.

Optional Redemption Provisions

The Series 2017 Bonds maturing on or prior to July 15, 2027 shall not be subject to redemption prior to their respective maturity dates. The Series 2017 Bonds maturing on or after July 15, 2028 shall be subject to redemption prior to their respective maturity dates, on or after July 15, 2027 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 mailing by first class mail in a sealed envelope with postage prepaid to the registered owners of such Series 2017 Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the County, at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. However, so long as DTC (or any successor thereto) acts as Securities Depository for the Series 2017 Bonds, Notices of Redemption shall be sent to such depository and shall not be sent to the beneficial owners of the Series 2017 Bonds, and will be done in accordance with DTC procedures. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the County determines to redeem a portion of the Series 2017 Bonds of a maturity, such Series 2017 Bonds shall be selected by lot. If Notice of Redemption has been given as described herein, the Series 2017 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 2017 Bonds redeemed.

Authorization

The Series 2017 Bonds have been authorized and are to be issued in accordance with the Local Bond Law of the New Jersey Statutes and various ordinances and a resolution adopted by

the Board of Chosen Freeholders of the County. The ordinances included in the sale of the Series 2017 Bonds were published in full or in summary form after their adoption along with the statement that the twenty-day period of limitation within which a suit, action or proceeding questioning the validity of the authorizing bond ordinances can be commenced began to run from the date of the first publication of such estoppel statement. The Local Bond Law provides that after issuance all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and any person shall be estopped from questioning the sale, execution or delivery of the Series 2017 Bonds by the County.

Security for the Series 2017 Bonds

The Series 2017 Bonds are general obligations of the County whose full faith and credit are pledged to the payment of the principal of, redemption premium, if any, and interest thereon. The County is authorized and required by law to levy *ad valorem* taxes upon all the taxable property within the County without limitation as to rate or amount for the payment of the principal of and interest on the Series 2017 Bonds.

Additional Security for the County Vocational School Bonds, Series 2017 (New Jersey School Bond Reserve Act, P.L. 1980, c.72)

The County Vocational School Bonds, Series 2017 (New Jersey School Bond Reserve Act, P.L. 1980, c.72) will be secured by the School Bond Reserve (“School Bond Reserve”) established in the Fund for the Support of Free Public Schools of the State of New Jersey (the “Fund”) and in accordance with the New Jersey School Bond Reserve Act, P.L. 1980, c. 72, approved July 16, 1980 (the “School Bond Reserve Act” and codified at N.J.S.A. 18A:56-17 et. seq.). The School Bond Reserve shall consist of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least one and one-half (1 1/2 %) per cent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes for all such indebtedness issued prior to July 1, 2003, exclusive of bonds the debt service for which is provided by the State, provided such amounts do not exceed the moneys available in the old school bond reserve account. The new school bond reserve account shall be funded in an amount equal to at least one (1%) per cent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes for all such indebtedness issued on and after July 1, 2003, exclusive of bonds the debt service for which is provided by State appropriations.

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

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

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

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

Additional Security for the County College Bonds, Series 2017 (County College Bond Act, P.L. 1971, c. 12)

The County College Bonds, Series 2017 (County College Bond Act, P.L. 1971, c. 12) are entitled to the benefits of the provisions of the County College Bond Act, P.L. 1971, c.12 (N.J.S.A. 18A:64A-22.1 *et seq.*) (the "County College Bond Act"). Under the provisions of the Act, the State shall appropriate and pay annually on behalf of the County an amount equal to the amount of principal and interest due on the County College Bonds, Series 2017 (County College Bond Act, P.L. 1971, c. 12). The amount paid by the State pursuant to the Act are paid directly to the paying agent for the County College Bonds, Series 2017 (County College Bond Act, P.L. 1971, c. 12) and therefore must be used for the payment of the principal of and interest on the County College Bonds, Series 2017 (County College Bond Act, P.L. 1971, c. 12). Any obligations issued by the County that are entitled to the benefits of the provisions of the County

College Bond Act are not debts or liabilities of the State, but are dependent for repayment upon appropriations by law from time to time.

Purpose of the Issue

The proceeds of the Series 2017 Bonds will be used to finance the acquisition and undertaking of capital improvements authorized by various ordinances of the Board of Chosen Freeholders of the County adopted on the date as set forth in the table below:

<u>Project</u>	<u>Amount of Series 2017 Bonds Originally Authorized</u>	<u>Amount of Series 2017 Bonds Issued</u>	<u>Adoption Dates</u>
Various Improvements (Ord. No. 02-02), as amended and as reappropriated	\$43,910,000.00	\$ 40,000.00	February 14, 2002
Various Improvements (Ord. No. 09-02), as amended and as reappropriated	81,417,000.00	422,000.00	June 11, 2009
Various Improvements (Ord. No. 10-02), as amended and as reappropriated	47,500,000.00	158,612.60	June 24, 2010
Various Improvements (Ord. No. 12-05), as amended and as reappropriated	32,690,000.00	2,846,000.00	May 10, 2012
Various Improvements (Ord. No. 13-01)	25,195,000.00	680,000.00	June 27, 2013
Various Improvements (Ord. No. 14-02), as amended and as reappropriated	10,000,000.00	1,625,000.00	June 12, 2014
Various Improvements (Ord. No. 15-05), as amended and as reappropriated	44,195,000.00	9,580,000.00	May 28, 2015
Various Improvements (Ord. No. 16-01), as amended and as reappropriated	58,900,000.00	33,333,000.00	June 9, 2016
Various Improvements (Ord. No. 17-02)	43,835,000.00	15,195,000.00	July 13, 2017
Various Improvements (Ord. No. 17-04)	10,115,387.40	2,115,387.40	July 13, 2017
Reclamation Center Improvements (Ord. No. 16-04)	4,530,000.00	4,530,000.00	June 9, 2016
Vocational School Improvements (Ord. No. 16-02)	5,005,000.00	5,005,000.00	June 9, 2016
Vocational School Improvements (Ord. No. 17-07)	3,945,000.00	2,100,000.00	July 13, 2017
County College Improvements (Ord. No. 16-03)	3,000,000.00	3,000,000.00	June 9, 2016
County College Improvements (Ord. No. 17-05)	3,500,000.00	3,500,000.00	July 13, 2017
County College Improvements (Ord. No. 17-06)	400,000.00	400,000.00	July 13, 2017
TOTAL	\$418,137,387.40	\$84,530,000.00	

II. COUNTY OF MONMOUTH, NEW JERSEY, GENERAL INFORMATION

Description of the County

The County of Monmouth (the “County”), with a land area of 472 square miles, is located in central New Jersey and is bordered on the west by Mercer and Middlesex Counties, on the south by Burlington and Ocean Counties, on the east by 27 miles of Atlantic Ocean Beachfront and on the north by 26 miles of Raritan and Sandy Hook Bay Shorelines. The County consists of fifty-three (53) municipalities, whose populations range from 194 to 66,522 (2010 Census).

County Government

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

Board of Chosen Freeholders

		<u>Expiration of Term</u>
Lillian G. Burry	Director of the Board	January 2018
John P. Curley	Deputy Director	January 2019
Thomas A. Arnone	Freeholder	January 2020
Gary J. Rich, Sr.	Freeholder	January 2018
Serena DiMaso, Esq.	Freeholder	January 2020

County Officials

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

Reclamation Center Utility

On February 14, 1985, the Board of Chosen Freeholders unanimously approved the creation of the Monmouth County Reclamation Center Utility to operate the County landfill and various recycling and reclamation programs. The Reclamation Center Utility is currently a self-liquidating utility under the Local Bond Law and its activity has been shown as a separate fund in each year beginning with calendar year 1985. See “Reclamation Center Utility Fund - Statement of Operations and Change in Fund Balance (2012-2016)” herein.

Solid Waste Disposal

The County presently uses solid waste processing and landfill facilities at the Monmouth County Reclamation Center (MCRC) in Tinton Falls for disposal of non-hazardous solid waste generated in the County that is not recycled. Although some County waste is disposed at out-of-state landfills since federal court decisions dismantled the New Jersey “waste flow control” regulations, the MCRC still accepts most solid waste from local businesses and municipalities. The MCRC accepted 382,702 tons during 2016 and, at current monthly deliveries, is expected to accept a similar amount during 2017. Much of the waste has been baled since the MCRC opened in 1976, making more efficient use of the available capacity. A Materials Processing and Recovery Facility (MPRF) began operation in December 1996, and now accepts all municipal and bulky waste brought to the facility. Trucks dump regular and bulky waste in separate areas of an enclosed building, where waste is inspected, and some recyclables removed, before waste is baled. Bulky waste is crushed and transferred to an out-of-state landfill. The Phase III landfill area opened in August 1997, designed specifically as a balefill. With its new landfill space and MPRF operation, and bulky waste transfer operation, sufficient landfill capacity will be available for the County past the year 2028. This landfill capacity and facility have been included in the Monmouth County Solid Waste Management Plan, and certified by the Commissioner of the New Jersey Department of Environmental Protection (the “NJDEP”). The Phase III Landfill and MPRF have received all necessary permits from the NJDEP. The County has also opened a permanent “Household Hazardous Waste Facility” adjacent to the landfill, to complement existing efforts to keep potentially toxic household paints and chemicals from reaching the landfill.

The County has also developed a comprehensive mandatory recycling program as part of its Solid Waste Plan. The program began in 1987 with a phased-in approach (over 12 months) for multi-material municipal private collection of residential, commercial and institutional recyclables. Many towns recycle additional materials not required by the County. The mandatory recycling program, in conjunction with the recovery operations at the MPRF, results in a recycling rate around 50% for the County as a whole. Current efforts focus on source reduction, such as backyard composting and environmental shopping, to reduce the total amount of waste requiring recycling or disposal.

In 2014 the MCRC began construction on a design, build, operate contract to build a Leachate Pretreatment Facility. This facility will treat the leachate, and then dispose of it directly into the sewer system. This will significantly reduce a 4+ million dollar trucking contract with a net savings of about 2 million dollars annually. This facility has been functional since August 2016.

Transportation

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

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

Tropical Storm Sandy

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

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

The County submitted requests for financial assistance from FEMA in the amount of \$18,537,246.89 of which approximately 90% of such requests, \$16,625,677.19, will be reimbursed to the County. As of August 7, 2017, \$11,365,701.18 has been paid by FEMA and received by the County. Of the \$5,259,976.01 that has not been paid, \$1,629,366.00 is for three projects that have been set up as grants, and for which the County has yet to receive any funds. The remaining \$3,630,610.01 is spread over forty-six open projects, of which twelve are going through the closeout process.

Sale of Care Centers

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

III. FINANCIAL INFORMATION

County Taxes

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

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

CAP Limitations

N.J.S.A. 40A:4-45.4 et seq., commonly referred to as the “CAP Law”, places a limit on county tax levies. The increase in the County tax levy is either 2.5% or the cost-of-living adjustment, whichever is less, of the previous year’s tax levy, subject to certain exceptions. The cost-of-living adjustment is defined as the annual percentage increase, rounded to the nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the year preceding the current year. However, N.J.S.A. 40A:4-45.14 limits increases in county tax levies to a maximum of 3.5% only when the governing body acts to increase capped tax levies to that limit. The cost-of-living adjustment for 2017 is 0.5%. In addition, new legislation was enacted during 2007 known as the tax levy CAP under N.J.S.A. 40A:4-45.44 et seq. (“the Property Tax Act”) requiring the calculation of another limitation (a 4% limitation) on county and municipal tax levies, with certain exceptions and subject to a number of adjustments. The Property Tax Act has now been amended by the provisions of P.L. 2010, c. 44 (the “Amendment”). The Amendment reduces the tax levy cap from 4% to 2%, limits exclusions only to capital expenditures, including debt service, certain increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare cost increases in excess of 2% and extraordinary costs related to a declared emergency. Waivers from the Division of Local Government Services or the Local Finance Board are no longer available under the Amendment.

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

<u>Year</u>	<u>Net Valuation Taxable (Assessed)</u>	<u>Net Valuation Divided by Apportionment Valuation (Equalized)</u>	<u>Apportionment Valuation (Equalized)</u>	<u>Apportionmen t Rate Per \$100</u>
2013	\$102,127,763,540	91.25	\$111,915,603,801	0.271867993
2014	102,544,897,101	93.29	109,923,061,080	0.276942939
2015	107,164,139,697	95.00	112,803,695,100	0.273530233
2016	112,478,483,831	97.09	115,845,375,051	0.261089363
2017	116,055,885,089	97.97	118,464,161,224	0.255830452

Source: Abstract of Ratables County of Monmouth

DISTRIBUTION OF ASSESSED VALUATION

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Vacant Land	\$ 1,787,285,650	\$ 1,672,004,600	\$ 1,599,466,850	\$ 1,656,038,100	\$ 1,704,290,300
Residential	84,739,312,210	85,060,752,219	89,295,912,975	93,584,519,380	96,796,150,985
Farm Regular	880,607,400	883,572,100	907,985,900	911,677,700	888,484,900
Farm Qualified	28,876,200	28,727,400	28,926,625	28,064,500	27,434,600
Commercial	11,710,919,660	11,879,666,126	12,159,534,800	12,886,553,850	13,075,752,350
Industrial	1,065,741,400	1,065,995,100	1,062,810,900	1,171,424,500	1,148,978,100
Apartments	<u>1,821,266,900</u>	<u>1,874,377,500</u>	<u>2,025,914,400</u>	<u>2,159,846,000</u>	<u>2,338,559,400</u>
	<u>\$102,034,009,420</u>	<u>\$102,465,095,045</u>	<u>\$107,080,552,450</u>	<u>\$112,398,124,030</u>	<u>\$115,979,650,635</u>

Source: Abstract of Ratables, County of Monmouth.

Note: Difference between Assessed Valuation and Net Valuation Taxable is the “Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies” (c.138, L.1966).

**LIST OF MONMOUTH COUNTY TWELVE LARGEST TAXPAYERS
DECEMBER 31, 2016**

	<u>Owner of Record</u>	<u>Property Location</u>	<u>2016 Total Assessed Value</u>	<u>2016 Tax Rate Per \$100</u>	<u>Total 2016 Taxes</u>
1	Freehold Mall	Freehold Township	\$511,718,200	2.286	\$11,697,878
2	Monmouth Mall	Eatontown	234,124,600	2.183	5,110,940
3	Jersey Shore Premium Outlets	Tinton Falls	186,734,900	2.032	3,794,453
4	AT&T Corporate Park	Middletown	160,000,000	2.131	3,409,600
5	Assisted Living Facility	Tinton Falls	133,990,800	2.032	2,722,693
6	Pier Village Development LLC	Long Branch	125,000,000	2.021	2,526,250
7	New Jersey Sports & Exposition Authority	Oceanport	82,534,000	2.143	1,768,704
8	Seaview Square Mall	Ocean Township	68,875,500	2.279	1,569,673
9	Avalon Bay Apartments	Freehold Township	60,585,800	2.286	1,384,991
10	Shopping Center – Town Center	Holmdel	63,554,600	2.006	1,274,905
11	Epicenter	Manalapan	60,656,000	2.004	1,215,546
12	Shopping Center – The Grove	Shrewsbury Boro	56,654,900	2.110	1,195,418

Source: Monmouth County Board of Taxation (March 30, 2017).

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

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

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

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

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

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

Miscellaneous Revenues

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

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

Deferral of Current Expenses

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

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

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

Budget Transfers

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

Capital Budget

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

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

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

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

The report of Holman Frenia Allison, P.C., the County’s 2016 independent auditor, for the calendar year ending December 31, 2016 appears in Appendix B to this Official Statement.

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues and Other Additions:					
Fund Balance Utilized	\$ 43,865,000	\$ 46,000,000	\$ 43,000,000	\$ 40,000,000	\$ 45,850,000
Miscellaneous Revenue					
Anticipated	174,603,791	183,229,646	184,868,989	195,744,029	146,081,882
Miscellaneous Revenue Not					
Anticipated	9,994,793	13,400,056	13,890,900	39,307,221	13,305,469
Receipts from Current Taxes	302,475,000	302,475,000	302,475,000	307,000,000	302,475,000
Other Credits to Revenue	375,005	30,168	738,342	580,491	41,386
Unexpended Balance of					
Appropriations Lapsed	28,554,126	24,025,930	14,704,221	17,361,453	13,840,752
Total Revenues and Other Additions	\$559,867,715	\$569,160,800	\$559,677,452	\$599,993,194	\$521,594,489
Expenditures:					
Budget Appropriations*	\$513,777,542	\$526,268,410	\$526,457,262	\$534,259,845	\$485,502,487
Other Charges	5,027,025	(12,679,321)	--	--	--
Total Expenditures	\$518,804,567	\$513,589,089	\$526,457,262	\$534,259,845	\$485,502,487
Excess in Revenue	41,063,148	55,571,711	33,220,190	65,733,349	36,092,002
Adjustment to Income Before					
Surplus: Emergency	--	--	--	--	--
Authorization					
Fund Balance, January 1	69,438,158	66,636,306	76,208,017	66,428,207	92,161,556
	110,501,306	122,208,017	109,428,207	132,161,556	128,253,558
Decreased by:					
Utilized as Anticipated Revenue	43,865,000	46,000,000	43,000,000	40,000,000	45,850,000
Fund Balance, December 31	\$66,636,306	\$76,208,017	\$66,428,207	\$92,161,556	\$82,403,558
Fund Balance, as a percentage					
of Total Expenditures	12.84%	14.84%	12.62%	17.25%	16.97%
* Paid or Charged	\$489,774,626	\$513,774,863	\$508,510,038	\$518,982,046	\$472,705,464
Appropriation Reserves	24,002,916	12,493,547	17,947,225	15,013,215	12,797,023
Current Appropriations Cancelled	-	-	-	264,584	-
	\$513,777,542	\$526,268,410	\$526,457,263	\$534,259,845	\$485,502,487

Current Fund operating results reflect a policy of conservatively estimating revenues and closely controlling expenditures. As a result, fund balances have generally been utilized less than the budgeted amounts. Fund balance, as a percentage of expenditures, has ranged in the last 5 years from a low of 12.62% in 2014 to a high of 17.25% in 2015, while the tax levy has remained stable.

FIVE YEAR SUMMARY OF CURRENT FUND BUDGET AND ACTUAL RESULTS

	2012		2013		2014		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:										
County Clerk	\$ 9,465,035	\$ 10,789,247	\$ 10,401,740	\$ 11,820,101	\$ 11,790,477	\$ 11,136,723	\$ 11,078,959	\$ 12,224,730	\$ 11,972,549	\$ 13,470,051
Interest on Investments	1,000,000	1,031,262	1,000,000	795,276	700,000	1,069,278	1,050,000	1,039,305	1,000,000	1,588,002
Parks & Recreation	6,693,123	7,319,961	6,970,505	7,073,373	7,008,281	7,166,347	6,989,167	7,537,165	7,277,604	7,434,300
Medical Homes	22,250,000	19,603,891	19,600,000	18,540,921	18,540,000	18,500,951	18,475,000	18,261,999	1,710,000	1,711,535
Division of Social Services	23,272,068	22,550,705	21,974,551	21,874,516	21,650,703	21,298,211	20,896,191	23,415,905	22,501,552	25,224,535
State of N.J. - Social Service Reimbursement	23,540,540	23,540,540	24,880,263	24,880,263	26,142,091	26,142,091	30,566,603	30,687,545	28,983,244	28,983,244
State of N.J. - Inmate Reimbursement	75,000	104,765	75,000	44,162	35,000	21,799	20,000	62,078	20,000	47,920
State of N.J. - Remaining Aid	1,743,804	2,134,900	1,809,481	2,199,640	2,013,571	2,184,095	2,242,519	2,447,794	2,013,840	2,152,797
State & Federal Grants	36,907,177	36,907,177	52,966,034	52,966,034	54,332,320	54,332,320	56,273,607	56,273,607	22,505,116	22,505,116
Miscellaneous Revenue	42,490,795	60,616,136	38,115,836	56,435,416	38,769,819	56,908,074	39,667,799	83,101,122	39,193,582	56,269,851
Fund Balance Utilized	43,865,000	43,865,000	46,000,000	46,000,000	43,000,000	43,000,000	40,000,000	40,000,000	45,850,000	45,850,000
County Tax Levy	<u>302,475,000</u>	<u>302,475,000</u>	<u>302,475,000</u>	<u>302,475,000</u>	<u>302,475,000</u>	<u>302,475,000</u>	<u>307,000,000</u>	<u>307,000,000</u>	<u>302,475,000</u>	<u>302,475,000</u>
TOTAL REVENUES	\$513,777,542	\$530,938,584	\$526,268,410	\$545,104,702	\$526,457,262	\$544,234,889	\$534,259,845	\$582,051,250	\$485,502,487	\$507,712,351
Appropriations:										
General Government	\$ 25,730,470	\$ 23,598,874	\$ 29,262,490	\$ 27,323,207	\$ 27,674,674	\$ 26,056,966	\$ 27,456,375	\$ 26,280,330	\$ 30,056,715	\$ 28,290,314
Land Use Administration	1,356,462	1,240,542	1,142,415	1,048,905	1,101,716	1,032,836	1,068,599	1,029,190	1,110,151	1,018,443
Code Enforcement	372,681	367,933	379,754	355,788	341,935	341,733	305,628	302,179	313,286	312,959
Insurance	65,573,000	59,456,641	65,220,000	63,578,463	67,050,000	63,159,327	62,200,000	58,744,029	61,735,504	59,729,706
Public Safety	97,719,883	94,625,071	92,426,358	91,480,015	91,127,198	89,654,920	93,066,685	91,659,817	95,268,800	92,216,083
Public Works & Engineering	31,157,304	29,467,608	31,681,678	30,494,531	33,388,365	31,557,348	35,151,256	34,392,266	32,850,403	31,842,707
Health & Human Services	93,317,488	86,666,718	90,871,340	86,627,085	91,542,706	85,886,480	96,991,651	91,099,514	75,155,450	73,139,492
Parks & Recreation	18,392,372	18,207,289	18,559,307	18,420,326	18,643,480	18,123,398	18,640,589	18,300,182	19,048,673	18,845,740
Education	39,166,467	39,025,862	39,027,999	38,880,077	37,590,188	37,478,892	37,552,595	37,465,762	37,541,193	37,460,442
Other Common Operating/Contingent	715,300	642,177	1,163,840	1,096,111	764,316	666,459	761,357	697,050	760,352	636,310
Utility Expenses	12,608,200	10,070,461	11,400,000	10,683,514	11,675,000	11,163,924	10,700,000	10,519,733	9,570,000	9,257,855
Statutory Expenditures	36,540,000	35,957,694	35,235,000	34,659,956	36,162,000	34,856,759	36,138,000	34,979,728	36,850,000	35,676,996
State & Federal Grants	38,207,177	37,659,942	54,266,034	53,652,009	55,382,320	54,652,112	57,323,607	57,007,412	23,555,116	22,817,392
Capital Improvements	2,250,000	2,117,076	1,250,000	1,092,681	750,000	615,519	2,250,000	2,115,935	3,550,000	3,324,181
Debt Service	50,670,738	50,670,738	54,382,195	54,382,195	53,263,364	53,263,364	54,653,503	54,388,919	58,136,844	58,136,844
Deferred Charges	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL APPROPRIATIONS	\$513,777,542	\$489,774,626	\$526,268,410	\$513,774,863	\$526,457,262	\$508,510,037	\$534,259,845	\$518,982,046	\$485,502,487	\$472,705,464
Excess in Revenues		\$41,163,958		\$31,329,839		\$35,724,852		\$63,069,204		\$35,006,887
Less Appropriation Reserve		24,002,916		12,493,547		17,947,225		15,013,215		12,797,023
Less Cancellation – Current Yr Approp		<u>-0-</u>		<u>-0-</u>		<u>-0-</u>		<u>264,584</u>		<u>-0-</u>
Excess in Revenues, Net		\$17,161,042		\$18,836,292		\$17,777,627		\$47,791,405		\$22,209,864
Other Credits/(Debits) to Income:										
Unexpended Balance of Previous Year										
Appropriation Reserve		\$28,554,126		\$24,025,930		\$14,704,221		\$17,361,453		\$13,840,752
Emergency Authorization		<u>-0-</u>		<u>-0-</u>		<u>-0-</u>		<u>-0-</u>		<u>-0-</u>
Other		<u>(4,652,020)</u>		<u>12,709,489</u>		<u>738,342</u>		<u>580,491</u>		<u>41,386</u>
Total Excess in Revenues, Net + Other		\$41,063,148		\$55,571,711		\$33,220,190		\$65,733,349		\$36,092,002
Credits to Income		\$25,573,158		\$20,636,306		\$33,208,017		\$26,428,207		\$46,311,556
Fund Balance, Beginning of Year		\$66,636,306		\$76,208,017		\$66,428,207		\$92,161,556		\$82,403,558

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

	<u>2016⁽¹⁾</u>	<u>2017⁽²⁾</u>
Anticipated Revenues:		
Fund Balance Utilized	\$ 45,850,000	\$ 43,500,000
State Aid	50,347,751	21,362,523
State and Federal Grants	6,852,629	7,690,499
Miscellaneous Revenue	64,324,620	70,221,978
County Tax Levy	<u>302,475,000</u>	<u>302,475,000</u>
Total Anticipated Revenues	<u>\$469,850,000</u>	<u>\$445,250,000</u>
Appropriations:		
Operations	\$371,913,156	\$347,243,325
Capital Improvements	3,550,000	3,550,000
Debt Service	58,136,844	57,956,675
Pension Contributions and Social Security Taxes	<u>36,250,000</u>	<u>36,500,000</u>
Total Appropriations	<u>\$469,850,000</u>	<u>\$445,250,000</u>

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- (1) The 2016 County Budget was adopted by the Board of Chosen Freeholders on March 24, 2016.
- (2) The 2017 County Budget was adopted by the Board of Chosen Freeholders on March 23, 2017.

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>REVENUES</u>					
Fund Balance	\$19,700,000	\$20,400,000	\$20,200,000	\$16,075,000	\$ 8,225,000
Grant	0	386,100	792,000	456,000	544,616
Utility Fees	25,994,128	25,919,609	25,948,238	25,033,765	25,820,396
Miscellaneous Revenue					
Anticipated	--	--	--	--	--
Miscellaneous Revenue					
Not Anticipated	2,379,797	1,973,371	1,987,392	1,251,108	1,152,223
Other Income	250	81,311	48,089	4,315	--
Unexpended Appropriations	5,347,234	6,346,419	4,813,404	4,249,082	3,914,703
Total Revenue	<u>\$53,421,409</u>	<u>\$55,106,810</u>	<u>\$53,789,123</u>	<u>\$47,069,270</u>	<u>\$39,656,938</u>
<u>EXPENDITURES</u>					
Operations with Reserves	\$35,563,628	\$35,222,771	\$35,206,107	\$35,300,702	\$28,067,308
Other Expenditures and					
Commitments	--	--	--	--	--
Total Expenditures	<u>\$35,563,628</u>	<u>\$35,222,771</u>	<u>\$35,206,107</u>	<u>\$35,300,702</u>	<u>\$28,067,308</u>
Net Revenues	<u>\$17,857,781</u>	<u>\$19,884,039</u>	<u>\$18,583,016</u>	<u>\$11,768,568</u>	<u>\$11,589,630</u>
Debt Service	<u>2,136,372</u>	<u>2,477,229</u>	<u>2,700,893</u>	<u>3,155,298</u>	<u>3,702,308</u>
Change in Fund Balance	\$15,721,409	\$17,406,810	\$15,882,123	\$8,613,270	\$7,887,322
Fund Balance, January 1	<u>\$28,940,632</u>	<u>\$24,962,041</u>	<u>\$21,968,851</u>	<u>\$17,650,974</u>	<u>\$10,189,244</u>
	\$44,662,041	\$42,368,851	\$37,850,974	\$26,264,244	\$18,076,566
Utilized as Revenue	<u>19,700,000</u>	<u>20,400,000</u>	<u>20,200,000</u>	<u>16,075,000</u>	<u>8,225,000</u>
Fund Balance, December 31	<u><u>\$24,962,041</u></u>	<u><u>\$21,968,851</u></u>	<u><u>\$17,650,974</u></u>	<u><u>\$10,189,244</u></u>	<u><u>\$ 9,851,566</u></u>

Anticipated Capital Needs

The Board of Chosen Freeholders annually adopts a six-year capital improvement program setting forth its anticipated capital expenditures during that period. The program originally adopted by the Board of Chosen Freeholders on March 23, 2017 and amended on June 22, 2017 calls for expenditures of \$409,311,365 through the year 2022. Of this \$409,311,365 total, \$29,177,365 is anticipated to be paid from cash; the remaining \$380,134,000 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 Chosen Freeholders and their inclusion in the program represents a planning mechanism for future decisions of the Board.

Investment of Funds

The Director of Finance is responsible for the investment of funds for the County. Permitted investments for local governmental units in New Jersey pursuant to New Jersey Statute 40A:5-15.1 (the "Statute") are presented below:

1. Bonds or other obligations of the US or obligations guaranteed by the US.
2. Government money market mutual funds.
3. Fixed rate obligations issued by federal agency or federal instrumentality in accordance with an act of Congress, with maturity of not more than 397 days.
4. Bonds or other obligations of Monmouth County or of school districts within Monmouth County.
5. Bonds or other obligations with maturity of not more than 397 days, approved by the Division of Investment of the Department of the Treasury for investment by local units.
6. Local government investment pools, as defined by the Statute.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c.281 (C.52:18A-90.4).
8. Repurchase agreements fully collateralized by securities outlined in (1) and (3) above, with custody of collateral transferred to a third party, maturity not exceeding 30 days, underlying securities purchased through a public depository and an executed master repurchase agreement providing for the custody and security of collateral.

The composition of the County's current portfolio, as of September 30, 2017, is presented in the table below:

<u>Type of Security</u>	<u>Amount</u>	<u>Percent</u>
Bank Money Market Accounts	\$293,296,118.08	97.16%
Taxable Bond/Tax Anticipation Notes ⁽¹⁾	8,339,661.00	2.84

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

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

Pension Funds

County employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions; Treasury Department of the State of New Jersey. The three plans are: The Public Employees' Retirement System, the Police and Firemen's Retirement System, and the Defined Contribution Retirement Program (DCRP) of New Jersey. During 2007, the State through the enactment of P.L. 2007, c. 92 created the DCRP for certain public employees and established its membership requirements. The Division annually charges counties and other participating governmental units for their respective contributions to the plans based upon actuarial methods, except for the new DCRP which is a percentage set by legislation. A portion of the cost is contributed by the employees. The County's share of pension costs, which is based upon the annual billings received from the State, as well as retroactive billings received from the State, amounted to \$22,730,425 for 2015, \$24,031,932 for 2016, and \$24,212,101 through August 15, 2017.

Debt and Financial Management Policies

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

1. The County will annually adopt a five year capital improvement program showing the projected capital expenditures and the source of funding for those expenditures. The County will determine the effect of the projected debt issuance on its net tax-supported debt ratios such as debt to full value, debt per capita, debt to personal income and debt service to revenues.
2. The County will maintain a target of net tax-supported debt service to revenues ratio, excluding debt service on Recreational Facilities Revenue Bonds, of 10%. The target is to be achieved over a period of time, but the maximum level will be 12.0%.
3. The County will maintain a minimum rapidity repayment rate of 70% of its net tax-supported debt to be retired in 10 years.
4. The County's ratio of net tax-supported debt to full value will not exceed 0.75%.
5. The ratio of net tax-supported debt to personal income will not exceed 2.0%.

6. The County will plan to have a minimum ratio of year-end Current Fund Balance to revenues of 7%. This Current Fund Balance policy can be violated in times of fiscal stress as long as the County has a plan to restore the Fund Balance to appropriate levels.

IV. DEBT INFORMATION

Local Bond Law

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

Debt Limits

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

Exceptions To Debt Limits - Extensions of Credit

The debt limit of the County may be exceeded with the approval of the Local Finance Board, a state regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the County must apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines, among other things, that a proposed debt authorization would not materially impair the ability of the County to meet its obligations or to provide essential services, or makes other statutory determinations, approval is granted. In addition, debt in excess of the debt limit may be issued by the County under N.J.S.A. 40A:2-7(g) for purposes permitted under the Local Bond Law if the amount (exclusive of utility and assessment obligations) of such obligations and all others authorized pursuant to such provision during the then current fiscal year do not exceed an amount equal to two-thirds of the amount budgeted for the retirement of outstanding obligations. The County’s net debt as of October 31, 2017 is 0.4118% of its equalized valuation basis, compared to the statutory debt limit of 2.00%.

Short-Term Financing

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

anticipation notes, including all renewals, must be paid not later than three years from their original date, unless the issuer begins to amortize such notes beginning in the third year. If the appropriate amortization is commenced in the third year, such notes must finally mature, and be paid not later than first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. The County has not issued any short-term debt since September 1997, other than a short-term bond anticipation note in the amount of \$22,237,000 issued on December 30, 2013 which was subsequently paid off on March 27, 2014 with a portion of the proceeds of the County's General Obligation Bonds, Series 2014.

COUNTY OF MONMOUTH
STATEMENT OF STATUTORY NET DEBT AS OF OCTOBER 31, 2017
(Unaudited)

GROSS DEBT:	
General Bonds Issued and Outstanding	\$308,218,500.00
Open Space Bonds Issued and Outstanding	32,360,000.00
Self-Liquidating Utility	15,285,000.00
County College Bonds Issued and Outstanding	12,046,500.00
County Vocational Bonds/Notes Issued and Outstanding	8,085,000.00
Installment Purchase Agreement Notes Payable	<u>2,655,000.00</u>
	\$378,650,000.00

BONDS/NOTES AUTHORIZED:	
General Improvements:	
Notes Issued	-0-
Authorized but not Issued	\$614,610,000.00
Open Space:	
Notes Issued	-0-
Authorized but not Issued	-0-
Self-Liquidating Utility:	
Notes Issued	-0-
Authorized but not Issued	4,530,000.00
	<u>619,140,000.00</u>
TOTAL GROSS DEBT	\$997,790,000.00

LESS: STATUTORY DEDUCTIONS:	
Guaranteed Equipment Lease Program - M.C.I.A.	26,435,000.00 ⁽¹⁾
Guaranteed Govt. Loan Refunding Rev. Bonds - M.C.I.A.	144,610,000.00 ⁽¹⁾
Guaranteed Pooled Loan Program - M.C.I.A.	214,800,000.00 ⁽¹⁾
Guaranteed Lease Revenue Bonds - BCC - M.C.I.A.	37,995,000.00 ⁽¹⁾
Guaranteed Lease Rev. Refunding Bonds - Asb. Park - M.C.I.A.	7,020,000.00 ⁽¹⁾
Guaranteed Govt. Loan Project Notes-FMERA - M.C.I.A.	27,400,000.00 ⁽¹⁾
County College Bonds	9,006,500.00 ⁽²⁾
Self-Liquidating Utility	19,815,000.00 ⁽³⁾
Open Space Acquisition Bonds	32,360,000.00 ⁽⁴⁾
IPA Cash on Hand (As of 9/30/17)	1,441,753.55 ⁽⁵⁾
Reserve for Care Center Debt Service Cash on Hand	3,905,000.00 ⁽⁵⁾
	<u>524,788,253.55</u>
STATUTORY NET DEBT	<u>\$473,001,746.45</u>

Three-Year Average (2014-2016)	
Equalized Valuation of Real Property	
(Pursuant to N.J.S.A. 15:1-35.1)	\$114,849,654,030.33
Net Debt Expressed as a Percentage of Average	0.4118%
Equalized Valuation of Real Property	
Debt Limitation Per N.J.S.A. 40A:2-6	
(Counties) 2% of Three-Year Average	\$2,296,993,080.60
Equalized Valuation	
Total Net Debt	<u>473,001,746.45</u>
Remaining Net Debt Capacity	<u>\$1,823,991,334.15</u>

(1) The County has unconditionally guaranteed \$26,435,000 M.C.I.A. Capital Equipment Pooled Lease Revenue Bonds, \$144,610,000 M.C.I.A. Governmental Loan Refunding Revenue Bonds, \$214,800,000 M.C.I.A. Governmental Pooled Loan Revenue Bonds, \$37,995,000 M.C.I.A. Lease Revenue Bonds For Brookdale Community College, \$7,020,000 M.C.I.A. Lease Revenue Refunding Bonds For Asbury Park, and \$25,925,000 M.C.I.A. Governmental Loan Project Notes - FMERA which are outstanding. The County has also unconditionally guaranteed \$1,475,000 Government Loan Project Notes - FMERA which have not yet been sold as of October 31, 2017. The guaranty is an allowable deduction from gross debt pursuant to the Local Bond Law and the County Improvement Authorities Law (N.J.S.A. 40:37A-80).

(2) The County College Bonds are an allowable deduction pursuant to the County College Bond Act (N.J.S.A. 18A:64A-22.4).

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

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

(5) The cash on hand to retire debt is an allowable deduction pursuant to the Local Bond Law (N.J.S.A. 40A:2-44(f)).

**COUNTY OF MONMOUTH
SCHEDULE OF DEBT SERVICE**

DECEMBER 31, 2016

<u>Year</u>	<u>General Principal</u>	<u>General Interest</u>	<u>County College Principal</u>	<u>County College Interest</u>	<u>Vocational School Principal</u>	<u>Vocational School Interest</u>	<u>Total County Principal</u>	<u>Total County Interest</u>	<u>Total County Debt Service</u>
2017	\$ 40,435,000.00	\$13,169,763.76	\$ 2,535,000.00	\$ 555,361.24	\$ 905,000.00	\$ 356,550.00	\$ 43,875,000.00	\$14,081,675.00	\$ 57,956,675.00
2018	38,380,000.00	11,486,313.76	2,085,000.00	451,173.74	905,000.00	320,350.00	41,370,000.00	12,257,837.50	53,627,837.50
2019	35,558,500.00	9,958,246.26	2,086,500.00	365,391.24	905,000.00	280,500.00	38,550,000.00	10,604,137.50	49,154,137.50
2020	35,410,000.00	8,496,660.00	1,960,000.00	281,490.00	905,000.00	242,850.00	38,275,000.00	9,021,000.00	47,296,000.00
2021	33,810,000.00	7,006,115.00	1,740,000.00	202,300.00	900,000.00	205,300.00	36,450,000.00	7,413,715.00	43,863,715.00
2022	31,115,000.00	5,633,080.00	1,740,000.00	133,750.00	900,000.00	166,150.00	33,755,000.00	5,932,980.00	39,687,980.00
2023	26,730,000.00	4,424,065.00	890,000.00	82,200.00	800,000.00	129,000.00	28,420,000.00	4,635,265.00	33,055,265.00
2024	24,560,000.00	3,341,440.00	890,000.00	43,400.00	800,000.00	93,350.00	26,250,000.00	3,478,190.00	29,728,190.00
2025	19,285,000.00	2,317,747.50	320,000.00	16,000.00	800,000.00	59,875.00	20,405,000.00	2,393,622.50	22,798,622.50
2026	15,140,000.00	1,534,287.50	-	-	800,000.00	28,575.00	15,940,000.00	1,562,862.50	17,502,862.50
2027	15,140,000.00	1,051,587.50	-	-	370,000.00	11,100.00	15,510,000.00	1,062,687.50	16,572,687.50
2028	9,440,000.00	680,168.75	-	-	-	-	9,440,000.00	680,168.75	10,120,168.75
2029	9,440,000.00	388,812.50	-	-	-	-	9,440,000.00	388,812.50	9,828,812.50
2030	5,090,000.00	165,425.00	-	-	-	-	5,090,000.00	165,425.00	5,255,425.00
	<u>\$339,533,500.00</u>	<u>\$69,653,712.53</u>	<u>\$14,246,500.00</u>	<u>\$2,131,066.22</u>	<u>\$8,990,000.00</u>	<u>\$1,893,600.00</u>	<u>\$362,770,000.00</u>	<u>\$73,678,378.75</u>	<u>\$436,448,378.75</u>

**COUNTY OF MONMOUTH
SCHEDULE OF DEBT SERVICE**

DECEMBER 31, 2016

<u>Year</u>	<u>Open Space Principal</u>	<u>Open Space Interest</u>	<u>Total Open Space</u>	<u>Reclamation Center Principal</u>	<u>Reclamation Center Interest</u>	<u>Total Reclamation Center</u>	<u>Total Debt Service Including Open Space & Reclamation Center</u>
2017	\$ 4,630,000.00	\$1,381,937.50	\$ 6,011,937.50	\$ 2,985,000.00	\$ 640,680.00	\$ 3,625,680.00	\$ 67,594,292.50
2018	4,955,000.00	1,147,637.50	6,102,637.50	1,360,000.00	554,275.00	1,914,275.00	61,644,750.00
2019	5,000,000.00	945,237.50	5,945,237.50	1,360,000.00	496,385.00	1,856,385.00	56,955,760.00
2020	5,575,000.00	734,437.50	6,309,437.50	1,360,000.00	440,510.00	1,800,510.00	55,405,947.50
2021	3,235,000.00	559,037.50	3,794,037.50	1,280,000.00	384,475.00	1,664,475.00	49,322,227.50
2022	3,315,000.00	426,687.50	3,741,687.50	1,280,000.00	331,525.00	1,611,525.00	45,041,192.50
2023	1,535,000.00	330,337.50	1,865,337.50	1,280,000.00	280,675.00	1,560,675.00	36,481,277.50
2024	1,535,000.00	269,587.50	1,804,587.50	1,280,000.00	229,825.00	1,509,825.00	33,042,602.50
2025	1,535,000.00	212,837.50	1,747,837.50	1,290,000.00	181,275.00	1,471,275.00	26,017,735.00
2026	1,535,000.00	158,087.50	1,693,087.50	1,290,000.00	132,675.00	1,422,675.00	20,618,625.00
2027	1,535,000.00	110,037.50	1,645,037.50	1,290,000.00	91,875.00	1,381,875.00	19,599,600.00
2028	1,135,000.00	69,487.50	1,204,487.50	870,000.00	59,175.00	929,175.00	12,253,831.25
2029	1,135,000.00	33,937.50	1,168,937.50	870,000.00	32,175.00	902,175.00	11,899,925.00
2030	335,000.00	10,887.50	345,887.50	390,000.00	12,675.00	402,675.00	6,003,987.50
	<u>\$36,990,000.00</u>	<u>\$6,390,175.00</u>	<u>\$43,380,175.00</u>	<u>\$18,185,000.00</u>	<u>\$3,868,200.00</u>	<u>\$22,053,200.00</u>	<u>\$501,881,753.75</u>

V. DEBT ANALYSIS

	December 31, <u>2012⁽¹⁾</u>	December 31, <u>2013⁽¹⁾</u>	December 31, <u>2014⁽¹⁾</u>	December 31, <u>2015⁽¹⁾</u>	December 31, <u>2016⁽¹⁾</u>
Full Valuation Per Capita	\$185,428.00	\$177,537.00	\$174,376.00	\$178,443.00	\$178,430.00
County Net Debt as a Percentage of Full Value	0.39%	0.40%	0.39%	0.39%	0.41%
County Net Debt Per Capita	\$729.69	\$718.55	\$680.14	\$693.54	\$723.88
Overlapping Net Debt as a Percentage of Full Value	1.57%	1.63%	1.68%	1.67%	1.63%
Overlapping Net Debt Per Capita	\$2,913.18	\$2,887.15	\$2,933.18	\$2,981.89	\$2,910.34

⁽¹⁾ Per capita figures for 2012 through 2016 utilizing 2010 Census Data.

COUNTY OF MONMOUTH
GROSS DEBT AND NET DEBT OF CONSTITUENT MUNICIPALITIES
December 31, 2016

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Aberdeen Township	\$ 0.00	\$ 19,902,590.00	\$ 26,929,567.00	\$ 0.00	\$19,902,590.00	\$ 0.00	\$ 26,929,567.00	\$ 2,050,396,076.00	1.3134%
Allenhurst Borough	0.00	68,000.00	7,110,719.00	0.00	26,518.00	0.00	7,152,201.00	550,361,544.00	1.2995
Allentown Borough	6,621,950.00	6,639,500.00	2,445,254.00	6,621,950.00	6,639,500.00	51,015.00	2,394,239.00	200,928,145.00	1.1916
Asbury Park City	925,000.00	27,604,903.00	24,400,935.00	925,000.00	27,604,903.00	8,671.00	24,392,264.00	1,411,876,102.00	1.7276
Atlantic Highlands Borough	5,595,515.00	16,415,695.00	11,815,903.00	5,595,515.00	16,415,695.00	0.00	11,815,903.00	771,873,362.00	1.5308
Avon-By-The-Sea Borough	5,835,000.00	2,737,135.00	5,033,775.00	5,835,000.00	2,737,135.00	0.00	5,033,775.00	978,842,175.00	0.5143
Belmar Borough	1,755,000.00	17,739,275.00	19,165,850.00	1,755,000.00	17,739,275.00	150,968.00	19,014,882.00	1,536,146,480.00	1.2378
Bradley Beach Borough	1,058,000.00	2,838,000.00	4,730,927.00	1,058,000.00	2,838,000.00	36,860.00	4,694,067.00	1,135,560,962.00	0.4134
Brielle Borough	2,000,000.00	3,395,926.00	3,387,712.00	2,000,000.00	3,395,926.00	0.00	3,387,712.00	1,399,138,605.00	0.2421
Colts Neck Township	16,398,975.00	0.00	12,791,310.00	16,398,975.00	0.00	1,784,957.00	11,006,353.00	3,021,644,709.00	0.3643
Deal Borough	0.00	460,505.00	4,751,597.00	0.00	320,805.00	0.00	4,891,297.00	2,117,618,722.00	0.2310
Eatontown Borough	22,969,232.00	0.00	14,166,844.00	22,969,232.00	0.00	2,765,342.00	11,401,502.00	1,988,352,557.00	0.5734
Englishtown Borough	1,462,466.00	475,000.00	2,048,250.00	1,462,466.00	475,000.00	0.00	2,048,250.00	231,722,878.00	0.8839
Fair Haven Borough	6,164,906.00	0.00	4,266,378.00	6,164,906.00	0.00	293,504.00	3,972,874.00	1,579,869,368.00	0.2515
Farmingdale Borough	89,292.00	1,217,128.00	460,250.00	89,292.00	1,217,128.00	0.00	460,250.00	143,593,937.00	0.3205
Freehold Borough	2,085,672.00	4,463,350.00	9,188,900.00	2,085,672.00	4,463,350.00	168,645.00	9,020,255.00	990,083,807.00	0.9111
Freehold Township	59,421,308.00	0.00	59,568,088.00	59,421,308.00	0.00	4,572,012.00	54,996,076.00	6,380,292,511.00	0.8620
Hazlet Township	5,480,000.00	0.00	9,378,216.00	5,480,000.00	0.00	206,000.00	9,172,216.00	2,365,892,831.00	0.3877

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Highlands Borough	2,864,485.00	5,451,038.00	18,214,235.00	2,864,485.00	5,451,038.00	0.00	18,214,235.00	606,985,855.00	3.0008
Holmdel Township	9,450,000.00	1,122,000.00	27,956,134.00	9,450,000.00	1,122,000.00	0.00	27,956,134.00	4,162,914,746.00	0.6716
Howell Township	32,881,397.00	114,000.00	72,274,809.00	32,881,397.00	114,000.00	6,442,000.00	65,832,809.00	6,574,551,801.00	1.0013
Interlaken Borough	0.00	0.00	1,238,051.00	0.00	0.00	0.00	1,238,051.00	242,821,174.00	0.5099
Keansburg Borough	0.00	5,923,458.00	15,933,633.00	0.00	5,923,458.00	0.00	15,933,633.00	529,045,166.00	3.0118
Keyport Borough	3,580,000.00	10,887,599.00	11,118,946.00	3,580,000.00	10,887,599.00	242,106.00	10,876,840.00	678,090,246.00	1.6040
Lake Como Borough	0.00	3,240,125.00	625,272.00	0.00	3,240,125.00	0.00	625,272.00	374,117,815.00	0.1671
Little Silver Borough	5,750,790.00	0.00	4,203,725.00	5,750,790.00	0.00	0.00	4,203,725.00	1,661,799,829.00	0.2530
Loch Arbour Village	0.00	0.00	1,755,291.00	0.00	0.00	19,327.00	1,735,963.00	146,807,868.00	1.1825
Long Branch City	0.00	0.00	101,135,352.00	0.00	0.00	1,500,000.00	99,635,352.00	4,581,381,542.00	2.1748
Manalapan Township	40,147,267.00	25,559.00	20,282,804.00	40,147,267.00	25,559.00	2,440,000.00	17,842,804.00	6,361,200,079.00	0.2805
Manasquan Borough	17,068,754.00	8,396,224.00	12,952,045.00	17,068,754.00	8,396,224.00	0.00	12,952,045.00	1,982,150,549.00	0.6534
Marlboro Township	15,525,505.00	34,043,025.00	47,198,740.00	15,525,505.00	34,043,025.00	242,131.00	46,956,609.00	7,333,906,117.00	0.6403
Matawan Borough	5,399,615.00	13,777,046.00	16,218,977.00	5,399,615.00	13,777,046.00	0.00	16,218,977.00	987,597,643.00	1.6423
Middletown Township	64,620,000.00	0.00	55,684,556.00	64,620,000.00	0.00	46,060.00	55,638,495.00	10,440,397,303.00	0.5329
Millstone Township	28,920,000.00	0.00	25,060,756.00	28,920,000.00	0.00	10,515,940.00	14,544,816.00	1,785,880,453.00	0.8144
Monmouth Beach Borough	5,425,081.00	0.00	11,351,738.00	5,425,081.00	0.00	40,160.00	11,311,578.00	1,338,669,334.00	0.8450
Neptune City Borough	5,645,000.00	313,500.00	2,260,531.00	5,645,000.00	313,500.00	0.00	2,260,531.00	519,076,493.00	0.4355
Neptune Township	0.00	7,272,759.00	27,732,950.00	0.00	7,272,759.00	0.00	27,732,950.00	3,628,751,197.00	0.7643
Ocean Township	35,746,331.00	0.00	35,560,850.00	35,746,331.00	0.00	6,386,733.00	29,174,117.00	4,653,707,797.00	0.6269

MUNICIPALITY	GROSS DEBT			DEDUCTIONS			NET STATUTORY DEBT	AVERAGE EQUALIZED VALUATIONS	STATUTORY % OF NET DEBT
	SCHOOL	UTILITY	OTHER	SCHOOL	UTILITY	OTHER			
Oceanport Borough	4,348,937.00	0.00	25,416,563.00	4,348,937.00	0.00	1,705,579.00	23,710,984.00	1,162,252,371.00	2.0401
Red Bank Borough	4,108,969.00	14,126,020.00	13,079,469.00	4,108,969.00	14,126,020.00	646,709.00	12,432,760.00	2,069,870,032.00	0.6007
Roosevelt Borough	476,000.00	4,372,729.00	237,250.00	476,000.00	4,317,609.00	0.00	292,370.00	84,729,319.00	0.3451
Rumson Borough	6,592,094.00	0.00	13,736,227.00	6,592,094.00	0.00	189,703.00	13,546,524.00	3,367,399,188.00	0.4023
Sea Bright Borough	1,880,069.00	3,419,250.00	10,250,485.00	1,880,069.00	3,419,250.00	260,461.00	9,990,024.00	658,048,290.00	1.5181
Sea Girt Borough	0.00	13,936,674.00	5,418,575.00	0.00	13,936,674.00	230,937.00	5,187,638.00	2,238,754,554.00	0.2317
Shrewsbury Borough	2,406,189.00	0.00	8,850,426.00	2,406,189.00	0.00	0.00	8,850,426.00	1,115,511,570.00	0.7934
Shrewsbury Township	136,390.00	0.00	795,520.00	136,390.00	0.00	0.00	795,520.00	51,909,859.00	1.5325
Spring Lake Borough	635,400.00	15,531,256.00	3,874,804.00	635,400.00	15,531,256.00	0.00	3,874,804.00	3,634,998,426.00	0.1066
Spring Lake Heights Borough	2,525,000.00	363,174.00	1,517,960.00	2,525,000.00	363,174.00	8,089.00	1,509,870.00	1,168,591,280.00	0.1292
Tinton Falls Borough	8,101,378.00	0.00	20,961,772.00	8,101,378.00	0.00	2,504,152.00	18,457,620.00	3,083,372,440.00	.5986
Union Beach Borough	0.00	2,001,247.00	11,131,007.00	0.00	2,001,247.00	1,180,435.00	9,950,572.00	521,282,313.00	1.9089
Upper Freehold Township	41,028,050.00	0.00	21,503,243.00	41,028,050.00	0.00	3,626,578.00	17,876,665.00	1,244,903,778.00	1.4360
Wall Township	17,740,000.00	15,315,140.00	34,722,075.00	17,740,000.00	15,315,140.00	932,832.00	33,789,243.00	5,744,601,666.00	0.5882
West Long Branch Borough	13,148,431.00	0.00	11,714,187.00	13,148,431.00	0.00	362,226.00	11,351,960.00	1,247,436,180.00	0.9100
TOTAL	\$514,013,450.00	\$263,588,831.00	\$913,609,431.00	\$514,013,450.00	\$263,352,530.00	\$49,560,132.00	\$864,285,600.00	\$114,837,709,044.00	0.7526%

OTHER COUNTY OBLIGATIONS

Monmouth County Improvement Authority Capital Equipment Pooled Lease Revenue Bonds

The \$7,490,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2009, the \$11,510,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2011, the \$18,820,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2013, the \$13,375,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2015 and the \$9,570,000 Capital Equipment Pooled Lease Revenue Bonds, Series 2017 (the “Pooled Lease Bonds”) are limited obligations of the Authority secured by a pledge of certain property, which includes the Authority’s right to receive payments of principal and interest on bonds issued by the Authority (“Local Unit Bond”) to finance the acquisition of equipment for lease to certain governmental units located within the County (the “Local Units”). The principal and interest on each Local Unit Bond is secured by a pledge of lease payments made by the applicable Local Unit pursuant to the terms and provisions of a lease agreement between the Authority and such Local Unit, with respect to the equipment leased by such Local Unit. Payment of principal and interest on each Local Unit Bond is unconditionally and irrevocably guaranteed by each of the Local Units. In addition, payment of principal and interest on each Local Unit Bond is unconditionally and irrevocably guaranteed by the County. As of October 31, 2017, \$26,435,000 of the bonds were outstanding.

Maturities of Pooled Lease Bonds Outstanding October 31, 2017

<u>Date</u>	<u>Amount</u>
10/1/18	\$7,780,000
10/1/19	5,135,000
10/1/20	5,100,000
10/1/21	2,680,000
10/1/22	2,420,000
10/1/23	1,270,000
10/1/24	680,000
10/1/25	635,000
10/1/26	360,000
10/1/27	375,000

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

The \$14,470,000 Governmental Loan Refunding Revenue Bonds, Series 2011, the \$62,315,000 Governmental Loan Refunding Revenue Bonds, Series 2012, the \$9,460,000 Governmental Loan Refunding Revenue Bonds, Series 2014, the \$15,530,000 Governmental Loan Refunding Revenue Bonds, Series 2015, the \$38,505,000 Governmental Loan Refunding Revenue Bonds, Series 2016, and the \$40,020,000 Governmental Loan Refunding Revenue Bonds, Series 2016B (the “Pooled Loan Refunding Bonds”) are limited obligations of the Authority issued to (a) refund a portion of the Authority’s Governmental Loan Revenue Bonds, Series 1995, Series 1998, Series 2000, Series 2001 and Series 2002, (b) refund a portion of the Authority’s Governmental Loan Revenue Bonds, Series 1995, Series 1998, Series 2001, Series 2002, Series 2002 (Howell Township Board of Education Improvement Project), Series 2003, Series 2004, and Series 2005, and the Borough of Allentown’s General Obligation Bonds, Series 1978, the Township of Colts Neck’s General Obligation Bonds, Series 2002A, the Borough of Keyport’s General Obligation Bonds, Series 2003, The Board of Education of the Borough of Avon-By-The-Sea’s School District Bonds, Series 2006, The Board of Education of the Borough of Little Silver’s Refunding Bonds, Series 2005, and the Borough of Red Bank’s General Improvement Bonds, Series 2007 and Water/Sewer Utility Bonds, Series 2007, (c) refund a portion of the Authority’s Governmental Loan Revenue Bonds, Series 2006, (d) refund a portion of The Board of Education of the Borough of Avon-By-The-Sea’s School District Bonds, Series 2006, The Board of Education of the Borough of Little Silver’s Refunding Bonds, Series 2005, and the Borough of Red Bank’s General Improvement Bonds, Series 2007 and Water/Sewer Utility Bonds, Series 2007, (e) refund a portion of the Authority’s Governmental Loan Revenue Bonds, Series 2007 and 2008, and (f) refund a portion of the Authority’s Governmental Loan Revenue Bonds, Series 2009, Series 2010 and Series 2011, and the City of Asbury Park’s General Improvement Bonds of 2009, The Board of Education of the Borough of Oceanport’s School Bonds of 2006, and the Shore Regional High School District’s School Bonds of 2009, respectively, and are secured by a pledge of certain property, which includes the Authority’s right to receive payments of principal and interest on bonds (the “Refunding Borrower Bonds”) issued by certain governmental units located within the County (the “Refunding Borrowers”) to refinance various capital improvements of the Refunding Borrowers. The principal and interest on each Refunding Borrower Bond is a direct and general obligation of each respective Refunding Borrower. Payment of principal and interest on the Pooled Loan Refunding Bond is unconditionally and irrevocably guaranteed by the County. As of October 31, 2017, \$144,610,000 of the bonds were outstanding.

Maturities of Pooled Loan Refunding Bonds
Outstanding October 31, 2017

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
12/1/2017	\$10,175,000	8/1/2025	\$3,665,000
2/1/2018	2,265,000	12/1/2025	3,950,000
8/1/2018	215,000	2/1/2026	285,000
12/1/2018	11,570,000	8/1/2026	3,660,000
2/1/2019	1,395,000	12/1/2026	1,355,000
8/1/2019	225,000	2/1/2027	300,000
12/1/2019	13,760,000	8/1/2027	3,810,000
2/1/2020	1,410,000	12/1/2027	790,000
8/1/2020	2,110,000	2/1/2028	305,000
12/1/2020	13,085,000	8/1/2028	3,980,000
2/1/2021	1,435,000	12/1/2028	785,000
8/1/2021	2,620,000	2/1/2029	315,000
12/1/2021	11,975,000	8/1/2029	3,690,000
2/1/2022	1,430,000	2/1/2030	330,000
8/1/2022	3,900,000	8/1/2030	2,480,000
12/1/2022	12,090,000	2/1/2031	335,000
2/1/2023	255,000	8/1/2031	1,460,000
8/1/2023	3,900,000	2/1/2032	345,000
12/1/2023	7,875,000	2/1/2033	360,000
2/1/2024	265,000	2/1/2034	375,000
8/1/2024	4,055,000	2/1/2035	385,000*
12/1/2024	4,960,000	2/1/2036	405,000*
2/1/2025	275,000		

*Represents sinking fund payments

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

The \$40,075,000 Governmental Loan Revenue Bonds, Series 2008, the \$14,180,000 Governmental Loan Revenue Bonds, Series 2009, the \$9,355,000 Governmental Loan Revenue Bonds, Series 2010 (Atlantic Highlands Project), the \$40,325,000 Governmental Loan Revenue Bonds, Series 2011, the \$14,850,000 Governmental Loan Revenue Bonds, Series 2011B, the \$9,720,000 Governmental Loan Revenue Bonds, Series 2012, the \$20,655,000 Governmental Loan Revenue Bonds, Series 2013A, the \$9,110,000 Governmental Loan Revenue Bonds, Series 2013A (Howell Township School District Refunding Project) (Federally Taxable), the \$34,715,000 Governmental Loan Revenue Bonds, Series 2013B, the \$39,495,000 Governmental Loan Revenue Bonds, Series 2014, the \$20,705,000 Governmental Loan Revenue Bonds, Series 2015, the \$40,555,000 Governmental Loan Revenue Bonds, Series 2017 and the \$25,775,000 Governmental Loan Revenue Bonds, Series 2017B (the “Loan Revenue Bonds”), are limited obligations of the Authority secured by a pledge of certain property, which includes the Authority’s right to receive payments of principal and interest on bonds (the “Borrower Bonds”) issued by certain governmental units located within the County (the “Borrowers”) to refinance various capital improvements of the Borrowers. The principal and interest on each Borrower Bond is a direct and general obligation of each respective Borrower. Payment of principal and interest on the Loan Revenue Bonds is unconditionally and irrevocably guaranteed by the County. As of October 31, 2017, \$214,800,000 of the bonds is outstanding.

Maturities of Loan Revenue Bonds
Outstanding October 31, 2017

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
12/1/17	\$10,560,000	7/15/23	\$1,225,000	8/1/29	\$ 815,000
1/15/18	2,045,000	8/1/23	1,185,000	12/1/29	4,360,000
2/1/18	400,000	12/1/23	7,690,000	1/15/30	445,000
2/15/18	1,855,000	1/15/24	480,000	2/15/30	2,850,000
7/15/18	2,255,000	2/15/24	1,910,000	7/15/30	1,465,000
8/1/18	1,120,000	7/15/24	1,425,000	8/1/30	815,000
12/1/18	10,940,000	8/1/24	1,200,000	12/1/30	3,350,000
1/15/19	2,160,000	12/1/24	7,355,000	1/15/31	460,000
2/1/19	415,000	1/15/25	505,000	2/15/31	2,995,000
2/15/19	1,870,000	2/15/25	2,305,000	7/15/31	1,610,000
7/15/19	2,765,000	7/15/25	1,470,000	8/1/31	820,000
8/1/19	1,130,000	8/1/25	1,220,000	12/1/31	3,280,000
12/1/19	8,575,000	12/1/25	7,305,000	1/15/32	485,000
1/15/20	2,275,000	1/15/26	530,000	2/15/32	3,070,000
2/1/20	430,000	2/15/26	2,420,000	7/15/32	1,650,000
2/15/20	1,760,000	7/15/26	1,535,000	8/1/32	820,000*
7/15/20	2,800,000	8/1/26	1,240,000	12/1/32	2,940,000
8/1/20	1,145,000	12/1/26	6,790,000	2/15/33	1,300,000
12/1/20	7,985,000	1/15/27	380,000	7/15/33	1,650,000
1/15/21	2,200,000	2/15/27	2,545,000	8/1/33	820,000*
2/15/21	1,725,000	7/15/27	1,620,000	12/1/33	1,540,000
7/15/21	1,165,000	8/1/27	1,265,000	2/15/34	1,365,000
8/1/21	1,150,000	12/1/27	6,005,000	7/15/34	1,650,000
12/1/21	8,085,000	1/15/28	400,000	12/1/34	1,045,000
1/15/22	435,000	2/15/28	2,580,000	2/15/35	1,430,000
2/15/22	1,825,000	7/15/28	1,340,000	7/15/35	880,000
7/15/22	1,190,000	8/1/28	1,285,000	12/1/35	740,000
8/1/22	1,165,000	12/1/28	4,945,000	2/15/36	1,055,000
12/1/22	7,770,000	1/15/29	420,000	7/15/36	880,000
1/15/23	460,000	2/15/29	2,710,000	2/15/37	1,110,000
2/15/23	1,875,000	7/15/29	1,410,000	7/15/37	880,000

*Represents sinking fund payments

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

The \$27,850,000 Lease Revenue Bonds, Series 2008 (Monmouth County Guaranteed) (Brookdale Community College Project), the \$11,250,000 Lease Revenue Bonds, Series 2009 (Monmouth County Guaranteed) (Brookdale Community College Refunding Project), the \$7,660,000 Lease Revenue Refunding Bonds, Series 2012 (Monmouth County Guaranteed) (Brookdale Community College Project) and the \$24,530,000 Lease Revenue Refunding Bonds, Series 2015 (Monmouth County Guaranteed) (Brookdale Community College Project) (the “Brookdale Bonds”) are limited obligations of the Authority secured primarily by those revenues of the Authority which are derived by the Authority from rentals to be paid by Brookdale Community College (the “College”) pursuant to a lease agreement, as well as a pledge of certain other property, to provide funds for various improvements to the facilities of the College. Payment of principal and interest on the Brookdale Bonds is unconditionally and irrevocably guaranteed by the County. As of October 31, 2017, \$37,995,000 of the bonds were outstanding.

**Maturities of Brookdale Bonds
Outstanding October 31, 2017**

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

*Includes sinking fund payments

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

The \$9,405,000 Wastewater Treatment Facilities Lease Revenue Refunding Bonds, Series 2014 (Asbury Park Project), consisting of \$2,415,000 Wastewater Treatment Facilities Lease Revenue Refunding Bonds, Tax-Exempt Series 21014A and \$6,990,000 Wastewater Treatment Facilities Lease Revenue Refunding Bonds, Federally Taxable Series 2014B(the “Asbury Park Bonds”) are limited obligations of the Authority secured primarily by those revenues of the Authority which are derived by the Authority from lease payments to be paid by the City of Asbury Park (the “City”) pursuant to a lease agreement, as well as a pledge of certain other property, to provide funds to provide for the refinancing of various improvements to its wastewater treatment plant. Payment of principal and interest on the Asbury Park Bonds is unconditionally and irrevocably guaranteed by the County. As of October 31, 2017, \$7,020,000 of the bonds were outstanding.

Maturities of Asbury Park Bonds
Outstanding October 31, 2017

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

Monmouth County Improvement Authority
Governmental Loan Project Notes
(Fort Monmouth Economic Revitalization Project)

The \$33,525,000 Governmental Loan Project Notes, Series 2016 (Monmouth County Guaranteed) (Fort Monmouth Economic Revitalization Project) (the “2016 FMERA Notes”) are limited obligations of the Authority secured by loan repayments made by Fort Monmouth Economic Revitalization Authority (“FMERA”) pursuant to a loan agreement, to provide funds for the purchase by FMERA of land and buildings thereon from the United States Army. Payment of principal and interest on the 2016 FMERA Notes is unconditionally and irrevocably guaranteed by the County. The Authority called for optional redemption \$7,600,000 aggregate principal amount of the 2016 FMERA Notes on August 11, 2017. As of October 31, 2017, \$25,925,000 of the notes was outstanding. Subsequent to October 31, 2017, the Authority refunded the outstanding 2016 FMERA Notes through the issuance of \$23,735,000 Governmental Loan Project Notes, Series 2017 (Monmouth County Guaranteed) (Fort Monmouth Economic Revitalization Project), dated November 14, 2017.

Maturities of FMERA Notes	
<u>Outstanding October 31, 2017</u>	
<u>Date</u>	<u>Amount</u>
11/15/17	\$25,925,000

VI. ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

Since 1950, the strategic location of the County in the New York Metropolitan Area and the completion of the Garden State Parkway and State Routes 9, 35 and 36, and to the railroad lines serving the County, have resulted in high population growth. The County's population increased 48.4% from 1950 (225,327) to 1960 (334,401), 38.7% from 1960 to 1970 (463,929), 8.6% from 1970 to 1980 (504,007), 10.0% from 1980 to 1990 (554,210), 11.3% from 1990 to 2000 (616,849) and 2.2% from 2000 to 2010 (630,677). The Census Bureau reported the 2016 single year Monmouth County's population at 625,846.

Employment

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

MONMOUTH COUNTY PRIVATE EMPLOYMENT

<u>Year</u>	<u>Number of Jobs</u>	<u>Percentage Change</u>
2012	207,942	1.3%
2013	210,298	1.1
2014	213,332	1.4
2015	218,751	2.5
2016	223,924	2.3

Source: Bureau of Labor Statistics.

The economy of Monmouth County, as reflected in the number of jobs/industrial sector, is well diversified. In 2016, the service industry sector employs the greatest portion of people in the County at 60.0%, with retail trade next at 17.0% and construction at 6.2%. A breakdown of the data follows:

EMPLOYMENT BY INDUSTRIAL SECTOR

<u>Sector</u>	<u>Number Employed 2015</u>	<u>Percentage of Total</u>	<u>Number Employed 2016</u>	<u>Percentage of Total</u>
Services*	129,570	59.23%	134,464	60.03%
Retail Trade	38,220	17.47	38,086	17.02
Manufacturing	9,243	4.23	9,419	4.21
Finance, Insurance and Real Estate	13,352	6.10	13,088	5.86
Construction	13,289	6.07	13,817	6.17
Wholesale Trade	7,928	3.62	7,979	3.56
Utilities	1,411	0.65	1,451	0.65
Transportation and Warehousing	4,427	2.02	4,452	1.99
Agriculture	774	0.35	758	0.34
Unclassified Entities	<u>537</u>	<u>0.25</u>	<u>405</u>	<u>0.18</u>
Total	218,751	100.00%	223,833	100.00%

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

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

MAJOR EMPLOYERS - MONMOUTH COUNTY

The leading industries in the County by number of employees as of June 30, 2017 are as follows:

<u>Employer</u>	<u>Municipality</u>	<u>Number Of Employees</u>
Meridian Health Care (1)	Wall	10,684
Saker Shoprites Inc. (2)	Various Locations	3,346
Centra State Healthcare Systems	Freehold Township	2,672
Monmouth Medical Center	Long Branch	2,100
Monmouth University	West Long Branch	1,400
NJ Resources	Wall	1,020
CommVault	Tinton Falls	864
Renaissance Garden-Seabrook Village	Neptune	850
Visiting Nurse Assn of Central NJ	Red Bank	782
Food Circus Supermarkets Inc.	Middletown	750

Source: Monmouth County Department of Economic Development.

NOTES:

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

**COUNTY OF MONMOUTH
LABOR FORCE DATA**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Labor Force	331,441	327,578	327,777	329,278	331,125
Employment	302,541	303,020	307,970	312,222	316,454
Unemployment	28,900	24,558	19,807	17,056	14,671
Unemployment Rate	8.7%	7.5%	6.0%	5.2%	4.4%
New Jersey					
Unemployment Rate	9.3%	8.2%	6.7%	5.8%	5.0%
United States					
Unemployment Rate	8.1%	7.4%	6.2%	5.3%	4.9%

Source: Bureau of Labor Statistics.

Median Family Income

According to the U.S. Census Bureau, the median family income in the County was \$76,823 in 2000 and \$102,074 in 2010, as opposed to \$65,370 in 2000 and \$84,904 in 2010 for New Jersey and \$50,046 in 2000 and \$62,982 in 2010 for the nation.

Average Per Capita Personal Income

<u>Year</u>	<u>Monmouth County</u>	<u>Percentage of United States</u>	<u>New Jersey</u>	<u>Percentage of United States</u>	<u>U.S.A.</u>
2010	\$57,750	143.4%	\$51,329	127.4%	\$40,277
2011	60,789	143.2	53,573	126.2	42,453
2012	62,996	142.3	55,281	124.9	44,267
2013	63,625	143.1	55,464	124.7	44,462
2014	66,749	143.8	57,728	124.4	46,414
2015	69,410	144.3	59,949	124.6	48,112

Source: U.S. Department of Commerce, Bureau of Economic Analysis.
Data not yet available for 2016.

Housing and Construction Values

The U.S. Census Bureau estimates 2010 census housing units in the County at 258,410, compared to the 2000 census housing units of 240,884, an increase of 7.3%. The following tables compare the County with the State relative to building permits and construction values for new, privately owned housing units.

RESIDENTIAL BUILDING PERMITS

<u>Year</u>	<u>County of Monmouth</u>	<u>State of New Jersey</u>	<u>Monmouth's Percentage of State Permits</u>
2012	1,034	17,939	5.8%
2013	1,663	24,209	6.9
2014	1,484	28,155	5.3
2015	1,399	30,560	4.6
2016	1,933	26,793	7.2

RESIDENTIAL CONSTRUCTION VALUES

(Thousands)

<u>Year</u>	<u>County of Monmouth</u>	<u>State of New Jersey</u>	<u>Monmouth's Percentage of State Construction Value</u>
2012	\$183,890	\$2,388,654	7.7%
2013	267,181	3,211,185	8.3
2014	248,346	4,069,959	6.1
2015	281,564	4,051,996	6.9
2016	307,002	4,028,689	7.6

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

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

NON-RESIDENTIAL CONSTRUCTION VALUES

<u>Year</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Office</u>	<u>Public</u>	<u>Total</u>
2012	\$ 54,892,481	\$10,153,364	\$22,783,750	\$26,519,556	\$114,349,151
2013	80,609,237	14,590,038	23,093,965	18,156,830	136,450,070
2014	80,516,098	6,880,385	21,424,899	19,275,994	128,097,376
2015	131,543,190	1,362,924	39,514,611	23,158,891	195,579,616
2016	94,702,987	3,419,549	15,803,009	34,294,062	148,219,607

Source: Monmouth County Department of Economic Development.

VII. LEGAL MATTERS

Legality of the Series 2017 Bonds

The legality of the Series 2017 Bonds will be subject to the final approving opinion of Gibbons P.C., Bond Counsel to the County. Such opinion will be to the effect that the Series 2017 Bonds are valid and legally binding obligations of the County, and the County is authorized and required by law to levy *ad valorem* taxes upon all taxable property by said County for the payment of Series 2017 Bonds and the interest thereon without limitation as to rate or amount.

Tax Matters

Exclusion of Interest on the Series 2017 Bonds from Gross Income for Federal Income Tax Purposes. The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements which must be met on the date of issuance and on a continuing basis subsequent to the issuance of the Series 2017 Bonds in order to assure that interest on the Series 2017 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 2017 Bonds to lose the exclusion from gross income for Federal income tax purposes, retroactive to the date of the issuance of the Series 2017 Bonds. The County will make certain representations in its Tax Certificate, which will be executed on the date of issuance of the Series 2017 Bonds, as to various tax requirements. The County has covenanted to comply with the provisions of the Code applicable to the Series 2017 Bonds and has covenanted not to take any action or fail to take any action that would cause the interest on the Series 2017 Bonds to lose the exclusion from gross income under Section 103 of the Code or cause interest on the Series 2017 Bonds to be treated as an item of tax preference under Section 57 of the Code. Gibbons P.C., Bond Counsel to the County, has relied upon the representations of the County made in the Tax Certificate and has assumed continuing compliance by the County with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Series 2017 Bonds from gross income for federal income tax purposes and with respect to the treatment of interest on the Series 2017 Bonds for the purposes of alternative minimum tax.

Assuming the County observes its covenants with respect to continuing compliance with the Code, Gibbons P.C., Bond Counsel to the County, is of the opinion that, under existing law, interest on the Series 2017 Bonds is excluded from the gross income of the owners of the Series 2017 Bonds for Federal income tax purposes pursuant to Section 103 of the Code and interest on the Series 2017 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 2017 Bonds, interest on such Series 2017 Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Series 2017 Bonds in “adjusted current earnings” of certain corporations.

Prospective purchasers of the Series 2017 Bonds should be aware that ownership of, accrual of, receipt of, interest on, or disposition of, tax-exempt obligations, such as the Series 2017 Bonds, may have additional Federal income tax consequences for certain taxpayers,

including without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations. Prospective purchasers of the Series 2017 Bonds should consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Bond Counsel expresses no opinion regarding any Federal tax consequences other than its opinions with regard to the exclusion of interest on the Series 2017 Bonds from gross income pursuant to Section 103 of the Code and interest on the Series 2017 Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Series 2017 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 2017 Bonds.

State Taxation. Bond Counsel to the County is of the opinion that, under existing law, interest on the Series 2017 Bonds and net gains from the sale of the Series 2017 Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

Miscellaneous. Amendments to federal and state tax laws are proposed from time to time and could be enacted, and court decisions and administrative interpretations may be rendered, in the future. There can be no assurance that any such future amendments or actions will not adversely affect the value of the Series 2017 Bonds, the exclusion of interest on the Series 2017 Bonds from gross income, alternative minimum taxable income, state taxable income, or any combination from the date of issuance of the Series 2017 Bonds or any other date, or that such changes will not result in other adverse federal or state tax consequences.

Pending Federal Legislation. As of the date of this Official Statement, legislation has been introduced in the United States Congress which, if enacted, would, among other things, significantly change the federal income tax rates for individuals and corporations and would repeal the alternative minimum tax for tax years beginning after December 31, 2017. There can be no assurance that this introduced legislation will be adopted, and if adopted, which parts of the proposal will be incorporated into final law.

ALL POTENTIAL PURCHASERS OF THE SERIES 2017 BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE) OF THE OWNERSHIP OF THE SERIES 2017 BONDS.

Legality For Investment

The State and all public officers, municipalities, counties, political subdivisions and public bodies and agencies thereof, all banks, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies and other persons carrying on banking business, all insurance companies and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds of the County including the Series 2017 Bonds, and such Series 2017 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 2017 Bonds offered for sale or the levy or collection of any taxes to pay interest or principal of the Series 2017 Bonds, or in any manner questioning the authority of proceedings for the issuance of the Series 2017 Bonds or for the levy or collection of said taxes or adversely affecting the financial position of the County.

VIII. OTHER INFORMATION

Report of Independent Public Accountants

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

Ratings

Fitch, Inc., Moody's Investors Service, Inc., and S&P Global Ratings, acting through Standard & Poor's Financial Services LLC, have assigned the Series 2017 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 2017 Bonds.

The DTC Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2017 Bonds. The Series 2017 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 2017 Bond certificate will be issued for each maturity for each series of the Series 2017 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S.

and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2017 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 2017 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 2017 Bonds, except in the event that use of the book-entry system for the Series 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2017 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 2017 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 2017 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2017 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2017 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2017 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2017 Bonds may wish to ascertain that the nominee holding the Series 2017 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to Cede & Co. If less than all of the Series 2017 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 2017 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 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Series 2017 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co., (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2017 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 2017 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 2017 Bonds, unless the Participating Underwriter has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and event notices to the Municipal Securities Rulemaking Board (the "MSRB") (the "Continuing Disclosure Requirements").

On the date of delivery of the Series 2017 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 2017 Bonds pursuant to which the County will agree to comply on a continuing basis with the Continuing Disclosure Requirements of Rule 15c2-12. Specifically, the County will covenant for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the County by not later than the first day of the ninth month after the end of each Fiscal Year of the County, commencing with the first Fiscal Year of the County ending after January 1, 2017 (which ends on December 31, 2017) (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the County with the MSRB through the internet facilities of the Electronic Municipal Market Access system (“EMMA”). The notices of material events will be filed by the County with the MSRB through the internet facilities of EMMA. The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in “Appendix B - Form of Continuing Disclosure Certificate”. These covenants have been made in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

The County has executed continuing disclosure agreements in connection with certain of the Monmouth County Improvement Authority’s prior bond issuances (the “Authority Prior Issuances”) and in connection with certain of the County’s prior bond issuances (the “County Prior Issuances”), covenanting to file certain financial information and operating data (the “Annual Report”) with the nationally recognized municipal securities information repositories or the MSRB, as applicable, not later than 240 days after the end of each fiscal year or the first day of the ninth month after the end of each fiscal year since September 1, 2014 for Authority Prior Issuances, and not later than September 1 of each fiscal year for County Prior Issuances. The County has implemented procedures to ensure timely Annual Report filings on a going forward basis in connection with its continuing disclosure obligations with respect to Authority Prior Issuances and County Prior Issuances.

Additional Information

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to the Director of Finance, Craig R. Marshall, County of Monmouth, Hall of Records, One East Main Street, Freehold, New Jersey 07728-1256 (Telephone: (732) 431-7391).

Miscellaneous

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2017 Bonds.

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

THE COUNTY OF MONMOUTH

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

Dated: December 7, 2017

APPENDIX A

COUNTY OF MONMOUTH

REPORT ON AUDITS OF FINANCIAL STATEMENTS

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COUNTY OF MONMOUTH

**AUDIT REPORT FOR THE YEAR
FOR THE YEAR ENDED DECEMBER 31, 2016**

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**COUNTY OF MONMOUTH, NEW JERSEY
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FOR THE YEAR END DECEMBER 31, 2016**

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

PART I

**INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2016**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the County of Monmouth, State of New Jersey as of December 31, 2016 and 2015 and the related statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statements of expenditures--regulatory basis, and the related notes to the financial statements, collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the County of Monmouth, State of New Jersey, as of December 31, 2016 and 2015, or the results of its operations and changes in fund balance for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the County of Monmouth, State of New Jersey, as of December 31, 2016 and 2015, and the results of its operations and changes in fund balance of such funds--regulatory basis for the years then ended, and the related statements of revenues--regulatory basis, statements of expenditures--regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2016 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental schedules presented for the various funds and supplementary data and letter of comments and recommendations section are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the above financial statements. The schedule of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are also not required parts of the above financial statements.

The supplemental schedules presented for the various funds, schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

The supplementary data and letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2017, on our consideration of the County of Monmouth's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Monmouth's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.



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

Freehold, New Jersey
June 23, 2017

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the County of Monmouth as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated June 23, 2017. Our report indicated that the County’s financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.



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

Freehold, New Jersey
June 23, 2017

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>			
Regular Fund:			
Cash and Cash Equivalents	A-4	\$ 103,607,940.26	\$140,271,818.80
Investments	A-5	23,103,110.00	3,178,845.00
Change Funds	A-7	630.00	630.00
		<u>126,711,680.26</u>	<u>\$143,451,293.80</u>
Receivables and Other Assets With Full Reserves:			
Added and Omitted Taxes Receivable	A-9	1,554,962.85	1,485,844.00
Revenue Accounts Receivable	A-10	3,938,472.14	3,657,790.72
		<u>5,493,434.99</u>	<u>5,143,634.72</u>
Total Regular Fund		<u>132,205,115.25</u>	<u>\$148,594,928.52</u>
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-6	1,989,705.21	5,674,269.06
Grants Receivable	A-16	53,984,850.56	67,959,500.27
Total Federal and State Grant Fund		<u>55,974,555.77</u>	<u>73,633,769.33</u>
Total Assets		<u>\$ 188,179,671.02</u>	<u>\$222,228,697.85</u>

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

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Regular Fund:			
Appropriation Reserves	A-3	\$ 12,795,842.15	\$ 15,013,045.75
Reserve for Encumbrances	A-3	27,426,566.21	27,774,208.67
Accounts Payable	A-12	64,447.51	665,037.79
Due To General Capital	C		3,905,000.00
Due To State of New Jersey - Realty Transfer Fees	A-13	3,861,073.56	3,772,252.12
Reserve for Due to FEMA	A-14	<u>160,193.19</u>	<u>160,193.19</u>
		<u>44,308,122.62</u>	<u>51,289,737.52</u>
Reserve for Receivables	A	5,493,434.99	5,143,634.72
Fund Balance	A-1	<u>82,403,557.64</u>	<u>92,161,556.28</u>
Total Regular Fund		<u>132,205,115.25</u>	<u>148,594,928.52</u>
Federal and State Grant Fund:			
Reserve for Encumbrances	A-17	36,098,336.62	42,732,844.87
Reserve for Grants - Appropriated	A-17	19,854,645.04	30,870,666.96
Reserve for Grants - Unappropriated	A-18	<u>21,574.11</u>	<u>30,257.50</u>
Total Federal and State Grant Fund		<u>55,974,555.77</u>	<u>73,633,769.33</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 188,179,671.02</u>	<u>\$ 222,228,697.85</u>

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

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

<u>Revenue and Other Income Realized</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Fund Balance Utilized	A-2	\$ 45,850,000.00	\$ 40,000,000.00
Miscellaneous Revenue Anticipated	A-2	146,081,881.90	195,744,028.65
Receipts From Current Taxes	A-2	302,475,000.00	307,000,000.00
Non-Budget Revenue	A-2	13,305,469.16	39,307,221.62
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	A-11	13,840,751.42	17,361,452.20
Cancelled Accounts Payable	A-12	41,386.07	315,906.85
		<u>521,594,488.55</u>	<u>599,728,609.32</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations:			
Salaries and Wages	A-3	164,045,542.12	174,508,408.92
Other Expenses	A-3	222,920,101.39	266,709,933.03
Capital Improvements	A-3	3,550,000.00	2,250,000.00
Debt Service	A-3	58,136,843.68	54,388,918.58
Deferred Charges and Statutory Expenditures	A-3	36,850,000.00	36,138,000.00
		<u>485,502,487.19</u>	<u>533,995,260.53</u>
Excess in Revenue		36,092,001.36	65,733,348.79
Fund Balance, January 1	A	<u>92,161,556.28</u>	<u>66,428,207.49</u>
		128,253,557.64	132,161,556.28
Decreased By:			
Utilized as Anticipated Revenue	A-1,A-2	<u>45,850,000.00</u>	<u>40,000,000.00</u>
Fund Balance, December 31	A	<u>\$ 82,403,557.64</u>	<u>\$ 92,161,556.28</u>

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

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2016

	Anticipated		Realized	Excess or (Deficit)
	Budget	Special N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 45,850,000.00		\$ 45,850,000.00	\$ -
Miscellaneous Revenues - Local Revenues:				
County Clerk	9,600,000.00		10,953,204.86	1,353,204.86
Surrogate	450,000.00		489,719.11	39,719.11
Sheriff	2,600,000.00		5,012,307.81	2,412,307.81
Interest on Investments and Deposits	1,000,000.00		1,588,002.13	588,002.13
Parks and Recreation	7,277,604.28		7,434,300.48	156,696.20
Monmouth County Care Center - Geraldine L. Thompson Division	818,000.00		818,000.00	-
Monmouth County Care Center - John L. Montgomery Division	892,000.00		893,535.18	1,535.18
Receipts, Rental of County Owned Properties	365,000.00		399,976.08	34,976.08
Indirect Cost Recovery	5,325,000.00		6,808,850.95	1,483,850.95
Recovery of Fringe Benefits	8,600,000.00		8,602,669.58	2,669.58
Intoxicated Driver Resource Center	250,000.00		291,796.00	41,796.00
Reimbursement - Federal Inmates at Correctional Institution	2,750,000.00		1,991,955.00	(758,045.00)
Police Radio Municipal Receipts - 911 Service	3,650,000.00		3,827,606.27	177,606.27
MCDOT - Agency Receipts	1,000,000.00		1,131,817.88	131,817.88
Division of Social Services	3,170,885.00		4,137,336.65	966,451.65
Total Miscellaneous Revenues - Local Revenues	47,748,489.28	-	54,381,077.98	6,632,588.70
Miscellaneous Revenues - State Aid:				
State Aid - County College Bonds (N.J.S.A. 18A:64A-22.6)	1,742,346.99		1,742,347.00	0.01
Reimbursement - Mental Health Administrator's Salary	12,000.00		12,000.00	-
Reimbursement - State Inmates at Correctional Institution	20,000.00		47,920.24	27,920.24
Division of Economic Assistance - Earned Income Credit	18,500,000.00		20,304,140.99	1,804,140.99
Total Miscellaneous Revenues - State Aid	20,274,346.99	-	22,106,408.23	1,832,061.24
Miscellaneous Revenues - State Assumption of Costs of County Social and Welfare Services and Psychiatric Facilities:				
Social and Welfare Services (C. 66, P.L. 1990):				
Department of Children and Families	3,462,867.00		3,462,867.00	-
Supplemental Social Security Income	830,667.00		783,057.00	(47,610.00)
Psychiatric Facilities (C.73, P.L. 1990):				
Maintenance of Patients in State Institutions for:				
Mental Diseases	5,559,330.00		5,559,330.00	-
Mentally Challenged	19,961,047.00		19,961,047.00	-
County Adjuster - State Psychiatric Hospital Maintenance Rec.	2,001.00		1,738.51	(262.49)
Division of Development Disabilities Assessment Program	257,492.00		396,711.39	139,219.39
Total Miscellaneous Revenues - State Assumption of Costs of County Social and Welfare Services and Psychiatric Facilities	30,073,404.00	-	30,164,750.90	91,346.90
Miscellaneous Revenues - Special Items of General Revenue Anticipated with Prior Written Consent of the Director of Local Government Services - Public and Private Revenues Offset With Appropriations:				
State of New Jersey - Department of Health and Senior Services:				
Monmouth County Office on Aging Comprehensive Area Plan Grant	2,686,200.00	1,265,228.00	3,951,428.00	-
Donations - OOA Title III Transportation - CY 2015	100.00		100.00	-
Alcoholism Services Plan - CY2015, 15-535-ADA-O	198,331.00		198,331.00	-
Alcoholism Services Plan - CY2016, 16-535-ADA-O	991,659.17		991,659.17	-
State of New Jersey - Governor's Council on Alcohol and Drug Abuse:				
Alliance Prevention - CY2017		739,035.00	739,035.00	-
State of New Jersey - Department of Community Affairs:				
LIHEAP - CWA FY 2017		9,887.00	9,887.00	-
State of New Jersey - New Jersey Transit Corporation:				
FTA:				
JARC Route 836 Shuttle, FFY 2012, Round 2	50,000.00		50,000.00	-
Section 5311 - FY2015		150,000.00	150,000.00	-
Senior Citizen and Disabled Resident Transportation Grant (CASINO) - CY2016	1,167,122.00		1,167,122.00	-
North Jersey Transportation Planning Authority:				
NJIT:				
Sub-Regional Transportation Planning Program - FY2017		153,190.00	153,190.00	-

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

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2016**

	Anticipated		Realized	Excess or (Deficit)
	Budget	Special N.J.S. 40A:4-87		
State of New Jersey - Department of Transportation:				
Bridge MA-14 Replacement		704,852.00	704,852.00	-
Bridge R-3		1,000,000.00	1,000,000.00	-
County Road 537 Township of Freehold		310,616.00	310,616.00	-
OMR- Belford Ferry Bulkhead Terminal Replacement		74,534.07	74,534.07	-
Transportation and TIP Program Fiscal Year 2017		90,383.00	90,383.00	-
State of New Jersey - Department of Children and Families:				
DYFS:				
Family Court, Grants-In-Aid - CY2016 - 16CNCN	7,870.00		7,870.00	-
Human Services Advisory Council - CY 2016- 16AVNC	69,373.00		69,373.00	-
CSOC:				
CIACC - CY 2016, 16CCNR	44,556.00		44,556.00	-
State of New Jersey - Department of Human Services:				
DFD:				
Social Services for the Homeless - CY2016		30,000.00	30,000.00	-
Social Services for the Homeless - CY2017		985,282.00	985,282.00	-
DMHS:				
Social Security Assistance for Mental Illness (SSAMI)	195,502.00		195,502.00	-
State of New Jersey - Office of the Attorney General:				
DLPS - DCJ:				
Stop Violence Against Women, 13-VAWA-43		38,803.00	38,803.00	-
JAG Task Force - FY2017, #JAG 1-13TF-12		77,703.00	77,703.00	-
LLEBG, Megan's Law, FFY 2016, JAG-1-16-11	14,872.00		14,872.00	-
Body Armor Replacement Fund (BARF) - FY2016		44,245.86	44,245.86	-
LEOTEF - SFY2015 Part 1,2,3		42,804.00	42,804.00	-
DLPS - OIFP				
Insurance Fraud Reimbursement Program, CY 2016	102,000.00	148,000.00	250,000.00	-
DLPS - DSP:				
DSP- HMGP - Mobile Generator Project		312,973.60	312,973.60	-
DLPS - DHTS:				
Drunk Recognition Expert - FFY 2017		45,500.00	45,500.00	-
Click It Or Ticket 2016		5,000.00	5,000.00	-
Drive Sober Crackdown 2016		5,000.00	5,000.00	-
Drive Sober Yearend Crackdown 2016		5,000.00	5,000.00	-
Buckle Up in the Parks , 2016		2,400.00	2,400.00	-
DWI Task Force, FY 2016	50,000.00	74,400.00	124,400.00	-
DDACTA 2016		21,000.00	21,000.00	-
DLPS - JJC:				
State/Community Partnership - CY2016 - SCP-PM/PS-13-13	469,649.00		469,649.00	-
Juvenile Detention Alternatives Initiative (JDAI), Innovations, CY2016	123,633.00		123,633.00	-
Family Court - CY2065, FC-16-13	386,754.00		386,754.00	-
State of New Jersey - Office of Homeland Security and Preparedness:				
FEMA/RMD/FIMA- High Water Mark Initiative 2016		32,000.00	32,000.00	-
Homeland Security Grant Program (HSGP), FFY2016		303,601.15	303,601.15	-
Shared Services Agreements - Various Municipalities:				
MCOEM - Shrewsbury Flood Warning, FY2014 and 2015		12,000.00	12,000.00	-
United States Department of Homeland Security:				
Port Security		25,000.00	25,000.00	-
State of New Jersey - Department of Environmental Protection:				
Clean Communities Program - FY2016		142,852.97	142,852.97	-
Recycling Program - REC-94-13 - Project Income	5,020.00		5,020.00	-
Recreational Trails Program , Fiscal Year 2016		24,000.00	24,000.00	-
Mosquito Identification & Control 2016		10,350.00	10,350.00	-
State of New Jersey - Department of Labor and Workforce Development:				
Workforce Investment Act:				
WIOA Youth Program		1,068,353.00	1,068,353.00	-
WDPP , Dislocated Worker (15C) - PY 2015		2,486,022.00	2,486,022.00	-
Work First New Jersey (WFNJ), TANF/GA/SNAP (13J) - SFY 2016		1,778,884.00	1,778,884.00	-
Workforce Learning Link (WLL) (14K) - SFY2017		87,000.00	87,000.00	-
Smart Steps , Fiscal Year 2017		3,210.00	3,210.00	-
WIB/WIA Scholarship Fund		9,134.23	9,134.23	-
WIB, Alumni Awards Fund		2,200.00	2,200.00	-

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2016**

	Anticipated		Realized	Excess or (Deficit)
	Budget	Special N.J.S. 40A:4-87		
US Department of Housing and Urban Development:				
NYC - MCDSS, HOPWA		900,000.00	900,000.00	-
US Department of Justice:				
Bureau of Justice Assistance (BJA) - SCAAP, FFY 2016		356,360.00	356,360.00	-
Naval Weapons Station Earle:				
M.C. Mosquito Extermination Commission, ISA, FY 2014	14,750.00		14,750.00	-
County Clerks - Interlocal Service Agreements (ISA's):				
Document Summary Management System, E-Recording FY2006-2015		239,793.00	239,793.00	-
Monmouth County Municipalities - Interlocal Service Agreements:				
Open Public Records Search, Records Information Management (RIM) Maintenance	22,480.00	41,960.00	64,440.00	-
National Children's Alliance:				
Monmouth County Child Advocacy Center Training, CY 2016		9,000.00	9,000.00	-
Donations:				
SCAT Transportation	2,707.50		2,707.50	-
NJNG/FEC: Project Lifesaver, Sheriff's Office K-9	50.00	3,930.31	3,980.31	-
NJDOS - County History Partnership, Fiscal Year 2017		25,000.00	25,000.00	
Fort Monmouth Economic Revitalization Authority:				
Alterations to Fort Monmouth Building 901	250,000.00	1,250,000.00	1,500,000.00	
Boro of Atlantic Highlands- H. Hudson Trail				
Sandy Repairs and Improvements		300,000.00	300,000.00	
USOEA/DOD - Joint Land Use Study, 2016		206,000.00	206,000.00	
Total Miscellaneous Revenues - Special Items of General Revenue Anticipated with Prior Written Consent of the Director of Local Government Services - Public and Private Revenues Offset With Appropriations	6,852,628.67	15,652,487.19	22,505,115.86	-
Special Items of General Revenue Anticipated With Prior Written Consent of the Director of Local Government Services - Other Special Items:				
Constitutional Officers - Increased Fees (P.L. 2001, C.370):				
County Clerk	2,372,549.00		2,516,846.05	144,297.05
Surrogate	370,962.00		361,267.62	(9,694.38)
Sheriff	189,435.00		283,347.00	93,912.00
Capital Fund Surplus	3,000,000.00		3,000,000.00	-
Library Indirect Cost Recovery	3,400,000.00		3,520,572.00	120,572.00
IRS - Build America Bonds 35% Subsidy on Debt Service	1,283,850.06		1,283,161.26	(688.80)
Motor Vehicle Fines for Roads and Bridges Trust Fund	1,700,000.00		1,700,000.00	-
Weights and Measures Trust Fund	100,000.00		100,000.00	-
Open Space Trust Fund	4,159,335.00		4,159,335.00	-
Total Special Items of General Revenue Anticipated With Prior Written Consent of the Director of Local Government Services - Other Special Items	16,576,131.06	-	16,924,528.93	348,397.87
Total Miscellaneous Revenues	121,525,000.00	15,652,487.19	146,081,881.90	8,904,394.71
Amount To Be Raised By Taxation - County Purpose Tax	302,475,000.00		302,475,000.00	-
Budget Totals	469,850,000.00	15,652,487.19	494,406,881.90	8,904,394.71
Non-Budget Revenues			13,305,469.16	13,305,469.16
Total General Revenues	\$ 469,850,000.00	\$ 15,652,487.19	\$ 507,712,351.06	\$ 22,209,863.87

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

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2016

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:	
Garnishment Service Charge	\$ 6,652.78
MCIA Guarantee Fees	338,981.05
Voter Registration - Labels and Tapes	1,082.55
Construction Board of Appeals	2,200.00
County Added and Omitted Taxes	1,512,395.98
Pay Telephone Station Commissions	135,252.39
Engineers Plans and Specifications	10,885.00
Vending Machine Commissions	14,052.71
Autopsy Fees	1,028.00
Interest Late Payment of Taxes	3,006.33
Miscellaneous Unanticipated Revenue	1,244,780.46
Sale of County Election Maps	106.00
Judgments	472.25
Salary and Fringe Reimbursements	693,148.63
Interest Parks Department	4,481.39
Interest - Sheriffs Accounts	56,470.42
Interest Park Departmente	
Damages To County Property	101,167.69
Purchase of Lists, Records, etc.	850.00
Auction Sales	30,254.21
Inmate Transportation	80,275.98
Payment in Lieu of Taxes	94,939.60
Sale of County Merchandise, Property, etc.	87,133.34
Permit Fees	93,350.00
Prior Years Appropriation Refunds	4,517,733.31
Insurance Reimbursements	1,087,731.25
Copier Receipts	3,251.29
Uniform Fire Code Permit Fees	3,100.50
Fire Academy Course Reimbursement	8,150.00
Planning Board:	
Site Plan Revision Fees	12,275.00
Site Plan Inspection Fees	26,756.97
Subdivision Application Fees	103,357.12
Reimbursement for Motor Pool	47,628.76
Shared Services:	
Fleet/Motor Pool, O/S Reimbursement	166,790.02
Various Other Public Works, O/S Reimbursement	858,007.70
Monmouth Municipal RIM Maintenance	13,440.00
MC Improvement Authority	12,500.00
Information Technology	6,600.00
Reimbursement for Single Audit Costs	19,865.65
Information Services Costs - Mod IV Tax System	162,090.29
County Clerk - Election Reimbursement	
Board of Elections - Twp. Reimb. (Ch. 278, '95)	49,419.54
Board of Elections - State Reimbursement	468,550.89
Comm. Reg. Elections - Twp. Reimb. (Ch. 278, '95)	21,862.29
Probation Fines	19,875.40
Information Services - Print Shop Reimbursement	5,437.50
Bail Bond Forfeitures	78,634.43

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2016**

Juror Compensation Fund	1,681.00
County Clerk - Archives Day	1,497.00
Interest on County Clerk's Account	12,007.37
Voting Machine Rentals	3,782.00
Primary Election - Postage Reimbursement	35,642.70
Employee Fines/Fees	5,137.60
MC DOT:	
IV-D Sheriff - Child Support/Paternity	131,443.39
Police Academy:	
Tuition	146,665.00
MCPO:	
USDOJ, DEA Reimbursement	54,396.68
Restitution Collections	2,184.17
County Emergency Response Team	46,000.00
MCSO:	
Attorney ID Cards	685.00
MCCI:	
Inmate Fees	193,707.17
SSA Reimbursement	43,800.00
Inmate Medical Co-Pay Program	18,543.75
Western Union Commissions	8,389.00
Reimbursement Inmates, US Air Force Fort Dix	47,985.00
DEA Reimbursement	22,822.88
GIS A/R Munic/Others - Excess	839.05
Licensing Agreement - Fiber Optic Cable	15,033.34
Bayshore Ferry - Food/Beverage Concession	711.75
Bayshore Ferry - Rent	177,322.97
Vehicle Wash	3,637.00
FEMA/State of NJ - Disaster Reimbursement	100,473.42
MCMEC Tick Testing	9,025.00
Consumer Affairs - Task Force Fines	2,625.00
Federal Parent Locator Fees	6.00
UNA/Rx/CARD - Commissions	13,401.25
	<u>13,401.25</u>
Total Miscellaneous Revenue Not Anticipated	<u>\$ 13,305,469.16</u>
	<u><u>Analysis of Miscellaneous Revenues Not Anticipated</u></u>
Cash Receipts	\$ 11,793,073.18
County Added and Omitted Taxes	1,512,395.98
	<u>\$ 13,305,469.16</u>

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2016**

	Original Budget	Budget After Modification	Paid or Charged	Expended		Reserved
				Encumbered	Reserved	
GENERAL GOVERNMENT FUNCTIONS:						
Office of County Administrator:						
Salaries and Wages	\$ 523,850.00	\$ 543,850.00	\$ 542,295.54	\$	\$ 1,554.46	
Other Expenses	64,526.00	64,526.00	63,509.31	94.00	922.69	
County Administrator- Building Security:						
Salaries and Wages	498,872.00	638,872.00	630,863.37	815.92	8,008.63	
Other Expenses	21,500.00	21,500.00	20,588.60		95.48	
Administration of Shared Service						
Salaries and Wages	104,563.00	104,563.00	35,307.28		69,255.72	
Other Expenses	2,286,203.00	2,286,203.00	1,178,710.11	1,100,617.38	6,875.51	
Research, Technical and Consulting Services:						
Other Expenses	1,085,000.00	1,085,000.00	427,940.47	392,739.47	264,320.06	
Purchasing Department:						
Salaries and Wages	754,056.00	754,056.00	680,668.38		73,387.62	
Other Expenses	28,248.00	28,248.00	21,841.59		6,406.41	
Public Information:						
Salaries and Wages	606,023.00	606,023.00	554,956.03		51,066.97	
Other Expenses	743,100.00	743,100.00	613,475.33	76,764.80	52,859.87	
Human Resources Department:						
Salaries and Wages	1,394,068.00	1,194,068.00	1,166,177.24	1,980.68	27,890.76	
Other Expenses	20,889.00	20,889.00	7,620.62		11,287.70	
Board of Chosen Freeholders:						
Salaries and Wages	136,900.00	136,900.00	135,904.60		995.40	
Other Expenses	2,344.00	2,344.00	368.83		1,975.17	
Clerk of the Board:						
Salaries and Wages	543,857.00	543,857.00	502,884.95		40,972.05	
Other Expenses	51,670.00	51,670.00	33,854.07	334.59	17,481.34	
County Clerk - Elections:						
Salaries and Wages	188,260.00	254,260.00	251,812.58		2,447.42	
Other Expenses	100,111.00	100,111.00	19,045.09	66,314.56	14,751.35	
Office of the County Clerk:						
Salaries and Wages	2,399,766.00	2,447,766.00	2,446,988.47		777.53	
Other Expenses	326,813.00	326,813.00	195,405.71	67,245.04	64,162.25	
Superintendent of Elections:						
Salaries and Wages	1,261,195.00	1,265,195.00	1,265,108.14		86.86	
Other Expenses	327,899.00	327,899.00	317,550.01	3,844.72	6,504.27	

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2016

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
Board of Elections:					
Salaries and Wages	1,191,948.00	1,219,948.00	1,217,462.20		2,485.80
Other Expenses	160,840.00	160,840.00	147,257.56		13,582.44
Finance Department:					
Salaries and Wages	1,781,000.00	1,781,000.00	1,650,460.35		130,539.65
Other Expenses	219,000.00	255,000.00	136,093.95	93,718.34	25,187.71
Office of Records Management:					
Salaries and Wages	96,522.00	96,522.00	82,021.23		14,500.77
Other Expenses	47,000.00	47,000.00	39,500.00	6,271.39	1,228.61
Audit Services:					
Other Expenses	144,000.00	154,000.00		154,000.00	-
Department of Information Technology:					
Salaries and Wages	2,464,864.00	2,500,864.00	2,499,521.07		1,342.93
Other Expenses	692,580.00	692,580.00	532,047.41	123,559.11	36,973.48
Board of Taxation:					
Salaries and Wages	403,711.00	403,711.00	400,667.56		3,043.44
Other Expenses	8,249.00	8,249.00	5,047.84	2,338.55	862.61
Office of the County Counsel:					
Salaries and Wages	721,000.00	721,000.00	666,950.05		54,049.95
Other Expenses	1,109,656.00	1,109,656.00	538,324.26	2,037.58	569,294.16
Office of County Adjuster:					
Salaries and Wages	105,773.00	112,773.00	112,266.53		506.47
Other Expenses	52,787.00	48,090.00	1,208.72	25,000.00	21,881.28
County Surrogate:					
Salaries and Wages	892,951.00	892,951.00	849,050.96		43,900.04
Other Expenses	13,400.00	13,400.00	11,463.97	658.00	1,278.03
County Engineer:					
Salaries and Wages	5,043,441.00	5,043,441.00	4,993,201.97		50,239.03
Other Expenses	688,063.00	688,063.00	301,855.53	368,539.28	17,668.19
Economic Development and Tourism:					
Salaries and Wages	214,627.00	219,627.00	218,759.54		867.46
Other Expenses	87,861.00	87,861.00	36,499.71	619.00	50,742.29
Historical Commission:					
Salaries and Wages	25,000.00	25,000.00	23,229.85		1,770.15
Other Expenses	227,426.00	227,426.00	210,194.82	16,860.00	371.18

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2016**

	Original Budget	Budget After Modification	Paid or Charged	Expended	
				Encumbered	Reserved
LAND USE ADMINISTRATION:					
Planning Board (N.J.S.40A:27-3):					
Salaries and Wages	992,310.00	992,310.00	941,847.37		50,462.63
Other Expenses	114,050.00	114,050.00	70,441.79	2,362.50	41,245.71
Contribution To Soil Conservation District (N.J.S. 4:24(1)):					
Other Expenses	3,791.00	3,791.00	3,791.00		-
CODE ENFORCEMENT AND ADMINISTRATION:					
Weights and Measures:					
Salaries and Wages	305,286.00	312,286.00	311,959.49		326.51
Other Expenses	1,000.00	1,000.00	1,000.00		-
INSURANCE:					
Other Insurance Premiums:					
Other Expenses	3,200,000.00	3,200,000.00	2,965,054.46	35,928.00	199,017.54
Worker's Compensation:					
Other Expenses	5,300,000.00	5,300,000.00	4,968,018.51		331,981.49
Group Insurance Plan:					
Other Expenses	52,100,000.00	52,100,000.00	50,586,308.18	321,396.78	1,192,295.04
Unemployment Compensation					
Insurance (N.J.S.A.43:21-3 et seq):					
Other Expenses	1,900,000.00	1,135,504.00	853,000.00		282,504.00
PUBLIC SAFETY FUNCTIONS:					
Sheriff's Office - Special Operations:					
Salaries and Wages	1,853,780.00	1,782,780.00	1,779,632.37		3,147.63
Other Expenses	54,443.00	54,443.00	31,762.49	5,038.79	17,641.72
Sheriff's Office - Communications Division:					
Salaries and Wages	7,141,691.00	8,221,691.00	8,144,573.20		77,117.80
Other Expenses	1,253,499.00	1,253,499.00	1,089,602.85	84,704.70	79,191.45
Office of Emergency Management:					
Salaries and Wages	389,796.00	395,796.00	395,642.42		153.58
Other Expenses	66,750.00	66,750.00	37,116.15	3,440.27	26,193.58

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2016**

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
Department of Consumer Affairs:					
Salaries and Wages	286,515.00	312,515.00	311,648.07		866.93
Other Expenses	3,960.00	3,960.00	3,442.81	94.00	423.19
Medical Examiner:					
Salaries and Wages	169,000.00	176,300.00	176,291.16		8.84
Other Expenses	1,131,000.00	1,185,530.00	1,176,340.72	4,435.10	4,754.18
Sheriff's Office:					
Salaries and Wages	11,726,527.00	12,270,193.00	12,114,741.05		155,451.95
Other Expenses	317,305.00	317,305.00	224,267.47	27,894.03	65,143.50
Office of the County Prosecutor:					
Salaries and Wages	22,123,945.00	22,823,945.00	21,556,901.17		1,267,043.83
Other Expenses	1,280,000.00	1,480,000.00	995,651.18	190,486.41	293,862.41
Correctional Institution:					
Salaries and Wages	35,830,990.00	34,330,990.00	33,866,932.32		464,057.68
Other Expenses	9,361,375.00	9,361,375.00	7,388,676.03	1,437,884.08	534,814.89
Fire Marshall (N.J.S. 40A:14-1):					
Salaries and Wages	522,126.00	551,126.00	540,585.84		10,540.16
Other Expenses	53,011.00	53,011.00	42,907.96	4,740.26	5,362.78
Police Academy and Firing Range:					
Salaries and Wages	391,056.00	391,056.00	387,597.91		3,458.09
Other Expenses	236,535.00	236,535.00	144,191.20	48,860.72	43,483.08
PUBLIC WORKS FUNCTIONS:					
County Road Maintenance:					
Salaries and Wages	6,743,660.00	6,443,660.00	6,378,703.68		64,956.32
Other Expenses	1,561,264.00	1,561,264.00	1,204,448.56	202,350.90	154,464.54
County Bridge Maintenance:					
Salaries and Wages	1,245,910.00	1,245,910.00	1,173,861.07		72,048.93
Other Expenses	1,979,664.00	1,979,664.00	1,744,267.67	230,184.15	5,212.18
Director of Public Works and Engineering:					
Salaries and Wages	491,047.00	502,047.00	501,225.72		821.28
Other Expenses	3,218.00	3,218.00	101.74		3,116.26
Shade Tree Commission:					
Salaries and Wages	1,283,553.00	1,283,553.00	1,255,829.33		27,723.67
Other Expenses	113,275.00	113,275.00	58,624.17	28,164.19	26,486.64

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2016**

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
Buildings and Grounds:					
Salaries and Wages	7,604,003.00	7,604,003.00	7,524,644.74		79,358.26
Other Expenses	6,328,173.00	6,328,173.00	4,928,835.73	1,158,654.04	240,683.23
Division of Fleet Services:					
Salaries and Wages	2,233,232.00	2,281,232.00	2,261,588.53		19,643.47
Other Expenses	2,321,834.00	2,321,834.00	1,563,887.15	622,759.97	135,186.88
Mosquito Extermination Commission (N.J.S. 26:9-13 et seq):					
Salaries and Wages	841,135.00	841,135.00	770,447.10		70,687.90
Other Expenses	341,435.00	341,435.00	225,846.15	8,282.21	107,306.64
HUMAN SERVICES AND HEALTH FUNCTIONS:					
Division of Social Services Administration:					
Salaries and Wages	20,587,281.00	19,187,281.00	19,182,146.36		5,134.64
Other Expenses	13,356,442.00	14,756,442.00	14,314,594.36	14,953.78	426,893.86
Temporary Assistance for Needy Families - County Share:					
Other Expenses	142,152.00	142,152.00			142,152.00
Assistance for Social Security Recipients:					
Other Expenses	830,666.00	830,666.00	791,000.00		39,666.00
Division of Mental Health (N.J.S. 40A:5-29):					
Salaries and Wages	183,326.00	178,830.00	144,906.28		33,923.72
Other Expenses	1,157,273.00	1,161,769.00	615,557.20	536,502.47	9,709.33
Department of Children and Families:					
Other Expenses	3,462,867.00	3,462,867.00	3,462,867.00		-
Department of Human Services:					
Salaries and Wages	175,875.00	114,875.00	81,771.06		33,103.94
Other Expenses	4,525.00	4,525.00	1,074.93	47.42	3,402.65
Division of Planning and Contracting:					
Salaries and Wages	257,335.00	270,335.00	269,405.59		929.41
Other Expenses	1,996,876.00	2,021,876.00	1,343,714.69	677,426.85	734.46

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2016**

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
Juvenile Detention Alternative Initiative:					
Salaries and Wages	189,575.00	190,575.00	187,867.32		2,707.68
Other Expenses	230,269.00	230,269.00	111,874.55	116,705.15	1,689.30
Public Health Service (N.J.S. 40A:13-1):					
Salaries and Wages	-	-			-
Other Expenses	745,045.00	745,045.00	379,813.00	118,038.00	247,194.00
Office of Disabilities:					
Salaries and Wages	54,586.00	56,586.00	56,323.56		262.44
Other Expenses	2,775.00	2,775.00	1,118.15	70.50	1,586.35
Division of Alcohol and Drug Abuse Services (N.J.S. 40:9B-4):					
Salaries and Wages	99,452.00	99,452.00	25,465.47		73,986.53
Other Expenses	442,987.00	442,987.00	297,483.65	138,453.00	7,050.35
Intoxicated Driver Resource Center:					
Salaries and Wages	191,074.00	141,074.00	128,534.11		12,539.89
Other Expenses	5,020.00	55,020.00	35,467.93	11,443.50	8,108.57
Maintenance of Patients in State Institutions for Mental Diseases (N.J.S. 30:4 -79) County Share:					
Other Expenses	2,588,844.00	2,593,541.00	2,593,541.00		-
Maintenance of Patients in State Institutions for Mental Diseases (N.J.S. 30:4 -79) State Share:					
Other Expenses	5,559,330.00	5,559,330.00	5,559,330.00		-
Maintenance of Patients in State Institutions for Developmental Disabilities (N.J.S. 30:4-79):					
Other Expenses	19,961,047.00	19,961,047.00	19,961,047.00		-
War Veterans Burial and Grave Decorations:					
Salaries and Wages	134,082.00	134,082.00	105,612.12		28,469.88
Other Expenses	24,400.00	24,400.00	23,188.99	70.50	1,140.51
Office on Aging:					
Salaries and Wages	171,381.00	171,381.00	167,641.51		3,739.49
Other Expenses	7,755.00	7,755.00	7,541.02	102.77	111.21
Division of Transportation:					
Salaries and Wages	849,046.00	849,046.00	384,097.03		464,948.97
Other Expenses	638,131.00	638,131.00	99,267.61	72,090.29	466,773.10

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2016**

	Original Budget	Budget After Modification	Paid or Charged	Expended	
				Encumbered	Reserved
Environmental Health Act - Contractual (N.J.S. 26:3A2-21)					
Monmouth County Department of Health:					
Other Expenses	1,111,124.00	1,111,124.00	1,111,124.00	-	-
Aid To Legal Aid Society:					
Other Expenses	10,212.00	10,212.00	10,212.00	-	-
PARK AND RECREATION FUNCTIONS:					
Department of Parks and Recreation:					
Salaries and Wages	17,196,187.00	17,196,187.00	17,122,582.47	73,604.53	
Other Expenses	1,852,486.00	1,852,486.00	1,256,417.02	466,740.62	129,328.36
EDUCATION FUNCTIONS:					
Mon. Cty. Community College Brookdale (N.J.S. 18A-64A):					
Other Expenses	20,027,019.00	20,027,019.00	11,682,427.75	8,344,591.25	-
Reimbursement for Residents Attending Out of County					
Two Year Colleges (N.J.S. 18A-64A):					
Other Expenses	161,500.00	161,500.00	125,821.64	35,678.36	
Cooperative Extension Service:					
Salaries and Wages	344,802.00	344,802.00	334,536.52	10,265.48	
Other Expenses	98,292.00	98,292.00	74,447.30	198.90	23,645.80
Vocational Schools:					
Other Expenses	16,662,178.00	16,662,178.00	8,331,089.02	8,331,088.98	-
Superintendent of Schools:					
Salaries and Wages	242,201.00	242,201.00	233,230.00	8,971.00	
Other Expenses	5,201.00	5,201.00	2,658.01	2,190.49	
OTHER COMMON OPERATING FUNCTIONS (UNCLASSIFIED):					
Prior Years Bills:					
Mazza & Sons Inc.	122.34	122.34	122.34	-	
IBM	22.03	22.03	22.03	-	
Tracy Gribben Transcription, LLC	148.16	148.16	148.16	-	
Accumulated Leave Compensation:					
Salaries and Wages	600,000.00	600,000.00	600,000.00	-	
Provision for Salary Adjustments and New Employees:					
Salaries and Wages	19,060.12	60.12	60.12	60.12	

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2016**

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
UTILITY EXPENSES AND BULK PURCHASES:					
Utilities:					
Other Expenses	10,570,000.00	9,570,000.00	7,718,118.52	1,539,737.07	312,144.41
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:					
State of New Jersey - Department of Health and Senior Services:					
Monmouth County Office on Aging Comprehensive Area Plan Grant	2,732,072.00	3,997,300.00	3,997,300.00	-	-
Donations - OOA Title III Transportation - CY 2015	100.00	100.00	100.00	-	-
Alcoholism Services Plan - CY2015, 15-535-ADA-O	198,331.00	198,331.00	198,331.00	-	-
Alcoholism Services Plan - CY2016, 16-535-ADA-O	991,659.17	991,659.17	991,659.17	-	-
State of New Jersey - Governor's Council on Alcohol and Drug Abuse:					
Alliance Prevention - CY2017		739,035.00	739,035.00	-	-
State of New Jersey - Department of Community Affairs:					
LIHEAP - CWA FY 2017		9,887.00	9,887.00	-	-
State of New Jersey - New Jersey Transit Corporation:					
FTA:					
JARC Route 836 Shuttle, FFY 2012, Round 2	100,000.00	100,000.00	100,000.00	-	-
Section 5311 - FY2015		150,000.00	150,000.00	-	-
Senior Citizen and Disabled Resident Transportation Grant (CASINO) - CY2016	1,167,122.00	1,167,122.00	1,167,122.00	-	-
North Jersey Transportation Planning Authority:					
NJIT:					
Sub-Regional Transportation Planning Program - FY2017		153,190.00	153,190.00	-	-
State of New Jersey - Department of Transportation:					
Bridge MA-14 Replacement		704,852.00	704,852.00	-	-
Bridge R-3		1,000,000.00	1,000,000.00	-	-
County Road 537 Township of Freehold		310,616.00	310,616.00	-	-
OMR - Belford Ferry Bulkhead Terminal Replacement		74,534.07	74,534.07	-	-
Transportation and TIP Program Fiscal Year 2017		90,383.00	90,383.00	-	-
State of New Jersey - Department of Children and Families:					
DYFS:					
Family Court, Grants-In-Aid - CY2016 - 16CNNC	7,870.00	7,870.00	7,870.00	-	-
Human Services Advisory Council - CY 2016- 16AVNC	85,249.00	85,249.00	85,249.00	-	-
CSOC:					
CIACC - CY 2016, 16CCNR	44,556.00	44,556.00	44,556.00	-	-
State of New Jersey - Department of Human Services:					
DFD:					
Social Services for the Homeless - CY2016	30,000.00	30,000.00	30,000.00	-	-
Social Services for the Homeless - CY2017	985,282.00	985,282.00	985,282.00	-	-
DMHS:					

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2016**

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
Social Security Assistance for Mental Illness (SSAMI)	195,502.00	195,502.00	195,502.00	-	-
State of New Jersey - Office of the Attorney General:					
DLPS - DCJ:					
Stop Violence Against Women, 13-YAWA-43	38,803.00	38,803.00	38,803.00	-	-
JAG Task Force - FY2017, #JAG 1-13TF-12	77,703.00	77,703.00	77,703.00	-	-
LLEBG, Megan's Law, FFY 2016, JAG-1-16-11	14,872.00	14,872.00	14,872.00	-	-
Body Armor Replacement Fund (BARF) - FY2016	44,245.86	44,245.86	44,245.86	-	-
LEOTEF - SFY2015 Part 1,2,3	42,804.00	42,804.00	42,804.00	-	-
DLPS - OIFP					
Insurance Fraud Reimbursement Program, CY 2016	102,000.00	250,000.00	250,000.00	-	-
DLPS - DSP:					
DSP- HMGP - Mobile Generator Project	312,973.60	312,973.60	312,973.60	-	-
DLPS - DHTS:					
Drunk Recognition Expert - FFY 2017	45,500.00	45,500.00	45,500.00	-	-
Click It Or Ticket 2016	5,000.00	5,000.00	5,000.00	-	-
Drive Sober Crackdown 2016	5,000.00	5,000.00	5,000.00	-	-
Drive Sober Yearend Crackdown 2016	5,000.00	5,000.00	5,000.00	-	-
Buckle Up in the Parks , 2016	2,400.00	2,400.00	2,400.00	-	-
DWI Task Force, FY 2016	124,400.00	124,400.00	124,400.00	-	-
DDACTA 2016	50,000.00	21,000.00	21,000.00	-	-
DLPS - JJC:					
State/Community Partnership - CY2016 - SCP-PM/PS-13-13	576,522.93	576,522.93	576,522.93	-	-
Juvenile Detention Alternatives Initiative (JDAI), Innovations, CY2016	123,633.00	123,633.00	123,633.00	-	-
Family Court - CY2065, FC-16-13	386,754.00	386,754.00	386,754.00	-	-
State of New Jersey - Office of Homeland Security and Preparedness:					
FEMA/RMD/FIMA- High Water Mark Initiative 2016	-	32,000.00	32,000.00	-	-
Homeland Security Grant Program (HSGP), FFY2016		303,601.15	303,601.15	-	-
Shared Services Agreements - Various Municipalities:					
MCOEM - Shrewsbury Flood Warning, FY2014 and 2015		12,000.00	12,000.00	-	-
United States Department of Homeland Security:					
Port Security		25,000.00	25,000.00	-	-
State of New Jersey - Department of Environmental Protection:					
Clean Communities Program - FY2016		142,852.97	142,852.97	-	-
Recycling Program - REC-94-13 - Project Income	5,020.00	5,020.00	5,020.00	-	-
Recreational Trails Program , Fiscal Year 2016		24,000.00	24,000.00	-	-
Mosquito Identification & Control 2016		10,350.00	10,350.00	-	-

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2016**

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
State of New Jersey - Department of Labor and Workforce Development:					
Workforce Investment Act:					
WIOA Youth Program		1,068,353.00	1,068,353.00		
WDPP - Dislocated Worker (15C) - PY 2015		2,486,022.00	2,486,022.00		
Work First New Jersey (WFNJ), TANE/GA/SNAP (13J) - SFY 2016		1,778,884.00	1,778,884.00		
Workforce Learning Link (WLL) (14K) - SFY2017		87,000.00	87,000.00		
Smart Steps , Fiscal Year 2017		3,210.00	3,210.00		
WIB/WIA Scholarship Fund		9,134.23	9,134.23		
WIB, Alumni Awards Fund		2,200.00	2,200.00		
US Department of Housing and Urban Development:					
NYC - MCDSS, HOPWA		900,000.00	900,000.00		
US Department of Justice:					
Bureau of Justice Assistance (BJA) - SCAAP, FFY 2016		356,360.00	356,360.00		
Naval Weapons Station Earle:					
M.C. Mosquito Extermination Commission, ISA, FY 2014	14,750.00	14,750.00	14,750.00		
County Clerks - Interlocal Service Agreements (ISA's):					
Document Summary Management System, E-Recording FY2006-2015		239,793.00	239,793.00		
Monmouth County Municipalities - Interlocal Service Agreements:					
Open Public Records Search, Records Information Management					
(RIM) Maintenance	22,480.00	64,440.00	64,440.00		
National Children's Alliance:					
Monmouth County Child Advocacy Center Training, CY 2016		9,000.00	9,000.00		
Donations:					
SCAT Transportation					
NJNG/FEC: Project Lifesaver, Sheriff's Office K-9	2,707.50	2,707.50	2,707.50		
NJDOS - County History Partnership , Fiscal Year 2017	50.00	3,980.31	3,980.31		
Fort Monmouth Economic Revitalization Authority:					
Alterations to Fort Mnomuth Building 901					
Boro of Atlantic Highlands- H. Hudson Trail	250,000.00	1,500,000.00	1,500,000.00		
Sandy Repairs and Improvements					
USOEA/DOD - Joint Land Use Study, 2016					
Monmouth County:					
Matching Funds for Grants	831,378.07	831,378.07	93,653.90		737,724.17
Total Public and Private Programs Offset By Revenues	7,902,628.67	23,555,115.86	22,817,391.69	-	737,724.17

**COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2016**

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
Total Operations Contingent	371,753,156.32	386,805,643.51	348,240,797.87	27,290,627.06	11,274,218.58
	160,000.00	160,000.00	36,017.72		123,982.28
Total Operations Including Contingent	371,913,156.32	386,965,643.51	348,276,815.59	27,290,627.06	11,398,200.86
Detail:					
Salaries and Wages	164,661,072.12	164,045,542.12	160,345,329.83	-	3,700,212.29
Other Expenses	207,252,084.20	222,920,101.39	187,931,485.76	27,290,627.06	7,697,988.57
CAPITAL IMPROVEMENTS:					
Capital Improvement Fund	3,000,000.00	3,000,000.00	3,000,000.00		-
Capital Improvements: Buildings and Grounds	550,000.00	550,000.00	189,423.11	135,939.15	224,637.74
Total Capital Improvements	3,550,000.00	3,550,000.00	3,189,423.11	135,939.15	224,637.74
COUNTY DEBT SERVICE:					
Payment of Bond Principal:					
State Aid - County College Bonds (N.J.S. 18A:64A-22.6)	2,535,000.00	2,535,000.00	2,535,000.00		-
Vocational School Bonds	905,000.00	905,000.00	905,000.00		-
Other Bonds	40,230,000.00	40,230,000.00	40,230,000.00		-
Interest on Bonds:					
State Aid - County College Bonds (N.J.S. 18A:64A-22.6)	596,064.88	596,064.88	596,064.88		-
Vocational School Bonds	311,491.14	311,491.14	311,491.14		-
Other Bonds	13,559,287.66	13,559,287.66	13,559,287.66		-
Total County Debt Service	58,136,843.68	58,136,843.68	58,136,843.68	-	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - COUNTY:					
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System	12,500,000.00	12,500,000.00	12,124,626.56		375,373.44
Social Security System (O.A.S.I.)	11,400,000.00	12,000,000.00	11,652,742.22		347,257.78
Police and Firemen's Retirement System	12,225,000.00	12,225,000.00	11,829,317.43		395,682.57
County Pension and Retirement Fund	50,000.00	50,000.00	27,000.00		23,000.00
Defined Contribution Retirement Plan ("DCRP")	75,000.00	75,000.00	43,310.24		31,689.76

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR END DECEMBER 31, 2016

	Original Budget	Budget After Modification	Expended		
			Paid or Charged	Encumbered	Reserved
Total Deferred Charges and Statutory Expenditures - County	36,250,000.00	36,850,000.00	35,676,996.45	-	1,173,003.55
TOTAL GENERAL APPROPRIATIONS	\$ 469,850,000.00	\$ 485,502,487.19	\$ 445,280,078.83	\$ 27,426,566.21	\$ 12,795,842.15

Analysis of Budget After Modification

Original Budget \$ 469,850,000.00
Appropriation by N.J.S.A. 40A:4-87 15,652,487.19

\$ 485,502,487.19

Analysis of Paid or Charged

Cash Disbursements \$ 422,460,901.14
Accounts Payable 1,786.00
Cash Disbursements - Local Match Grant Fund 312,275.83
Federal and State Grants 22,505,115.86

\$ 445,280,078.83

COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
STATEMENT OF ASSETS, LIABILITIES AND RESERVES - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

<u>Assets</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Cash and Cash Equivalents	B-1	\$ 99,883,368.57	\$ 97,666,111.12
Investments	B-2	52,342.43	
U.S. HUD Receivables:			
Relocation Assistance Program	B-3	5,011,188.51	6,405,670.41
Community Development Block Grants	B-4	5,036,710.94	4,766,375.58
Home Investment Grant	B-5	3,634,252.90	3,956,088.32
Shelter Plus Care Grant	B-6	1,726,119.00	1,675,102.00
Homeward Bound Grant	B-7	539,177.00	491,287.00
Emergency Shelter Grants	B-8	338,806.01	384,499.15
Receivables - Other:			
Health Grants	B-9	949,829.75	1,040,259.44
Library Grants	B-10	81,282.48	
Taxes Receivable for Library, Health and Open Space Funds	B-11	177,640.50	169,804.11
		<u>\$ 117,430,718.09</u>	<u>\$ 116,555,197.13</u>
 <u>Liabilities and Reserves</u>			
Reserve for Taxes Receivable for Library, Health and Open Space	B-11	\$ 177,640.50	\$ 169,804.11
Reserve for U.S. HUD Grants:			
Relocation Assistance Program	B-12	6,611,902.74	7,791,199.76
Community Development Block Grants	B-13	5,315,356.98	5,617,838.57
Home Investment Grants	B-14	3,676,881.37	4,066,933.68
Shelter Plus Care	B-15	1,655,060.44	1,670,534.44
Homeward Bound	B-16	499,345.00	494,934.00
Emergency Shelter	B-17	124,087.02	233,148.00
Reserve for:			
Other Trust Funds	B-18	99,346,512.48	96,466,362.32
Retirees Health Benefits	B-19	23,931.56	44,442.25
Total Liabilities and Reserves		<u>\$ 117,430,718.09</u>	<u>\$ 116,555,197.13</u>

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

COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>			
Cash and Cash Equivalents	C-2	\$ 64,023,839.21	\$ 109,821,146.98
Investments	C-3	1,289,309.92	
Accounts Receivable:			
Open Space Trust Fund	C-4	1,146,375.00	1,266,690.00
State of New Jersey - County College:			
Capital Projects, Chapter 12, P.L. 1971	C-9	7,081,500.00	8,521,500.00
Due From Various Municipalities (Ord 915-080-012)	C-20	200,000.00	965,000.00
Due from Current Fund			3,905,000.00
Deferred Charges To Future Taxation:			
Funded	C-6	395,333,500.00	441,943,500.00
Unfunded	C-7	104,670,000.00	37,765,000.00
		<u>\$ 573,744,524.13</u>	<u>\$ 604,187,836.98</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	\$ 339,533,500.00	\$ 379,763,500.00
County College Serial Bonds - Chapter 12, P.L. 1971:			
State Share	C-9	7,081,500.00	8,521,500.00
County Share	C-10	7,165,000.00	8,260,000.00
Open Space Trust Fund Serial Bonds	C-11	36,990,000.00	41,370,000.00
New Jersey Economic Development Authority:			
Vocational School Bonds	C-12	8,990,000.00	9,895,000.00
IPA Note Payable	C-13	2,655,000.00	2,655,000.00
Reserve for SCRPT Redemption	C	1,508.63	1,508.63
Improvement Authorizations:			
Funded	C-14	55,541,980.64	96,523,990.94
Unfunded	C-14	99,501,658.32	37,765,000.00
Interest Due State of New Jersey	C-15	102,907.37	69,230.27
County College Bond Premium- Due State of NJ	C-21	-	247,829.69
Capital Improvement Fund	C-16	55,261.72	10,261.72
Reserve for:			
Installment Purchase Agreement	C-17	1,289,309.92	1,147,803.20
Open Space Receivable	C-18	1,146,375.00	1,266,690.00
Debt Service - Care Centers	C-19	3,905,000.00	3,905,000.00
		<u>563,959,001.60</u>	<u>591,402,314.45</u>
Fund Balance	C-1	<u>9,785,522.53</u>	<u>12,785,522.53</u>
		<u>\$ 573,744,524.13</u>	<u>\$ 604,187,836.98</u>

There were bonds and notes authorized but not issued on December 31, 2016 of \$104,670,000 and on December 31, 2015, was \$37,765,000.00

COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance, December 31, 2015	\$ 12,785,522.53
Decreased By:	
Appropriated To Finance	
2016 Current Fund Budget Revenue	<u>3,000,000.00</u>
Balance, December 31, 2016	<u><u>\$ 9,785,522.53</u></u>

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

**COUNTY OF MONMOUTH, NEW JERSEY
RECLAMATION CENTER UTILITY FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>			
Operating Fund:			
Cash and Cash Equivalents	D-5	\$ 26,852,879.62	\$ 44,761,112.31
Cash - Change Fund	D-9	1,750.00	1,750.00
Investments	D-6	<u>12,146,738.01</u>	<u></u>
		<u>39,001,367.63</u>	<u>44,762,862.31</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-8	<u>418,126.10</u>	<u>699,106.69</u>
Total Operating Fund		<u>39,419,493.73</u>	<u>45,461,969.00</u>
Capital Fund:			
Cash and Cash Equivalents	D-5	7,927,067.69	9,741,630.11
Fixed Capital	D-21	125,547,725.63	123,748,466.18
Fixed Capital Authorized and Uncompleted	D-22	<u>18,414,989.88</u>	<u>15,684,249.33</u>
Total Capital Fund		<u>151,889,783.20</u>	<u>149,174,345.62</u>
Utility Grant Fund:			
Cash and Cash Equivalents	D-5	<u>1,360,236.91</u>	<u>1,501,100.81</u>
Total Utility Grant Fund		<u>1,360,236.91</u>	<u>1,501,100.81</u>
Total Assets		<u>\$ 192,669,513.84</u>	<u>\$ 196,137,415.43</u>

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

COUNTY OF MONMOUTH, NEW JERSEY
RECLAMATION CENTER UTILITY FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Liabilities, Reserves and Fund Balances</u>			
Operating Fund:			
Appropriation Reserves	D-4	\$ 3,043,597.99	\$ 2,380,551.90
Reserve for Encumbrances	D-4	4,828,690.28	11,657,966.28
Reserve for Landfill Closure Escrow	D-10	12,146,738.01	11,540,130.24
Host Community Benefit Tax Payable	D-11	736,846.46	688,724.60
Accrued Interest on Bonds and Notes	D-12	281,282.36	228,599.79
Reserve For Environmental Impairment Liability	D-13	7,000,000.00	7,000,000.00
Prepaid Utility Fees-Governments	D-27	432.66	-
Prepaid Utility Fees - Haulers	D-14	723,961.41	584,629.58
Accounts Payable	D-16	59,657.79	161,462.41
Landfill Contingency Taxes Payable	D-18	15,411.57	16,317.84
State of New Jersey Recycling Tax Payable	D-19	282,360.00	282,600.00
Landfill Closure Escrow Taxes Payable	D-20	30,823.19	32,635.67
		<hr/>	<hr/>
		29,149,801.72	34,573,618.31
Reserve for Receivables	D	418,126.10	699,106.69
Fund Balance	D-1	9,851,565.91	10,189,244.00
		<hr/>	<hr/>
Total Operating Fund		39,419,493.73	45,461,969.00
		<hr/>	<hr/>
Capital Fund:			
Serial Bonds	D-23	18,185,000.00	21,180,000.00
Improvement Authorizations:			
Funded	D-24	4,998,747.93	6,777,976.90
Unfunded	D-24	4,494,666.55	
Deferred Reserve for Amortization	D-25	1,826,075.60	1,093,757.93
Reserve for Amortization	D-26	119,421,639.91	117,158,957.58
Fund Balance	D-2	2,963,653.21	2,963,653.21
		<hr/>	<hr/>
Total Capital Fund		151,889,783.20	149,174,345.62
		<hr/>	<hr/>
Utility Grant Fund:			
Appropriated Reserves	D-29	835,464.15	1,391,392.20
Reserve for Encumbrances	D-29	524,772.76	109,708.61
		<hr/>	<hr/>
Total Utility Grant Fund		1,360,236.91	1,501,100.81
		<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balances		<u>\$ 192,669,513.84</u>	<u>\$ 196,137,415.43</u>

There were bonds and notes authorized but not issued on December 31, 2016 of \$4,530,000.00 and on December 31, 2015 of \$0.00.

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

COUNTY OF MONMOUTH, NEW JERSEY
RECLAMATION CENTER UTILITY FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	\$ 8,225,000.00	\$ 16,075,000.00
Reclamation Center Utility Fees	D-3	25,820,395.88	25,033,764.47
NJDEP - Recycling Enhancement Act (N.J.S 40A:4-87)	D-3	544,616.00	456,000.00
Miscellaneous Revenue Not Anticipated	D-3	1,152,222.53	1,251,108.02
Unexpended Balance of Appropriation Reserves	D-14	3,914,703.50	4,249,082.44
Accounts Payable Cancelled	D-15	-	4,314.98
		<u>39,656,937.91</u>	<u>47,069,269.91</u>
Expenditures:			
Operating	D-4	28,067,308.14	35,280,701.82
Capital Improvements	D-4	-	20,000.00
Debt Service	D-4	3,702,307.86	3,155,298.18
		<u>31,769,616.00</u>	<u>38,456,000.00</u>
Excess in Revenue		7,887,321.91	8,613,269.91
Fund Balance, January 1	D	<u>10,189,244.00</u>	<u>17,650,974.09</u>
		18,076,565.91	26,264,244.00
Decreased By:			
Utilized as Anticipated Revenue	D-1	<u>8,225,000.00</u>	<u>16,075,000.00</u>
Fund Balance, December 31	D	<u><u>\$ 9,851,565.91</u></u>	<u><u>\$ 10,189,244.00</u></u>

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

**COUNTY OF MONMOUTH, NEW JERSEY
RECLAMATION CENTER UTILITY FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 and 2015

\$ 2,963,653.21

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

**COUNTY OF MONMOUTH, NEW JERSEY
RECLAMATION CENTER UTILITY FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Anticipated		Realized	Excess/ (Deficit)
	Budget	Special N.J.S. 40A:4-87		
Operating Fund Balance Anticipated	\$ 8,225,000.00		\$ 8,225,000.00	
Reclamation Center Utility Fees	25,000,000.00		25,820,395.88	\$ 820,395.88
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
NJDEP - Recycling Enhancement Act (N.J.S 40A:4-87)		\$ 544,616.00	544,616.00	-
Miscellaneous Revenue Not Anticipated			1,152,222.53	1,152,222.53
	<u>\$ 33,225,000.00</u>	<u>\$ 544,616.00</u>	<u>\$ 35,742,234.41</u>	<u>\$ 1,972,618.41</u>

Analysis of Realized Revenue:

Utility Fees:

Collections		\$ 29,715,713.77
Less:		
Landfill Contingency Tax	\$ 191,350.90	
Host Community Benefits Tax	2,173,242.65	
Landfill Closure Escrow Tax	382,618.34	
Recycling Tax	1,148,106.00	
		<u>3,895,317.89</u>
		<u>\$ 25,820,395.88</u>

Miscellaneous Revenue Not Anticipated:

Grass Clippings		\$ 18,739.78
Gas Utility Fees		721,841.17
Rentals		6,062.00
Utility Reimbursements		2,148.52
Recycling Commissions		123,657.41
Vehicle Wash		13,190.50
Miscellaneous - Other		266,583.15
		<u>\$ 1,152,222.53</u>

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

**COUNTY OF MONMOUTH, NEW JERSEY
RECLAMATION CENTER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
Operating:						
Salaries and Wages	\$ 5,815,888.00	\$ 5,815,888.00	\$ 5,360,374.35	\$ -	\$ 30,513.65	\$ 425,000.00
Other Expenses	23,705,719.24	23,705,719.24	14,288,944.62	4,828,690.28	3,013,084.34	1,575,000.00
Prior Year Bills	1,084.90	1,084.90	1,084.90	-	-	-
NJDEP - Recycling Enhancement Act	-	544,616.00	544,616.00	-	-	-
Total Operating	29,522,692.14	30,067,308.14	20,195,019.87	4,828,690.28	3,043,597.99	2,000,000.00
Debt Service:						
Payment of Bond Principal	2,995,000.00	2,995,000.00	2,995,000.00	-	-	-
Interest on Bonds	707,307.86	707,307.86	707,307.86	-	-	-
Total Debt Service	3,702,307.86	3,702,307.86	3,702,307.86	-	-	-
Total	\$ 33,225,000.00	\$ 33,769,616.00	\$ 23,897,327.73	\$ 4,828,690.28	\$ 3,043,597.99	\$ 2,000,000.00
 <u>Analysis of Budget After Modification</u>						
Original Budget	\$ 33,225,000.00					
Appropriation by N.J.S.A. 40A:4-87	<u>544,616.00</u>					
	<u>\$ 33,769,616.00</u>					
 <u>Analysis of Paid or Charged:</u>						
Accrued Interest on Bonds and Notes		\$ 52,682.57				
Grants Appropriated		544,616.00				
Accounts Payable		42,170.00				
Disbursed		<u>23,257,859.16</u>				
		<u>\$ 23,897,327.73</u>				

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

COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF ASSETS & FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

<u>Assets</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Land	E	\$ 395,176,005.92	\$ 395,176,005.92
Buildings	E	338,057,392.94	338,057,392.94
Furniture, Fixtures and Equipment	E	57,840,073.34	57,840,073.34
Vehicles	E	<u>93,524,037.70</u>	<u>93,524,037.70</u>
Total Assets		<u>\$ 884,597,509.90</u>	<u>\$ 884,597,509.90</u>
 <u>Fund Balance</u>			
Investment in General Fixed Assets	E	<u>\$ 884,597,509.90</u>	<u>\$ 884,597,509.90</u>
Total Liabilities		<u>\$ 884,597,509.90</u>	<u>\$ 884,597,509.90</u>

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

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies

Description of Reporting Entity – Monmouth County is located in Central New Jersey. It is the northernmost county along the Jersey Shore. As of the 2010 Census, the population was 630,380, up from 615,301 at the 2000 Census, falling to the fifth-most populous county in the state, having been surpassed by Hudson County. As of the 2015 Census Estimate, the County's population was 628,715. Its county seat is in Freehold Borough. The most populous place was Middletown Township, with 66,522 residents at the time of the 2010 Census, while Howell Township covered 61.21 square miles (158.5 km), the largest total area of any municipality.

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

Component Units - GASB Statement 14, as amended by GASB Statements 39 and 61, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the County are not presented in accordance with GAAP, and therefore the financial statements are not presented in accordance with GASB Statement No. 14, as amended by GASB Statement No. 39 and No. 61. Had the financials been in accordance with GAAP, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the County, the primary government:

County College
County Vocational School
County Improvement Authority

Annual financial statements are available at the offices of these entities.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended December 31, 2016, the County implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the County is required to disclose certain investments in the County's financial statements at fair value. In addition, the County is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires additional disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Under regulatory basis of accounting prescribed the Division of Local Government Services, the County is required to measure investments at cost.

The County implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the County's financial statements.

The County implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the County's financial statements.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued)

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. Implementation of this Statement did not impact the County's financial statements. The County does not enter into tax abatement agreements. However, various tax abatement programs have been entered into by municipalities within the County. The County's proportionate share of the loss of tax revenue from those tax abatement agreements is not material to the County's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. Implementation of this Statement did not impact the County's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Implementation of this Statement did not impact the County's financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the County's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the County's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the County's financial statements.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued)

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the County's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended December 31, 2017. Management has not yet determined the potential impact on the County's financial statements.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting requirements for certain asset retirement obligations and establishes the timing and pattern of recognition of a liability and corresponding deferred outflow of resources. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the County's financial statements.

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the County's financial statements.

Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the County's financial statements.

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

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

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

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

YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued)

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

Trust Funds – is used to account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - is used to account for financial resources to be used for the acquisition of general capital facilities, other than those accounted for in the current fund. The major revenue resources are derived from the sale of serial bonds and bond anticipation notes.

Reclamation Utility Operating Fund - is used to account for revenues and expenditures related to the operation of a waste disposal and reclamation utility center.

Reclamation Utility Capital Fund - is used to account for financial resources for the acquisition of major capital reclamation facilities, other than those accounted for in the reclamation utility fund. The major revenue resources are derived from the sale of serial bonds and bond anticipation notes.

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

General Fixed Asset Account Group – is used to account for property, land, buildings, and equipment that have been acquired by other funds.

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

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

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

Cash, Cash Equivalents and Investments - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost in the basic financial statements. However, Governmental Accounting Standards Board Statement No. 72 requires certain disclosures be made for investments at fair value.

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

YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

Fixed assets used in governmental operations (General Fixed Assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for land, which is valued at estimated market value. No depreciation of general fixed assets is recorded. Donated general fixed assets are valued at their estimated fair market value on the acquisition date

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the County establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the County may levy taxes on all taxable property within the local unit to repay the debt. Annually, the County raises the debt requirements for that particular year in the Current Fund budget. As funds are raised, the deferred charges are reduced.

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

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

County Taxes – Every municipality within the County is responsible for levying, collecting and remitting county taxes for the County of Monmouth. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations for every municipality are charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations for every municipality are charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

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

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be recovered. Although the County does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the County in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the County relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized. As of December 31, 2016, the County's bank balances of \$363,529,956.34 were exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 363,529,956.34
	\$ 363,529,956.34

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

YEAR ENDED DECEMBER 31, 2016

Note 2. Deposits and Investments (continued)

Investments

New Jersey municipal units are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey municipal units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America; government money market mutual funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress; bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located; bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units; local government investment pools; deposits with the State of New Jersey Cash Management Fund; and agreements for the purchase of fully collateralized securities with certain provisions. The County has no investment policy that would further limit its investment choices.

As of December 31, 2016, the County had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>Over 10 years</u>
Bond Anticipation Notes	\$ 23,103,110.00	\$ 23,103,110.00			
Money Markets	110,717.06	110,717.06			
Mutual Funds	50,194.31	50,194.31			
U.S. Treasury Securities	12,966,816.42	2,156,423.52	\$ 4,674,547.25	\$ 5,608,229.00	\$ 527,616.65
	<u>\$ 36,230,837.79</u>	<u>\$ 25,420,444.89</u>	<u>\$ 4,674,547.25</u>	<u>\$ 5,608,229.00</u>	<u>\$ 527,616.65</u>

Fair Value Measurement – The County categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. Investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available.

All of the County’s investments described above are classified in Level 1 and are valued using prices quoted in active markets for those securities. The County does not hold any investments that are measured using Level 2 and Level 3 inputs

Custodial Credit Risk - Custodial credit risk is a risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the County and are held by either the counterparty or the counterparty’s trust department or agent but not in the County’s name. Of the county’s \$36,230,837.79 investments listed above, 36,230,837.79 is registered in the County’s name.

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

YEAR ENDED DECEMBER 31, 2016

Note 2. Deposits and Investments (continued)

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The County has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A 40A:5-15.1 limits the investments that the County may purchase such as Treasury securities in order to limit the exposure of governmental units to credit risk. The County has no investment policy that would further limit its investment choices. The County’s investments in U.S. Treasury securities were rated AA+ by Standard & Poor’s and AAA by Moody’s.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the County does not place a limit on the amount that may be invested in any one issuer. More than 5 percent of the County’s investments are in bond anticipation notes and US Treasury Securities. These investments are 63.77% and 35.79 %, respectively, of the County’s total investments. These investment in bond anticipation notes are reported at face value the County’s current fund in the amount of \$23,103,110.00. The investments in US Treasury Securities are reported at cost in the general capital and utility operating funds in the amount of \$1,289,309.92 and \$12,146,738.01, respectively.

Note 3. Property Taxes

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

Comparison Schedule of Tax Rates:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
County Tax Rate	0.261	0.274	0.277
County Library Tax Rate	0.018	0.018	0.018
County Health Tax Rate	0.005	0.005	0.005
County Open Space Tax Rate	0.015	0.015	0.015

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2016	\$ 115,845,375,051
2015	112,803,695,100
2014	109,923,061,080

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

YEAR ENDED DECEMBER 31, 2016

Note 3. Property Taxes (continued)

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2016	\$ 302,475,000.00	\$ 302,475,000.00	100.00%
2015	307,000,000.00	307,000,000.00	100.00%
2014	302,475,000.00	302,475,000.00	100.00%

Note 4. Reclamation Utility Service Charges

The following is a three-year comparison of reclamation utility service charges and collections for the current and previous two years.

Comparison of Reclamation Utility Charges and Collections

<u>Year</u>	<u>Beginning Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2016	\$ 699,106.69	\$ 25,539,415.29	\$ 26,238,521.98	\$ 25,820,395.88	98.40%
2015	614,865.03	25,118,006.13	25,732,871.16	25,033,764.47	97.28%
2014	778,608.82	25,784,494.36	26,563,103.18	25,948,238.15	97.68%

Note 5. Interfund Receivables and Payables

There were no interfund balances recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2016.

Note 6. Fund Balance Appropriated

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

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

YEAR ENDED DECEMBER 31, 2016

Note 6. Fund Balance Appropriated (continued)

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2016	\$ 82,403,557.64	\$ 43,500,000.00	52.79%
2015	92,161,556.28	45,850,000.00	49.75%
2014	66,428,207.49	40,000,000.00	60.22%
Reclamation Utility Operating Fund:			
2016	\$ 9,851,565.91	\$ 8,755,000.00	88.87%
2015	10,189,244.00	8,225,000.00	80.72%
2014	17,650,974.09	16,075,000.00	91.07%

Note 7. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2016:

	Balance December 31, 2015	Additions	Retirements	Balance December 31, 2016
Land	\$ 395,176,005.92	\$ -	\$ -	\$ 395,176,005.92
Buildings	338057392.9	-	-	338,057,392.94
Furniture, Fixtures & Equipment	578400737.3	-	-	578,400,737.34
Vehicles	93524037.7	-	-	93,524,037.70
	<u>\$ 1,405,158,173.90</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,405,158,173.90</u>

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

Note 8. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2016, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially

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

YEAR ENDED DECEMBER 31, 2016

Note 8. Pension Obligations

A. Public Employees' Retirement System (PERS) (continued)

determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2016, the County's contributions to PERS was \$14,509,911.

Components of Net Pension Liability - At December 31, 2016, the County reported a liability of \$501,553,354 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The County's proportion of the net pension liability was based on the County's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The County's proportion measured as of June 30, 2016, was 1.69346% which was an increase of .005730% from its proportion measured as of June 30, 2015.

Balances at December 31, 2016 and December 31, 2015

	<u>12/31/2016</u>	<u>12/31/2015</u>
Actuarial valuation date (including roll forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	\$ 137,024,503	\$ 50,164,719
Deferred Inflows of Resources	6,934,187	10,633,386
Net Pension Liability	501,553,354	378,860,506
 County's portion of the Plan's total net pension Liability	 1.69346%	 1.68773%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

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

YEAR ENDED DECEMBER 31, 2016

Note 8. Pension Obligations

A. Public Employees' Retirement System (PERS) (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 9,327,372	\$ -
Changes of Assumptions	103,895,064	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	19,124,686	-
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions	<u>4,677,381</u>	<u>6,934,187</u>
	<u>\$ 137,024,503</u>	<u>\$ 6,934,187</u>

The County will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

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

YEAR ENDED DECEMBER 31, 2016

Note 8. Pension Obligations

A. Public Employees' Retirement System (PERS) (continued)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

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

YEAR ENDED DECEMBER 31, 2016

Note 8. Pension Obligations

A. Public Employees' Retirement System (PERS) (continued)

Year Ending	Amount
<u>Dec 31,</u>	
2017	\$ 29,058,093
2018	29,058,142
2019	33,782,433
2020	28,733,728
2021	<u>9,457,918</u>
	<u><u>\$ 130,090,314</u></u>

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

YEAR ENDED DECEMBER 31, 2016

Note 8. Pension Obligations

A. Public Employees' Retirement System (PERS) (continued)

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

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

YEAR ENDED DECEMBER 31, 2016

Note 8. Pension Obligations

A. Public Employees' Retirement System (PERS) (continued)

Discount Rate - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the County's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98%) or 1-percentage-point higher (4.98%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>(2.98%)</u>	<u>(3.98%)</u>	<u>(4.98%)</u>
County's Proportionate Share of the Net Pension Liability	<u>\$ 614,595,094</u>	<u>\$ 501,553,354</u>	<u>\$ 408,227,596</u>

B. Police and Firemen's Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

Note 8. Pension Obligations

B. Police and Firemen's Retirement System (PFRS) (continued)

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010.
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2016, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2016, the County's contributions to PFRS was \$11,735,265.00.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

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

YEAR ENDED DECEMBER 31, 2016

Note 8. Pension Obligations

B. Police and Firemen’s Retirement System (PFRS) (continued)

Net Pension Liability and Pension Expense - At December 31, 2016, the County’s proportionate share of the PFRS net pension liability is valued to be \$268,483,687.00. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The County’s proportion of the net pension liability was based on the County’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2016. The County’s proportion measured as of June 30, 2016, was 1.40549%, which was a decrease of .03823% from its proportion measured as of June 30, 2015.

Balances at December 31, 2016 and December 31, 2015

	<u>12/31/2016</u>	<u>12/31/2015</u>
Actuarial valuation date (including roll forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	\$ 55,999,308	\$ 44,397,273
Deferred Inflows of Resources	8,342,127	9,077,788
Net Pension Liability	268,483,687	240,472,910
County's portion of the Plan's total net pension Liability	1.40549%	1.44372%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2016, the County had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

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

YEAR ENDED DECEMBER 31, 2016

Note 8. Pension Obligations

B. Police and Firemen's Retirement System (PFRS) (continued)

	Deferred Outflows of	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 1,759,950
Changes of Assumptions	37,187,197	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	18,812,111	-
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions	-	6,582,177
	\$ 55,999,308	\$ 8,342,127

The County will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

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

YEAR ENDED DECEMBER 31, 2016

Note 8. Pension Obligations

B. Police and Firemen's Retirement System (PFRS) (continued)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

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

YEAR ENDED DECEMBER 31, 2016

Note 8. Pension Obligations

B. Police and Firemen’s Retirement System (PFRS) (continued)

<u>Year Ending</u> <u>Dec 31,</u>	<u>Amount</u>
2017	\$ 11,580,383
2018	11,580,383
2019	16,277,619
2020	9,270,807
2021	<u>(1,052,011)</u>
	<u>\$ 47,657,181</u>

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

The State’s proportionate share of the PFRS net pension liability attributable to the County is \$22,545,971.00 as of December 31, 2016. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The State’s proportion of the net pension liability associated with the County was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2016 was 1.40549%, which was a decrease of .03823% from its proportion measured as of June 30, 2015, which is the same proportion as the County’s. At December 31, 2016, the County’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

County's Proportionate Share of Net Pension Liability	\$268,483,687.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the County	<u>22,545,971.00</u>
	<u>\$291,029,658.00</u>

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

YEAR ENDED DECEMBER 31, 2016

Note 8. Pension Obligations

B. Police and Firemen’s Retirement System (PFRS) (continued)

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	3.08%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2010 - June 30, 2013

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

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

YEAR ENDED DECEMBER 31, 2016

Note 8. Pension Obligations

B. Police and Firemen’s Retirement System (PFRS) (continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS’s target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments

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

YEAR ENDED DECEMBER 31, 2016

Note 8. Pension Obligations

B. Police and Firemen’s Retirement System (PFRS) (continued)

of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the County’s proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County’s proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.55%) or 1-percentage-point higher (6.55%) than the current rate:

	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
County's Proportionate Share of the Net Pension Liability	\$ 346,190,028.00	\$ 268,483,687.00	\$ 205,118,840.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the County	29,071,376.00	22,545,971.00	17,224,895.00
	\$ 375,261,404.00	\$ 291,029,658.00	\$ 222,343,735.00

C. Defined Contribution Retirement Program

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

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

As of December 31, 2016 the County had multiple employees participating in the Defined Contribution Retirement Program.

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

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

YEAR ENDED DECEMBER 31, 2016

Note 9. Post-Employment Benefits Other Than Pension Benefits

Plan Description: The County of Monmouth is a single-employee defined benefit healthcare plan administered by Insurance Administrator of America, Inc., Horizon, and Qualcare. The County provides medical, prescription drug (for those retirees in the Indemnity Plan), and Medicare Part B reimbursement (for those retirees that receive fully-subsidized benefits) to retirees and their covered dependents. Active employees hired prior to July 1, 1994 who retire from the County and meet the eligibility criteria are eligible to receive these benefits from the County at no cost. Employees with less than 20 years of pensionable service as of June 28, 2011 must contribute toward their retirement health coverage. Other retirees must pay the full premium to receive these benefits.

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

Annual OPEB Cost: The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially-determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation (\$ thousands): In accordance with GASB Statement 45 the County is only required to calculate every two years. The last actuarial valuation was completed for the year ending December 31, 2015. The County's annual OPEB Cost Summary for year 2015 is as follows:

	(\$ thousands) <u>2015</u>
Annually Required Contributions (ARC)	\$ 22,180.7
Interest on the Net OPEB Obligation	3,398.9
Amortization of Net OPEB Obligation	(3,590.9)
Adjustment to the ARC	-
Annual OPEB Cost	21,988.7
Pay-as-you-go contributions (Existing Retirees)	(14,600.5)
Increase/(Decrease) in Net OPEB Obligation	7,388.2
Net OPEB Obligations, January 1, 2015 (*)	97,111.8
Net OPEB Obligations, December 31, 2015 (**)	\$ 104,500.0
Percentage of Annual OPEB cost contributed	-66%

*Beginning of year Net OPEB Obligation is based on the January 1, 2014 NOO shown in the December 31, 2013 Actuarial Report, assuming the ARC would remain unchanged.

** Based on expected benefit payments for the fiscal year ending December 31, 2015

Funded Status and Funding Progress: The projected schedule of funding progress is as follows

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

YEAR ENDED DECEMBER 31, 2016

Note 9. Post-Employment Benefits Other Than Pension Benefits (continued)

Actuarial Date	(\$ thousands) <u>1/1/2015</u>	(\$ thousands) <u>1/1/2013</u>	(\$ thousands) <u>1/1/2011</u>
Actuarial Accrued Liability (AAL)	\$ 474,379.2	\$ 436,137.3	\$ 413,996.9
Actuarial Value of Plan Assets	-	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 474,379.2</u>	<u>\$ 436,137.3</u>	<u>\$ 413,996.9</u>
Funded Ratio	0.00%	0.00%	0.00%
Covered Payroll (Active Plan Members)	40,310.4	55,815.4	66,583.1
UAAL as a Percentage of Covered Payroll	1177%	781%	622%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule above presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the January 1, 2015 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included an annual medical cost trend rate of 6% initially, and decreases to a 5% long-term trend rate after 8 years. For prescription drug benefits, the initial trend is 9.25%, decreasing to a 5% long-term trend rate after 9 years. For Medicare Part B reimbursement, the trend rate of 5% beginning in 2015. These assumptions are consistent with those used for the State Health Benefits Plan except those that have been adjusted for the plan design. The discount rate as of January 1, 2015 is 3.50%. The UAAL is being amortized as a level percentage of projected payroll on an open basis over 30 years.

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

YEAR ENDED DECEMBER 31, 2016

Note 10. Capital Debt

The following schedule represents the County's summary of debt, as filed in the County's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Issued:			
Debt Guaranteed by the County	\$ 404,925,000.00	\$ 376,225,000.00	\$ 354,505,000.00
General:			
Bonds, Notes and Loans	402,415,000.00	450,465,000.00	410,477,069.10
Reclamation Center Utility:			
Bonds, Notes and Loans	18,185,000.00	21,180,000.00	17,950,000.00
	<hr/>	<hr/>	<hr/>
Total Debt Issued	825,525,000.00	847,870,000.00	782,932,069.10
Authorized but not issued:			
Debt Guaranteed by the County	50,367,608.00	47,175,000.00	900,000.00
General:			
Bonds and Notes	104,670,000.00	37,765,000.00	73,847,500.00
Reclamation Center Utility:			
Bonds and Notes	4,530,000.00	-	4,325,000.00
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	159,567,608.00	84,940,000.00	79,072,500.00
	<hr/>	<hr/>	<hr/>
Total Gross Debt	\$ 985,092,608.00	\$ 932,810,000.00	\$ 862,004,569.10
Deductions:			
Bonds Authorized by another Public			
Body to be guaranteed by County	\$ 455,292,608.00	\$ 423,400,000.00	\$ 355,405,000.00
General:			
Funds on Hand For Payment of Bonds and Notes:			
Installment Purchase Agreement	1,289,309.92	1,147,803.20	1,028,579.25
Reserve for Care Centers Debt Service	3,905,000.00	-	-
County College Bonds	8,581,500.00	8,521,500.00	8,651,500.00
Open Space Bonds	36,990,000.00	41,370,000.00	45,885,000.00
Reclamation Center Utility:			
Self Liquidating Debt	22,715,000.00	21,180,000.00	22,275,000.00
	<hr/>	<hr/>	<hr/>
Total Deductions	528,773,417.92	495,619,303.20	433,245,079.25
	<hr/>	<hr/>	<hr/>
Total Net Debt	\$ 456,319,190.08	\$ 437,190,696.80	\$ 428,759,489.85

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

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

YEAR ENDED DECEMBER 31, 2016

Note 10. Capital Debt (continued)

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

2.0% of Equalized Valuation Basis (County)	\$ 2,296,993,080.61
Less: Net Debt	<u>456,319,190.08</u>
 Remaining Borrowing Power	 <u><u>\$ 1,840,673,890.53</u></u>

The County's statutory net debt is the Net Debt, as calculated above of, divided by the average Equalized Valuation Basis of \$114,849,654,030.33 which equals a statutory net debt at December 31, 2016 in the amount of .397%. New Jersey statute 40A:2-6, as amended, limits the debt of a County to 2% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2016 is calculated as follows:

Self-Liquidating Utility Calculation,

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

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 35,742,234.41
 Deductions:	
Operating and Maintenance Costs	\$ 28,067,308.14
Debt Service	<u>3,702,307.86</u>
 Total Deductions	 <u>31,769,616.00</u>
 Excess/(Deficit) in Revenue	 <u><u>\$ 3,972,618.41</u></u>

*If Excess in Revenues all Utility Debt is Deductible

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

YEAR ENDED DECEMBER 31, 2016

Note 10. Capital Debt (continued)

General Debt – Serial Bonds

The following is a summary of the County’s General Debt outstanding as of December 31, 2016:

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, <u>2016</u>
General Serial Bonds:					
General Improvements	Serial Bonds	9/26/2007	9/15/2017	5.00%	\$ 4,475,000.00
General Improvements	Serial Bonds	9/23/2008	9/1/2020	4.000-5.000%	8,720,000.00
General Improvements	Serial Bonds	11/17/2009	11/1/2019	3.850-4.250%	15,838,500.00
General Improvements	Serial Bonds	11/17/2009	11/1/2024	4.600-4.800%	26,385,000.00
Refunding Bonds	Serial Bonds	12/30/2009	1/15/2019	4.00%	6,945,000.00
Refunding Bonds	Serial Bonds	12/16/2010	3/1/2018	3.000-4.000%	7,645,000.00
General Capital Bonds	Serial Bonds	12/16/2010	12/1/2020	3.300-4.200%	15,325,000.00
Economic Development	Serial Bonds	12/16/2010	12/1/2025	4.150-4.800%	20,775,000.00
General Improvements	Serial Bonds	6/20/2012	1/15/2027	3.000-4.000%	62,610,000.00
General Improvements	Serial Bonds	3/6/2014	3/1/2029	3.000-4.000%	56,500,000.00
Refunding Bonds	Serial Bonds	6/11/2015	7/15/2023	4.000-5.000%	43,070,000.00
General Improvements	Serial Bonds	12/1/2015	7/15/2030	3.000-5.000%	<u>71,245,000.00</u>
					<u>\$ 339,533,500.00</u>

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	Balance December 31, <u>2016</u>
**County College - State Share (Chapter 12):					
General Improvements	Serial Bonds	9/26/2007	9/15/2017	5.000%	\$ 450,000.00
General Improvements	Serial Bonds	11/15/2009	11/1/2019	3.850-4.250%	346,500.00
General Improvements	Serial Bonds	6/20/2012	1/15/2022	3.000-4.000%	2,550,000.00
General Improvements	Serial Bonds	3/6/2014	3/1/2024	3.000-4.000%	2,295,000.00
General Improvements	Serial Bonds	12/1/2015	7/15/2025	4.000-5.000%	<u>1,440,000.00</u>
					<u>\$ 7,081,500.00</u>

**The debt service paid by the County related to the Chapter 12 County College Bonds is reimbursed by the State of New Jersey and anticipated as revenue in the County’s current fund budget. The debt is deducted from the County’s general debt on the Annual Debt Statement.

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

YEAR ENDED DECEMBER 31, 2016

Note 10. Capital Debt (continued)

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, <u>2016</u>
County College- County Share:					
General Improvements	Serial Bonds	12/16/2010	12/1/2020	3.300-4.200%	\$ 880,000.00
General Improvements	Serial Bonds	6/20/2012	1/15/2022	3.000-4.000%	2,550,000.00
General Improvements	Serial Bonds	3/6/2014	3/1/2024	3.000-4.000%	2,295,000.00
General Improvements	Serial Bonds	12/1/2015	7/15/2025	4.000-5.000%	<u>1,440,000.00</u>
					<u>\$ 7,165,000.00</u>

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, <u>2016</u>
County Vocational School Bonds:					
General Improvements	Serial Bonds	6/20/2012	1/15/2022	3.000-4.000%	\$ 600,000.00
General Improvements	Serial Bonds	3/6/2014	3/1/2026	3.000-4.000%	4,370,000.00
General Improvements	Serial Bonds	12/1/2015	7/15/2027	3.000-5.000%	<u>4,020,000.00</u>
					<u>\$ 8,990,000.00</u>

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	Balance December 31, <u>2016</u>
Open Space Bonds:					
Open Space Preservation	Serial Bonds	9/12/2007	9/15/2017	5.000%	\$ 1,420,000.00
Refunding Bonds	Serial Bonds	12/30/2009	1/15/2018	3.000-4.000%	4,650,000.00
Open Space Preservation	Serial Bonds	6/20/2012	1/15/2027	3.000-4.000%	4,200,000.00
Open Space Preservation	Serial Bonds	3/6/2014	3/1/2029	3.000-4.000%	9,200,000.00
Open Space Preservation	Serial Bonds	12/1/2015	7/15/2030	3.000-5.000%	4,670,000.00
Refunding Bonds	Serial Bonds	6/11/2015	7/15/2022	4.000%	<u>12,850,000.00</u>
					<u>\$ 36,990,000.00</u>

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

YEAR ENDED DECEMBER 31, 2016

Note 10. Capital Debt (continued)

The following schedule represents the remaining debt service, through maturity, for the general serial bonds described above for the next five (5) years and five (5) year increments thereafter:

General Serial Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	40,435,000.00	13,169,763.76	53,604,763.76
2018	38,380,000.00	11,486,313.76	49,866,313.76
2019	35,558,500.00	9,958,246.26	45,516,746.26
2020	35,410,000.00	8,496,660.00	43,906,660.00
2021	33,810,000.00	7,006,115.00	40,816,115.00
2022-2026	116,830,000.00	17,250,620.00	134,080,620.00
2027-2030	39,110,000.00	2,285,993.75	41,395,993.75
	<u>\$ 339,533,500.00</u>	<u>\$ 69,653,712.53</u>	<u>\$ 409,187,212.53</u>

****County College - State Share (Chapter 12):**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	1,440,000.00	279,451.24	1,719,451.24
2018	990,000.00	217,523.74	1,207,523.74
2019	991,500.00	176,151.24	1,167,651.24
2020	870,000.00	136,125.00	1,006,125.00
2021	870,000.00	101,150.00	971,150.00
2022-2025	1,920,000.00	137,675.00	2,057,675.00
	<u>\$ 7,081,500.00</u>	<u>\$ 1,048,076.22</u>	<u>\$ 8,129,576.22</u>

County College- County Share:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	1,095,000.00	275,910.00	1,370,910.00
2018	1,095,000.00	233,650.00	1,328,650.00
2019	1,095,000.00	189,240.00	1,284,240.00
2020	1,090,000.00	145,365.00	1,235,365.00
2021	870,000.00	101,150.00	971,150.00
2022-2025	1,920,000.00	137,675.00	2,057,675.00
	<u>\$ 7,165,000.00</u>	<u>\$ 1,082,990.00</u>	<u>\$ 8,247,990.00</u>

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

YEAR ENDED DECEMBER 31, 2016

Note 10. Capital Debt (continued)

County Vocational School Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	905,000.00	356,550.00	1,261,550.00
2018	905,000.00	320,350.00	1,225,350.00
2019	905,000.00	280,500.00	1,185,500.00
2020	905,000.00	242,850.00	1,147,850.00
2021	900,000.00	205,300.00	1,105,300.00
2022-2026	4,100,000.00	476,950.00	4,576,950.00
2027	370,000.00	11,100.00	381,100.00
	<u>\$ 8,990,000.00</u>	<u>\$ 1,893,600.00</u>	<u>\$ 10,883,600.00</u>

Open Space Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	4,630,000.00	1,381,937.50	6,011,937.50
2018	4,955,000.00	1,147,637.50	6,102,637.50
2019	5,000,000.00	945,237.50	5,945,237.50
2020	5,575,000.00	734,437.50	6,309,437.50
2021	3,235,000.00	559,037.50	3,794,037.50
2022-2026	9,455,000.00	1,397,537.50	10,852,537.50
2027-2031	4,140,000.00	224,350.00	4,364,350.00
	<u>\$ 36,990,000.00</u>	<u>\$ 6,390,175.00</u>	<u>\$ 43,380,175.00</u>

**The debt service paid by the County related to the Chapter 12 County College Bonds is reimbursed by the State of New Jersey and anticipated as revenue in the County's current fund budget. The debt is deducted from the County's general debt on the Annual Debt Statement.

General Debt – Bonds Authorized but Not Issued

The following is a summary of the County's General Capital Fund bonds authorized but not issued as of December 31, 2016:

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

YEAR ENDED DECEMBER 31, 2016

Note 10. Capital Debt (continued)

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2016</u>
02-02	Various Capital Improvements	\$ 40,000.00
08-03	Various Capital Improvements	1,060,000.00
09-02	Various Capital Improvements	1,304,000.00
10-02	Various Capital Improvements	1,095,000.00
12-05	Various Capital Improvements	3,796,000.00
13-01	Various Capital Improvements	3,050,000.00
13-02	Seaview Renovation and Elevator Rehabilitation	270,000.00
13-05	Improvements to BCC Facilities	2,000,000.00
14-02	Various Capital Improvements	1,690,000.00
14-03	Various Capital Improvements (Amending Ordinance)	875,000.00
15-05	Various Capital Improvements	22,585,000.00
16-01	Various Capital Improvements	58,900,000.00
16-02	Equipment & Infrastructure Improvements - Vo Tech	5,005,000.00
16-03	Improvements to BCC Facilities	<u>3,000,000.00</u>
		<u>\$ 104,670,000.00</u>

General Debt – Installment Purchase Agreement (IPA)

Hofling Easement

On October 30, 2008, the County of Monmouth purchased land in Upper Freehold Township through an Installment Purchase Agreement (“IPA”) in the sum of \$1,115,380.00. Funding for the acquisition was as follows:

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

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

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

YEAR ENDED DECEMBER 31, 2016

Note 10. Capital Debt (continued)

From the purchase date to the maturity date, the County is required to pay tax-exempt interest to the sellers at a rate of 4.85%. The interest is being paid through the County Open Space Trust Fund.

Scheuing Easement

On June 12, 2009, the County of Monmouth purchased land in Middletown Township through an Installment Purchase Agreement (“IPA”). Cost of the property was \$2,900,000.00 with an IPA for \$1,900,000.00. The IPA has an interest rate of 3.8% and matures on May 15, 2024. The County paid the seller \$1,000,000.00 in 2009 as a down payment. The County has received \$200,000.00 from the Monmouth Conservation Foundation in May 2010 as part of reimbursement to the County for the down payments.

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

The following schedule represents the remaining debt service, through maturity, for the installment purchase agreement described above:

<u>Year</u>	<u>Hofling</u>		<u>Scheuing</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2017		\$ 36,617.50		\$ 72,200.00	\$ 108,817.50
2018		36,617.50		72,200.00	108,817.50
2019		36,617.50		72,200.00	108,817.50
2020		36,617.50		72,200.00	108,817.50
2021		36,617.50		72,200.00	108,817.50
2022-2026		183,087.50	\$ 1,900,000.00	180,500.00	2,263,587.50
2027-2031	\$ 755,000.00	109,852.50			864,852.50
	<u>\$ 755,000.00</u>	<u>\$ 476,027.50</u>	<u>\$ 1,900,000.00</u>	<u>\$ 541,500.00</u>	<u>\$ 3,672,527.50</u>

Utility Debt – Serial Bonds

The following is a summary of the County’s Utility Debt outstanding as of December 31, 2016:

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

YEAR ENDED DECEMBER 31, 2016

Note 10. Capital Debt (continued)

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, <u>2016</u>
Reclamation Refunding	Serial Bonds	12/30/2009	1/15/2017	4.000%	\$ 805,000.00
Reclamation Refunding	Serial Bonds	12/16/2010	3/1/2017	4.000%	815,000.00
Reclamation Taxable	Serial Bonds	12/16/2010	12/1/2020	3.300-4.200%	325,000.00
Reclamation Utility Bonds	Serial Bonds	6/28/2012	1/15/2027	3.000-4.000%	4,620,000.00
Reclamation Utility Bonds	Serial Bonds	3/27/2014	3/1/2029	3.000-4.000%	6,200,000.00
Reclamation Utility Bonds	Serial Bonds	12/1/2015	7/15/2030	3.000-5.000%	<u>5,420,000.00</u>
					<u>\$ 18,185,000.00</u>

The following schedule represents the remaining debt service, through maturity, for the reclamation utility serial bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,985,000.00	\$ 640,680.00	\$ 3,625,680.00
2018	1,360,000.00	554,275.00	1,914,275.00
2019	1,360,000.00	496,385.00	1,856,385.00
2020	1,360,000.00	440,510.00	1,800,510.00
2021	1,280,000.00	384,475.00	1,664,475.00
2022-2026	6,420,000.00	1,155,975.00	7,575,975.00
2027-2031	<u>3,420,000.00</u>	<u>195,900.00</u>	<u>3,615,900.00</u>
	<u>\$ 18,185,000.00</u>	<u>\$ 3,868,200.00</u>	<u>\$ 22,053,200.00</u>

Utility Debt – Bonds Authorized but Not Issued

The following is a summary of the County's Utility Capital Fund bonds authorized but not issued as of December 31, 2016:

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2016</u>
16-04	Acquisition of Equipment and Facility Improvements	<u>\$ 4,530,000.00</u>
		<u>\$ 4,530,000.00</u>

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

YEAR ENDED DECEMBER 31, 2016

Note 10. Capital Debt (continued)

Summary of Principal Debt

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

	Balance December 31, <u>2015</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2016</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 379,763,500.00		\$ 40,230,000.00	\$ 339,533,500.00	\$ 40,435,000.00
County College Bonds-State	8,521,500.00		1,440,000.00	7,081,500.00	1,440,000.00
County College Bonds-County	8,260,000.00		1,095,000.00	7,165,000.00	1,095,000.00
Vocational School Bonds	9,895,000.00		905,000.00	8,990,000.00	905,000.00
Open Space Bonds	41,370,000.00		4,380,000.00	36,990,000.00	4,630,000.00
Installment Purchase Agreement	2,655,000.00			2,655,000.00	-
	<u>\$ 450,465,000.00</u>	<u>\$ -</u>	<u>\$ 48,050,000.00</u>	<u>\$ 402,415,000.00</u>	<u>\$ 48,505,000.00</u>
Utility Capital:					
Utility Bonds	\$ 21,180,000.00		\$ 2,995,000.00	\$ 18,185,000.00	\$ 2,985,000.00
	<u>\$ 21,180,000.00</u>	<u>\$ -</u>	<u>\$ 2,995,000.00</u>	<u>\$ 18,185,000.00</u>	<u>\$ 2,985,000.00</u>

Note 11. Debt Guaranteed by the County

In order to assist the Monmouth County Improvement Authority (MCIA) with the financing of governmental loan programs to be undertaken throughout the County on behalf of various municipalities, boards of education and local authorities situated in the County, the County with the passing of a resolution is authorized to guaranty unconditionally the punctual payment of principal and interest on any obligations of the MCIA. The County has the power and the obligation to cause the levy of ad valorem taxes upon all the taxable property within the jurisdiction of the County without limitation as to rate or amount for the payment of its obligations under each County Guaranty. The following schedule represents the total bonds issued and bonds authorized but not issued as of December 31, 2016, that are guaranteed by the County:

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

YEAR ENDED DECEMBER 31, 2016

Note 11. Debt Guaranteed by the County (continued):

<u>Type of Obligations Guaranteed</u>	Balance December 31, <u>2016</u>
2007 Capital Equipment Lease Revenue Bonds	\$ 1,225,000.00
2009 Capital Equipment Lease Revenue Bonds	735,000.00
2011 Capital Equipment Lease Revenue Bonds	1,795,000.00
2013 Capital Equipment Lease Revenue Bonds	9,230,000.00
2015 Capital Equipment Lease Revenue Bonds	11,190,000.00
2011 Governmental Loan Refunding Bonds	2,225,000.00
2012 Governmental Loan Refunding Bonds	42,525,000.00
2014 Governmental Loan Refunding Bonds	9,460,000.00
2015 Governmental Loan Refunding Bonds	14,665,000.00
2016 Governmental Loan Refunding Bonds (March)	38,160,000.00
2016 Governmental Loan Refunding Bonds (October)	40,020,000.00
2008 Governmental Pooled Loan Revenue Bonds	5,090,000.00
2009 Governmental Pooled Loan Revenue Bonds	2,560,000.00
2010 Governmental Pooled Loan Revenue Bonds - Atlantic Highlands	1,630,000.00
2011 Governmental Pooled Loan Revenue Bonds (Jan.)	15,630,000.00
2011 Governmental Pooled Loan Revenue Bonds (Dec.)	9,915,000.00
2012 Governmental Pooled Loan Revenue Bonds	7,675,000.00
2013 Governmental Pooled Loan Revenue Bonds (June)	18,310,000.00
2013 Governmental Pooled Loan Revenue Bonds, Howell Taxable (June)	6,740,000.00
2013B Governmental Pooled Loan Revenue Bonds (Dec.)	29,315,000.00
2014 Governmental Pooled Loan Revenue Bonds	36,855,000.00
2015 Governmental Pooled Loan Revenue Bonds	19,850,000.00
2008 Brookdale Lease Revenue Bonds	1,210,000.00
2009 Brookdale Lease Revenue Refunding Bonds	8,585,000.00
2012 Brookdale Lease Revenue Refunding Bonds	5,455,000.00
2015 Brookdale Lease Revenue Refunding Bonds	24,330,000.00
2014 Asbury Wastewater Treatment Facility Lease Revenue Refunding Bonds - Taxable	5,405,000.00
2014 Asbury Wastewater Treatment Facility Lease Revenue Refunding Bonds - Exempt	1,615,000.00
2016A Governmental Loan Project Notes - FMERA	23,370,000.00
2016B Governmental Loan Project Notes - FMERA	10,155,000.00
2016 Governmental Pooled Loan Revenue Bonds - NOT SOLD	48,892,608.00
2016 Governmental Loan Project Notes - FMERA - NOT SOLD	1,475,000.00
	<hr/>
	<u>\$ 455,292,608.00</u>

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

Note 12. Deferred Charges to be Raised in Succeeding Years' Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, there were no deferred charges shown on the various balance sheets.

Note 13. Accrued Sick and Vacation Benefits

Any employee of the County who retires under either of the contributory pension systems may be eligible to receive payment for unused sick leave. Payment is limited to one half of the earned but unused sick leave days with a maximum payment of \$15,000.00. The payment is provided as a lump sum subject to federal and state taxes and is computed at one-half of the employee's average annual daily rate of pay for each day of earned and unused accumulated sick leave at the effective date of retirement. Overtime pay, longevity, and any other supplemental compensation are excluded from the computation.

GAAP accounting would require accumulated sick leave to be recognized as a liability in the accounting period the leave is earned. However, under regulatory basis of accounting, the liability is not accrued in the financial statements. Instead, the County provides for and charges its accounts the actual cost of sick leave in the year in which lump sum payments or installments fall due.

The total liability at December 31, 2016 is \$5,510,817.06 based on the total individuals eligible for the County's sick leave policy, vacation leave policy, and compensatory time policy of 581, 59, and 681 individuals, respectively. A reserve has been established in the Trust Fund for future payments to employees related to accumulated sick and vacation benefits. The County appropriates funds in the current fund budget to transfer to the Trust Fund reserve account. In 2016, the County appropriated \$600,000 and the balance of the Trust Fund Reserve at December 31, 2016 was \$44,836.79.

Note 14. Deferred Compensation Program

The County offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the County or its creditors. Since the County does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the County's financial statements.

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

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

YEAR ENDED DECEMBER 31, 2016

Note 15. Arbitrage

In general, when an interest rebate occurs as a result of investment activity in bond proceeds, the liability is payable to the Internal Revenue Service on a computation date in the fifth year subsequent to the date of issue of the bonds. Thus, depending upon continued investment activity in the proceeds, together with expenditures for the purpose of the bonds and interest rates, the ultimate rebate liability on the fifth year computation date may be more or less than the liability computed in any interim. A penalty in-lieu of arbitrage rebate is set-up to be paid every six months instead of the five year requirement. The County has several issues of bonds outstanding, which are subject to arbitrage calculations. As of December 31, 2016 the County has no liability related to arbitrage rebates.

Note 16. Risk Management

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

<u>Coverage</u>	<u>Self-Insured Retention</u>	<u>Excess Insurance</u>
General Liability	\$ 300,000.00	\$ 10,000,000.00
Automobile	500,000.00	10,000,000.00
Law Enforcement	500,000.00	10,000,000.00
Public Employee Dishonesty	10,000.00	1,000,000.00
Public Officials	200,000.00	5,000,000.00
Helicopter/Aviation	23,440.00	5,000,000.00
Environmental Impairment	25,000.00	3,000,000.00
Property	Various	150,000,000.00
Surety Bonds:		
M. Claire French, County Clerk		50,000.00
Shaun Golden, Sheriff		50,000.00
Craig R. Marshall, Treasurer		1,500,000.00

In respect to the excess insurance, the County's settled claims have not exceeded the commercial coverage in the past three years. At December 31, 2016, the amount on deposit in the Trust Fund was \$4,942,981.27.

Note 17. Reclamation Center – Closure and Post-Closure Costs

The Closure and Post Closure requirements are specified in SWFP No. SWF080001 dated October 1, 2010. A Closure and Post-Closure Plan Care Plan for the Monmouth County Reclamation Center was prepared by T&M Associates in December 2007 and was revised in June 2009. The Closure and Post Closure Plan included the specific elements required by 40CFR Sections 258.60 and 258.61(c) and N.J.A.C. 7:262A.9(e) and (f) for Phase I, II, and II Landfills and is comprised of a Closure and Post Closure Care Plan and a Closure and Post-Closure Financial Plan. A biennial update of the Phase III Closure and Post-Closure Financial Plan was prepared by Birdsall Engineering Inc. in August 2011 and submitted to NJDEP. Subsequent updates have been delayed until the approvals for the proposed landfill expansion have been received.

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

Note 17. Reclamation Center – Closure and Post-Closure Costs (continued)

The 2011 Financial Plan is based on the projection that 2018 will be the final year of waste acceptance at the Landfill. However, the landfill capacity was further evaluated in the SWFP renewal application dated June 30, 2015, projecting that the theoretical remaining capacity at the Landfill will last until the end of year 2023. The application further noted that certain operational logistics necessitate the expansion of the landfill in 2018, even theoretical permitted capacity will not be used up. An update of the financial plan to reflect the actual remaining capacity is warranted and will be completed when the permitted capacity, including the proposed expansion is determined.

The 2011 Financial Plan, which was based on reports previously prepared by T& M Associates, projected 2018 as the final year for acceptance of waste at the currently permitted landfill. It projected that the landfill cap construction will be completed in 2021. The post-closure period was projected to start in the year 2022 and continue through 2051. The present value closure cost for the existing landfill was estimated at \$14,980,000 with a \$18,554,000 future value. The total closure/post-closure cost was estimated at \$45,690,000. All of these projections will now change in view of the proposed expansion and extension of the landfill's operational life mandating the need for updating the Closure Post-Closure Financial Plan. The entire closure/post-closure costs are remaining.

Based on the currently approved design, the total capacity of the Phase II and Phase III, excluding final cover is 27,236,000 cubic yards of which 7,061,759 cubic yards remained available as of January 13, 2015. As such, approximately 74.07 % of the landfill capacity was used up as of January 13, 2015.

Based on January 13, 2015 topographic survey and in accordance with the currently approved design, the estimated remaining landfill operational life is approximately nine (9) years from January 2015, i.e. up to end of year 2023. The proposed expansion, when approved, will extend the landfill life by approximately 17 years, i.e. to the end of the year 2040.

The Monmouth County Reclamation Center Sanitary Landfill Facility Closure Escrow Fund – Phase III was created pursuant to the “Sanitary Landfill Facility Closure and Contingency Fund Act” (P.L. 1981, C. 306). It requires the owner or operator of every sanitary landfill to establish a separate interest bearing escrow account for each landfill facility.

In accordance with the agreement among the New Jersey Department of Environmental Protection, U.S. Bank, and the County, all funds deposited in the Landfill Closure Escrow Account shall not be considered an asset of the County and shall not be available to any creditor of the County in the event of bankruptcy, reorganization, insolvency or receivership of the landfill or the County. The County and the Escrow Agent agree that funds deposited in the Escrow Account are for the sole benefit of the purposes established: to ensure that funds are set aside and kept available for closure and post-closure care and may be withdrawn only pursuant to the express provision of the Escrow Agreement. Funds will only be available for use by the owner/operator, or by a court-appointed receiver or other legal representative of the owner/operator, for closure and post-closure care activities, upon written approval of the Department of Environmental Protection, Office of Special Funds Administration. The balance of the Escrow Account measured at fair value at December 31, 2016 and 2015 is \$11,786,075.44 and 11,540,130.24, respectively.

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

YEAR ENDED DECEMBER 31, 2016

Note 18. Reserve for Environmental Impairment Liability

In conjunction with its petition to increase its reclamation utility landfill rates, which were approved by the State of New Jersey in January 1989, the County established a Reserve for Self-Insurance for potential losses that might occur as a result of accidents having an environmental impact. At December 31, 2016, the Reserve, which management considered to be adequate in terms of its risk, amounted to \$7,000,000.00.

Note 19. Contingencies

Grantor Agencies

The County receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2016, the County estimates that no material liabilities will result from such audits.

Litigation

The County is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the County, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 20. Division of Social Services

The County Board of Social Services was dissolved by an action of the Board of Chosen Freeholders in 1991, and became a Division within the framework of other County Departments and Divisions in that year. The State of New Jersey is responsible for the imposition of federal eligibility requirements for assistance, and certain other support subsidies that are tested on an ongoing basis by its quality assurance units. Programs governing client files in the State's database are used to categorize and measure terms of client benefits and validate eligibility based upon historical information.

For the purpose of the financial statements the Division accounts are reported in the following funds:

Current Fund Accounts:

Administration
Rental Assistance

Trust Fund Accounts:

Reach Omega
Assistance
Child Support
Clearing

COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

Note 20. Division of Social Services (continued)

In addition, a record of the Division's Fixed Assets is maintained by the County and reported in the County's General Fixed Assets Account Group for all items in excess of \$1,000.00 minimum threshold. Based upon this threshold, the Division's Fixed Assets, comprised solely of movable equipment, were reported at the following values for the current and previous four years:

December 31, 2016	1,367,332.81
December 31, 2015	1,367,332.81
December 31, 2014	1,372,782.73
December 31, 2013	1,341,661.40
December 31, 2012	1,351,283.65

Note 21. Subsequent Events

Monmouth County has evaluated subsequent events occurring after December 31, 2016 through the date of June 23, 2017, which is the date the financial statements were available to be issued.

On February 23, 2017 the County of Monmouth guaranteed the issuance of \$40,555,000 of Pooled Loan Revenue Bonds, Series 2017 issued by the Monmouth County Improvement Authority.

APPENDIX B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE is made as of December 1, 2017 by the County of Monmouth, New Jersey, a political subdivision duly organized under the laws of the State of New Jersey (the “Issuer”).

WITNESSETH:

WHEREAS, the Issuer is issuing its General Obligation Bonds, Series 2017, consisting of \$65,995,000 General Improvement Bonds, Series 2017, \$4,530,000 Reclamation Center Utility Bonds, Series 2017, \$7,105,000 County Vocational School Bonds, Series 2017 (New Jersey School Bond Reserve Act, P.L. 1980, c. 72), \$3,650,000 County College Bonds, Series 2017 and \$3,250,000 County College Bonds, Series 2017 (County College Bond Act, P.L. 1971, c. 12) (collectively, the “Bonds”), dated December 28, 2017, in the aggregate principal amount of \$84,530,000 on the date hereof; and

WHEREAS, the Bonds are being issued pursuant to bond ordinances adopted by the Issuer and a certificate signed by the Issuer on December 7, 2017; and

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

WHEREAS, the Issuer represented in its Notice of Sale dated November 28, 2017 (the “Notice of Sale”) that it would deliver on the closing date for the Bonds a “Continuing Disclosure Certificate” pursuant to which the Issuer will agree to provide at the times and to the persons described in Rule 15c2-12 the annual financial information and event notices required to be disclosed on a continual basis pursuant to Rule 15c2-12; and

WHEREAS, on December 7, 2017, the Issuer accepted the bid of J.P. Morgan Securities LLC, with respect to the Bonds on behalf of themselves and each of the original underwriters for the Bonds (each, a “Participating Underwriter”) for the purchase of the Bonds; and

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

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

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

ARTICLE I

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

“Final Official Statement” means the final Official Statement of the Issuer dated December 7, 2017 pertaining to the Bonds.

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

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

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

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

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

“State” means the State of New Jersey.

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

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

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

ARTICLE II

CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

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

(a) Not later than the first day of the ninth month after the end of each Fiscal Year of the Issuer, commencing with the first Fiscal Year of the Issuer ending after January 1, 2017 (which ends on December 31, 2017), an Annual Report to the MSRB;

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

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

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

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

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

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

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

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

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

Section 2.3 Form of Annual Report.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

DISCLOSURE DEFAULT AND REMEDIES

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

Section 3.2 Remedies on Default.

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

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

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

ARTICLE IV

MISCELLANEOUS

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

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

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

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

Section 4.5 Amendments, Changes and Modifications.

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

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

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

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

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

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

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

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

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

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

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

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

[SEAL]

THE COUNTY OF MONMOUTH, NEW JERSEY

By: _____
Craig R. Marshall, Director of Finance

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APPENDIX C
NOTICE OF SALE

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NOTICE OF SALE

\$84,530,000

**COUNTY OF MONMOUTH
NEW JERSEY**

GENERAL OBLIGATION BONDS, SERIES 2017

Consisting of

\$65,995,000 General Improvement Bonds, Series 2017
\$4,530,000 Reclamation Center Utility Bonds, Series 2017
\$7,105,000 County Vocational School Bonds, Series 2017
(New Jersey School Bond Reserve Act, P.L. 1980, c.72)
\$3,650,000 County College Bonds, Series 2017
and
\$3,250,000 County College Bonds, Series 2017
(County College Bond Act, P.L. 1971, c. 12)

(BOOK-ENTRY BONDS) (CALLABLE)

ELECTRONIC BIDS, via BiDCOMP/PARITY Competitive Bidding System (BiDCOMP/Parity) (the "Proposals") only, will be received by the Director of Finance of the Board of Chosen Freeholders of the County of Monmouth, New Jersey (the "County"), on December 7, 2017 until 10:45 a.m., New York City time, at which time they will be announced, for the purchase of all, but not less than all, of the County's \$84,530,000 General Obligation Bonds, Series 2017, consisting of \$65,995,000 General Improvement Bonds, Series 2017, \$4,530,000 Reclamation Center Utility Bonds, Series 2017, \$7,105,000 County Vocational School Bonds, Series 2017 (New Jersey School Bond Reserve Act, P.L. 1980, c.72), \$3,650,000 County College Bonds, Series 2017 and \$3,250,000 County College Bonds, Series 2017 (County College Bond Act, P.L. 1971, c. 12) (the "Bonds"). Bidders are required to submit their Proposals for the purchase of the Bonds in accordance with the terms of the Notice of Sale.

Interest Payment Dates

The Bonds will be dated the date of delivery (which is expected to be December 28, 2017) and will bear interest at the rate per annum specified by the Successful Bidder (as hereinafter defined) therefor in accordance herewith, payable on July 15, 2018 and semi-annually thereafter on the fifteenth day of January and July in each year until maturity or prior redemption.

Principal Amortization

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

\$65,995,000 General Improvement Bonds, Series 2017, maturing in the principal amount of \$2,545,000 in the year 2018; \$5,060,000 in the year 2019; \$3,185,000 in the year 2020; \$5,060,000 in each of the years 2021 through 2027, inclusive; \$4,530,000 in the year 2028; \$2,545,000 in the year 2029; \$2,600,000 in the year 2030; and \$5,055,000 in each of the years 2031 and 2032;

\$4,530,000 Reclamation Center Utility Bonds, Series 2017, maturing in the principal amount of \$305,000 in each of the years 2018 through 2023, inclusive; and \$300,000 in each of the years 2024 through 2032, inclusive;

\$7,105,000 County Vocational School Bonds, Series 2017 (New Jersey School Bond Reserve Act, P.L. 1980, c.72), maturing in the principal amount of \$305,000 in the year 2018; \$475,000 in the year 2019; \$305,000 in the year 2020; \$605,000 in each of the years 2021 through 2024, inclusive; and \$600,000 in each of the years 2025 through 2030, inclusive;

\$3,650,000 County College Bonds, Series 2017, maturing in the principal amount of \$145,000 in the year 2018; \$285,000 in the year 2019; \$145,000 in the year 2020; \$285,000 in each of the years 2021 through 2025, inclusive; \$280,000 in each of the years 2026 and 2027; \$145,000 in each of the years 2028 and 2029; \$240,000 in the year 2030; and \$280,000 in each of the years 2031 and 2032; and

\$3,250,000 County College Bonds, Series 2017 (County College Bond Act, P.L. 1971, c. 12), maturing in the principal amount of \$325,000 in each of the years 2018 through 2027, inclusive.

The combined maturity schedule for the Bonds is as follows:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>
2018	\$3,625,000	2026	\$6,565,000
2019	6,450,000	2027	6,565,000
2020	4,265,000	2028	5,575,000
2021	6,580,000	2029	3,590,000
2022	6,580,000	2030	3,740,000
2023	6,580,000	2031	5,635,000
2024	6,575,000	2032	5,635,000
2025	6,570,000		

Term Bond Option

Bidders may designate in their proposal two or more consecutive annual principal payments as a term bond, which matures on the maturity date of the last annual principal payment of the sequence. Any term bond so designated shall be subject to mandatory sinking fund redemption in each year on the principal payment date and in the entire principal amount

for each annual principal payment designated for inclusion in such term bond. There is no limitation on the number of term bonds in the Bonds.

Optional Redemption Provisions

The Bonds maturing on or prior to July 15, 2027 shall not be subject to redemption prior to their respective maturity dates. The Bonds maturing on or after July 15, 2028 shall be subject to redemption prior to their respective maturity dates, on or after July 15, 2027 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 mailing by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the County, at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. However, so long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notices of Redemption shall be sent to such depository and shall not be sent to the beneficial owners of the Bonds, and will be done in accordance with DTC procedures. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the County determines to redeem a portion of the Bonds of a maturity, such Bonds shall be selected by lot. If Notice of Redemption has been given as described herein, the Bonds, or the portion thereof called for redemption, shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Payment shall be made upon surrender of the Bonds redeemed.

County College Bond Act

The County College Bonds, Series 2017 (County College Bond Act, P.L. 1971, c. 12) are entitled to the benefits of the County College Bond Act (N.J.S.A. 18A:64A-22.1 et seq.). Under the provisions of the County College Bond Act, the State shall appropriate annually and pay an amount equal to the amount of principal and interest due on the bonds entitled to the provisions of the County College Bond Act. The amounts paid by the State pursuant to said Act are paid directly to the paying agent for the bonds and therefore must be used for the payment of the principal of and interest on said bonds. Any bonds or notes entitled to the benefits of the County College Bond Act shall not be deemed to be a debt or liability of the State or a pledge of the faith and credit of the State, but are dependent for repayment upon appropriations provided by law from time to time.

New Jersey School Bond Reserve Act

The County Vocational School Bonds, Series 2017 (New Jersey School Bond Reserve Act, P.L. 1980, c.72) also will be secured by the School Bond Reserve (the "School Bond Reserve") established in the Fund for the Support of Free Public Schools of the State of New Jersey (the "Fund") and in accordance with the New Jersey School Bond Reserve Act, P.L. 1980 Ch. 72, approved July 16, 1980 (the "New Jersey School Bond Reserve Act").

Book-Entry-Only System

As long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly to Cede & Co., as nominee of DTC, which will credit payments of principal of and interest on the Bonds to the DTC participants as listed in the records of DTC as of each next preceding January 1 and July 1, respectively (the “Record Dates” for payment of interest on the Bonds), which participants will in turn credit such payments to the beneficial owners of the Bonds.

All Bidders of the Bonds must be participants of The Depository Trust Company, New York, New York (“DTC”) or affiliated with its participants. The Bonds will be issued in fully registered form, and when issued will be registered in the name of and held by Cede & Co., as the registered owner thereof and nominee for DTC, an automated depository for securities and clearinghouse for securities transactions.

Individual purchases of beneficial ownership interests in the Bonds will be made in book-entry form (without certificates) in the denomination of \$5,000 each or any integral multiple thereof. It shall be the obligation of the Successful Bidder to furnish to DTC an underwriter’s questionnaire and the denomination of the Bonds not less than seventy-two (72) hours prior to the delivery of the Bonds.

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

Electronic Bidding Procedures

Bids may be submitted electronically via PARITY in accordance with this Notice of Sale, until 10:45 a.m., New York City time, on December 7, 2017, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY, potential bidders may contact PARITY at (212) 849-5021. In the event that a bid for the Bonds is submitted via PARITY, the bidder further agrees that:

1. The County may regard the electronic transmission of the bid through PARITY (including information about the purchase price of the Bonds, the interest rate or rates to be borne by the various maturities of the Bonds, the initial public offering price of each maturity and any other information included in such transmission) as though the same information were submitted directly to the County and executed by a duly authorized signatory of the bidder. If a bid submitted electronically by PARITY is accepted by the County, the terms of the Proposal for Bonds and this Notice of Sale and the information that is electronically transmitted through PARITY shall form a contract, and the Successful Bidder shall be bound by the terms of such contract.

2. PARITY is not an agent of the County, and the County shall have no liability whatsoever based on any bidder's use of PARITY, including but not limited to any failure by PARITY to correctly or timely transmit information provided by the County or information provided by the bidder.

3. The County may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via TM3 News Services, or by other available means, no later than 3:00 p.m. (New York City Time) on the last business date prior to the bid date set forth above.

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

5. Each bidder choosing to bid electronically shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the County nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure access to any qualified prospective bidder, and neither the County nor Parity shall be responsible for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by PARITY. The County is using PARITY as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds. By using PARITY, each bidder agrees to hold the County harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

Bid Specifications

Each Proposal submitted must name the rate or rates of interest per annum to be borne by the Bonds bid for and the rate or rates named must be multiples of one-eighth or one-twentieth of one per centum. Not more than one rate may be named for Bonds of the same maturity. There is no limitation on the rates that may be named. No interest rate bid may exceed five percent (5.00%). No bond of any maturity may be reoffered at a price less than one hundred percent (100%) of the principal amount of such bond. Each Proposal submitted must be for all of the Bonds and the purchase price specified in the proposal must be not less than one hundred percent (100%) of the aggregate par value of the Bonds.

Award, Delivery and Payment

The Bonds will be awarded to the bidder on whose bid the total loan may be made at the lowest true interest cost. Such true interest cost shall be computed, as to each bid, by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds and the price bid, excluding accrued interest to the delivery date. No Proposal shall be considered that offers to pay an amount less than the principal amount of Bonds offered for sale or under which the total loan is made at an

interest cost higher than the lowest true interest cost to the County under any legally acceptable proposal. If two or more such bidders offer to pay the lowest true interest cost, then the Bonds will be sold to one of such bidders selected by lot from among all such bidders. The bidder to which the Bonds are awarded (in the manner specified above) is herein referred to as the "Successful Bidder."

It is expected that delivery of the Bonds to DTC and payment for the Bonds will take place on or about, December 28, 2017 at the offices of Gibbons P.C., bond counsel to the County ("Bond Counsel"), in Newark, New Jersey or at such other place as may be agreed upon with the Successful Bidder. The Bonds will be delivered to DTC in single denominations for each maturity of each type of bond. PAYMENT FOR THE BONDS AT THE TIME OF ORIGINAL ISSUANCE AND DELIVERY SHALL BE IN IMMEDIATELY AVAILABLE FUNDS.

Change of Bid Date and Closing Date

The County reserves the right to postpone, from time to time, the date established for the receipt of bids and will undertake to notify registered prospective Bidders via notification published on Thomson Municipal Market Monitor ("TM3") (www.tm3.com). Prospective Bidders may request notification by facsimile transmission of any such changes in the date or time for the receipt of bids by so advising, and furnishing their telecopier numbers to Public Resources Advisory Group at (212) 566-7800 by 12:00 Noon, New York City time, on the day prior to the announced date for receipt of bids. In addition, the County reserves the right to make changes to this Notice of Sale. Such changes will be announced on the TM3.

A postponement of the bid date will be announced via TM3 not later than 10:45 a.m., New York City time, on the last business day prior to any announced date for receipt of bids, and an alternative sale date and time will be announced via TM3 by Noon, New York City time, not less than forty-eight (48) hours prior to such alternative date for receipt of bids.

On any such alternative date and time for receipt of bids, the County will accept electronic bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time for receipt of bids and any other changes announced via TM3 at the time the date and time for receipt of bids are announced.

Right To Reject Bids; Waive Irregularities

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

Good Faith Deposit

A good faith deposit (the "Deposit"), in the form of an electronic transfer of immediately available federal funds in accordance with the wiring instructions contained in the immediately

succeeding paragraph, in the amount of \$1,690,600 is required for each bid for the Bonds to be considered.

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

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

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

Bond Insurance

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

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for the failure or refusal of the Successful Bidder to accept delivery of and pay for the Bonds. The CUSIP Service Bureau charges for the assignment of CUSIP numbers on

the Bonds shall be the responsibility of and shall be paid for by the Successful Bidder. **THREE SERIES OF CUSIP NUMBERS WILL BE ASSIGNED TO THE BONDS AS FOLLOWS: (1) ONE SERIES OF CUSIP NUMBERS WILL BE ASSIGNED TO THE COUNTY VOCATIONAL SCHOOL BONDS, SERIES 2017 (NEW JERSEY SCHOOL BOND RESERVE ACT, P.L. 1980, C.72); (2) A SEPARATE SERIES OF CUSIP NUMBERS WILL BE ASSIGNED TO THE COUNTY COLLEGE BONDS, SERIES 2017 (COUNTY COLLEGE BOND ACT, P.L. 1971, C. 12); AND (3) A SEPARATE SERIES OF CUSIP NUMBERS WILL BE ASSIGNED TO THE GENERAL IMPROVEMENT BONDS, SERIES 2017, RECLAMATION CENTER UTILITY BONDS, SERIES 2017 AND COUNTY COLLEGE BONDS, SERIES 2017.**

Establishment of Issue Price

Matters relating to the “issue price” of the Bonds, including the form of certificate to be delivered by the Successful Bidder to the County, are set forth in Exhibit A attached hereto.

Legal Opinions

The obligations hereunder to pay for and to accept delivery of the Bonds shall be conditioned on the availability and the delivery at the time of delivery of the Bonds of the approving opinion of the law firm of Gibbons P.C., Newark, New Jersey, bond counsel to the County, which will be furnished without cost to the Successful Bidder, substantially in the form set forth in the Official Statement distributed in preliminary form in connection with the sale of the Bonds. Such opinion shall state to the effect that the Bonds are valid and legally binding obligations of the County, and that all the taxable property therein will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, to pay the principal of the Bonds and the interest thereon; and will also state that under existing law, interest on the Bonds is excluded from gross income for purposes of Federal income taxation. The obligations hereunder to pay for and to accept delivery of the Bonds shall be further conditioned on the availability and delivery to the Successful Bidder, at the time of delivery of the Bonds, of (i) certificates from the County Finance Director in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds, the receipt of payment therefor and the fact the Bonds will not be arbitrage obligations within the meaning of the Code; (ii) a certificate from the County Attorney, in form and tenor satisfactory to Bond Counsel and dated as of the date of such delivery, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened affecting the validity of the Bonds; and (iii) a certificate from the County Finance Director, in form and tenor satisfactory to Bond Counsel and dated as of the date of such delivery, to the effect that to the best of his knowledge of such and belief, and after reasonable investigation: (1) neither the Official Statement relating to the Bonds nor any amendment, or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading; (2) since the date of the Official Statement (or the date of the most recent amendment or supplement thereto) no event has occurred which would make the statements therein untrue or, in the light of the circumstances in which they were made, misleading, and (3) there has not been any material adverse change in the operation or financial affairs of the County since the date of such Official Statement.

Preliminary Official Statement

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

The Preliminary Official Statement may be accessed via the Internet at www.i-dealprospectus.com. A printed version is also available upon request made to the Director of Finance of the County at One East Main Street, Finance Department, Freehold, New Jersey 07728-1256 (telephone (732) 431-7391), or from the County’s financial advisor, Public Resources Advisory Group, 39 Broadway, Suite 1210, New York, New York 10006 (telephone (212) 566-7800).

Official Statement

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

Continuing Disclosure

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

Craig R. Marshall
Director of Finance

Dated: November 28, 2017

EXHIBIT A

Establishment Of Issue Price

The Successful Bidder shall assist the County of Monmouth, New Jersey (the “Issuer”) in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate, substantially in the forms attached hereto as Appendices A or B, setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Successful Bidder, the Issuer and Bond Counsel. All actions to be taken by the County under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the County by the County’s municipal advisor identified herein and any notice or report to be provided to the County may be provided to the County’s municipal advisor.

(a) The Issuer intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because: (1) the Issuer shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters; (2) all bidders shall have an equal opportunity to bid; (3) the Issuer may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds and notes; and (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. By submitting a bid, bidders are deemed to have certified that they have an established industry reputation as a regular purchaser or underwriter of tax-exempt obligations such as the Bonds.

In the event that the Competitive Sale Requirements are satisfied, the Successful Bidder must complete Appendix A attached hereto.

(b) In the event that the Competitive Sale Requirements are not satisfied, the Issuer shall so advise the Successful Bidder. The Issuer shall treat the first price at which 10% of a Maturity of the Bonds (the “10% Test”) is sold to the Public as the issue price of that Maturity, applied on a Maturity-by-Maturity basis (and if different interest rates apply within a Maturity, to each separate CUSIP number within that Maturity). The Successful Bidder shall advise the Issuer if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. The Issuer will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the Public as of the sale date of any Maturity of the Bonds as the issue price of that Maturity. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% Test in order to establish the issue price of the Bonds.

If Competitive Sale requirements are not satisfied, then until the 10% Test has been satisfied as to each Maturity of the Bonds, the Successful Bidder agrees to promptly report to the Issuer the prices at which the unsold Bonds of that Maturity have been sold to the Public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% Test has been satisfied as to the Bonds of that Maturity or until all Bonds of that Maturity have been sold. The Successful Bidder shall provide the Issuer, Bond Counsel and the Issuer's financial advisor (if any) with certificates substantially in the form of Appendix B hereto. If the 10% Test is not met by the Closing Date, a Supplemental Issue Price Certificate must be provided.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the Successful Bidder that either the 10% Test has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public, if and for so long as directed by the Successful Bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each Maturity allotted to it until it is notified by the Successful Bidder or such underwriter that either the 10% Test has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public, if and for so long as directed by the Successful Bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale: (a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different Maturity dates, or Bonds with the same Maturity date but different stated interest rates, are treated as separate Maturities; (b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly; (c) *Sale Date* means the first day on which the Bonds are awarded by the Issuer to the Successful Bidder. The Sale Date of the Bonds is December 7, 2017; (d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

APPENDIX A

Issue Price Certificate Competitive Sale Form - Bonds

County of Monmouth, New Jersey (the “Issuer”)
GENERAL OBLIGATION BONDS, SERIES 2017
Consisting of
\$65,995,000 General Improvement Bonds, Series 2017
\$4,530,000 Reclamation Center Utility Bonds, Series 2017
\$7,105,000 County Vocational School Bonds, Series 2017
(New Jersey School Bond Reserve Act, P.L. 1980, c.72)
\$3,650,000 County College Bonds, Series 2017
and
\$3,250,000 County College Bonds, Series 2017
(County College Bond Act, P.L. 1971, c. 12)

The undersigned, on behalf of _____ (the “SHORT NAME OF UNDERWRITER”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. Reasonably Expected Initial Offering Price

(a) As of the Sale Date, the reasonably expected initial offering prices and yields of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices and yields listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bids to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. Defined Terms

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity dated but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this

certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [ISSUE DATE].

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Gibbons P.C., Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service's Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Very truly yours,

[UNDERWRITER]

Dated: [Issue Date]

By: _____
(Duly Authorized Officer)

SCHEDULE A
EXPECTED OFFERING PRICES AND YIELDS

SCHEDULE B

COPY OF UNDERWRITER'S BID
(Attached)

APPENDIX B

Issue Price Certificate
Actually Sold Form - Bonds

County of Monmouth, New Jersey (the "Issuer")
GENERAL OBLIGATION BONDS, SERIES 2017

Consisting of
\$65,995,000 General Improvement Bonds, Series 2017
\$4,530,000 Reclamation Center Utility Bonds, Series 2017
\$7,105,000 County Vocational School Bonds, Series 2017
(New Jersey School Bond Reserve Act, P.L. 1980, c.72)
\$3,650,000 County College Bonds, Series 2017
and
\$3,250,000 County College Bonds, Series 2017
(County College Bond Act, P.L. 1971, c. 12)

The undersigned, on behalf of _____ (the "SHORT NAME OF UNDERWRITER"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. **Sale of the Bonds.** [As of the date of this certificate, the Underwriter has not sold at least 10% of all Maturities of the Bonds at a single price and agrees once it has sold at least 10% of all Maturities of the Bonds at a single price, it will provide a Supplemental Issue Price Certificate to the County and Bond Counsel]. [As of the date of this certificate, for each Maturity of the Bonds, the first price and yield at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price and yield listed in Schedule A.]

2. **Defined Terms**

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity dated but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person that agrees pursuant to a written contact with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public

(including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Gibbons P.C., Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service's Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Very truly yours,

[UNDERWRITER]

Dated: [Issue Date]

By: _____
(Duly Authorized Officer)

SCHEDULE A
SALE PRICES AND YIELDS

APPENDIX D

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

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December __, 2017

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 \$84,530,000 aggregate principal amount of General Obligation Bonds, Series 2017, consisting of \$65,995,000 General Improvement Bonds, Series 2017 (the "Series 2017A Bonds"), \$4,530,000 Reclamation Center Utility Bonds, Series 2017 (the "Series 2017B Bonds"), \$7,105,000 County Vocational School Bonds, Series 2017 (New Jersey School Bond Reserve Act, P.L. 1980, c. 72) (the "Series 2017C Bonds"), \$3,650,000 County College Bonds, Series 2017 (the "Series 2017D Bonds") and \$3,250,000 County College Bonds, Series 2017 (County College Bond Act, P.L. 1971, c. 12) (the "Series 2017E Bonds", and together with the Series 2017A Bonds, the Series 2017B Bonds, the Series 2017C Bonds and the Series 2017D Bonds, the "Series 2017 Bonds"), dated the date of delivery (collectively, the "Bonds").

The Bonds are issued pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the New Jersey Statutes (the "Local Bond Law"), and where appropriate, Title 18A, Education of the New Jersey Statutes, as amended (the "Education Law"), a resolution of the Board of Chosen Freeholders adopted on December November 21, 2017 (the "Resolution") and by virtue of various bond ordinances of the County (the "Bond Ordinances").

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

<u>Year</u>	<u>Series 2017A Bonds</u>	<u>Series 2017B Bonds</u>	<u>Series 2017C Bonds</u>	<u>Series 2017D Bonds</u>	<u>Series 2017E Bonds</u>
2018	\$2,545,000	\$305,000	\$305,000	\$145,000	\$325,000
2019	5,060,000	305,000	475,000	285,000	325,000
2020	3,185,000	305,000	305,000	145,000	325,000
2021	5,060,000	305,000	605,000	285,000	325,000
2022	5,060,000	305,000	605,000	285,000	325,000
2023	5,060,000	305,000	605,000	285,000	325,000
2024	5,060,000	300,000	605,000	285,000	325,000
2025	5,060,000	300,000	600,000	285,000	325,000
2026	5,060,000	300,000	600,000	280,000	325,000
2027	5,060,000	300,000	600,000	280,000	325,000
2028	4,530,000	300,000	600,000	145,000	-
2029	2,545,000	300,000	600,000	145,000	-
2030	2,600,000	300,000	600,000	240,000	-
2031	5,055,000	300,000	-	280,000	-
2032	5,055,000	300,000	-	280,000	-

The Bonds are subject to redemption prior to maturity.

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

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

1. The aforementioned proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to the Local Bond Law, the Education Law and other applicable provisions of law, and that the Bonds have been duly authorized, executed and delivered and are valid and legally binding obligations of the County.

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

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

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

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

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

Our opinion concerning the enforceability of the Bonds is subject to federal and state laws regarding bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and remedies generally (including, without limitation, laws relating to fraudulent conveyance, and by general principles of law and equity (regardless of whether enforcement is considered or sought in proceedings at law or in equity) and by limitation on

Board of Chosen Freeholders
County of Monmouth
December __, 2017
Page 4

remedial rights under applicable law). Their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

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

Very truly yours,