

**New Issue**

**Ratings:** See "Ratings" herein

In the opinion of Bond Counsel, assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") applicable to the Tax-Exempt Bonds (as defined herein) and subject to certain provisions of the Code which are described herein, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Tax-Exempt Bonds, interest received by a holder of the Tax-Exempt Bonds will be excludable from gross income for federal income tax purposes. However, interest on the Tax-Exempt Bonds may become taxable retroactively if certain requirements under the Code are not complied with. Interest received by a holder of the Tax-Exempt Maturities, the Chapter 12 Bonds and the College Bonds (as defined herein) will not be treated as a preference item for purposes of the alternative minimum tax imposed on individuals and corporations. For corporate holders, interest on the Refunding Bonds (as defined herein) will be taken into account in the calculation of such holders' alternative minimum tax liability. No opinion is being rendered with respect to the Federal income tax treatment applicable to the Taxable Maturities (as defined herein). Under the laws of the State of New Jersey, as enacted and construed on the date of the original delivery of the Bonds, interest on the Bonds and gain from the sale thereof is excludable from gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein for a description of certain other provisions of the Code that may affect the federal tax treatment of interest on the Bonds.

**\$91,090,000  
COUNTY OF OCEAN, NEW JERSEY**

**\$31,090,000\* GENERAL IMPROVEMENT BONDS, SERIES 2010**

**(Option offered to bid as Tax-Exempt Maturities or as Taxable Maturities to be designated as  
"Build America Bonds (Direct Payment)" – See Notice of Sale herein)**

**\$43,830,000\* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010**

**\$15,000,000\* GENERAL IMPROVEMENT BONDS  
(OCEAN COUNTY COLLEGE-GATEWAY BUILDING PROJECT), SERIES 2010**

**\$1,170,000\* COLLEGE CAPITAL IMPROVEMENT BONDS, SERIES 2010**

**(BOOK-ENTRY ONLY ISSUES)**

Dated: Date of Delivery

Due: August 1, as shown on the inside cover

The \$31,090,000\* principal amount of the County of Ocean, New Jersey (the "County") General Improvement Bonds, Series 2010 (the "General Improvement Bonds"), \$15,000,000\* principal amount of General Improvement Bonds (Ocean County College-Gateway Building Project), Series 2010 (the "College Bonds"), \$1,170,000\* College Capital Improvement Bonds, Series 2010 (the "Chapter 12 Bonds") and together with the General Improvement Bonds and the College Bonds, the "2010 Bonds") and \$43,830,000\* principal amount of General Obligation Refunding Bonds, Series 2010 (the "Refunding Bonds" and together with the 2010 Bonds, the "Bonds") shall be issued in the form of one Bond certificate for the aggregate principal amount of Bonds of each series maturing in each year. The General Improvement Bonds maturing in the years \_\_\_\_\_ to \_\_\_\_\_, inclusive are issued as tax exempt obligations of the County under the Internal Revenue Code of 1986, as amended (the "Code") and are referred to herein as "Tax-Exempt Maturities". The General Improvement Bonds maturing in the years \_\_\_\_\_ to \_\_\_\_\_, inclusive are issued as taxable obligations of the County and are referred to herein as "Taxable Maturities". The County intends to make an irrevocable election to treat the Taxable Maturities as "Build America Bonds (Direct Payment)" under Section 54AA of the Code. When issued, the Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as security depository (the "Securities Depository"). The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interest of its participants or the transfers of the interest among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interest in the Bonds on behalf of the individual purchasers. Individual purchases may be made in the principal amount of \$5,000 or any multiple thereof through book entries made on the books and records of DTC and its participants. Individual purchasers of the Bonds will not receive certificates representing their beneficial ownership interest in the Bonds, but each book-entry Bond owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Bonds purchased (See "BOOK-ENTRY-ONLY TRANSFER SYSTEM FOR THE BONDS" herein).

The General Improvement Bonds, the College Bonds and the Refunding Bonds maturing on or after August 1, 2020 are subject to redemption prior to maturity as more fully described herein. (See "Description of Bonds – Optional Redemption Provisions" herein).

The Chapter 12 Bonds are not subject to optional redemption prior to maturity.

Interest on the Bonds will be payable on February 1, 2011 and semiannually thereafter on the 1<sup>st</sup> day of February and August in each year until maturity. Principal and interest on the Bonds will be paid to the Securities Depository by the County of Ocean, New Jersey (the "County"). Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each preceding January 15 and July 15 (the "Record Dates" for the payment of interest on the Bonds).

The Bonds are general obligations of the County. The County is authorized and required by law to levy *ad valorem* taxes upon all taxable real property within the County for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

The Chapter 12 Bonds are further entitled to the benefits of the County College Bond Act, Chapter 12 of the laws of New Jersey of 1971, as amended and supplemented, which provides that the principal and interest on the Chapter 12 Bonds will be paid by the State of New Jersey. However, bonds issued under the provisions of the County College Bond Act shall not be deemed obligations of the State of New Jersey.

**FOR THE MATURITY SCHEDULES, SEE THE INSIDE FRONT COVER HEREOF**

**ELECTRONIC PROPOSALS SUBMITTED VIA THE PARITY ELECTRONIC BID SYSTEM WILL BE ACCEPTED ON TUESDAY, JULY 27, 2010 UNTIL 10:00 A.M. FOR THE REFUNDING BONDS, UNTIL 10:30 A.M. FOR THE GENERAL IMPROVEMENT BONDS, UNTIL 10:45 A.M. FOR THE COLLEGE BONDS AND UNTIL 11:00 A.M. FOR THE CHAPTER 12 BONDS. FOR MORE INFORMATION ON HOW TO BID, PLEASE REFER TO THE ENCLOSED NOTICES OF SALE.**

The Bonds are offered when, as and if issued and subject to the approving legal opinion of GluckWalrath LLP, Trenton, New Jersey. The Bonds will be available for delivery in definitive form through DTC in New York, New York on or about August 11, 2010.

Date: \_\_\_\_\_

\*Preliminary, subject to change

THIS PRELIMINARY OFFICIAL STATEMENT AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO COMPLETION AND AMENDMENT. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

**\$31,090,000\* General Improvement Bonds, Series 2010**

<u>Maturity</u> <u>August 1</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>Cusip</u>	<u>Maturity</u> <u>August 1</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>Cusip</u>
2011	\$1,215,000				2021	\$1,470,000			
2012	1,210,000				2022	1,535,000			
2013	1,220,000				2023	1,605,000			
2014	1,235,000				2024	1,680,000			
2015	1,250,000				2025	1,760,000			
2016	1,275,000				2026	1,850,000			
2017	1,300,000				2027	1,940,000			
2018	1,330,000				2028	2,040,000			
2019	1,370,000				2029	2,145,000			
2020	1,405,000				2030	2,255,000			

**\$43,830,000\* General Obligation Refunding Bonds, Series 2010**

<u>Maturity</u> <u>August 1</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>Cusip</u>	<u>Maturity</u> <u>August 1</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>Cusip</u>
2011	\$ 575,000				2018	\$5,475,000			
2012	1,975,000				2019	5,700,000			
2013	3,240,000				2020	3,820,000			
2014	4,850,000				2021	1,985,000			
2015	3,310,000				2022	2,060,000			
2016	3,350,000				2023	2,165,000			
2017	5,325,000								

**\$15,000,000\* General Improvement Bonds (Ocean County College–Gateway Building Project) Series 2010**

<u>Maturity</u> <u>August 1</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>Cusip</u>	<u>Maturity</u> <u>August 1</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>Cusip</u>
2011	\$610,000				2021	\$ 730,000			
2012	610,000				2022	755,000			
2013	615,000				2023	780,000			
2014	620,000				2024	805,000			
2015	630,000				2025	835,000			
2016	640,000				2026	865,000			
2017	655,000				2027	895,000			
2018	670,000				2028	925,000			
2019	690,000				2029	960,000			
2020	710,000				2030	1,000,000			

**\$1,170,000\* College Capital Improvement Bonds, Series 2010**

<u>Maturity</u> <u>August 1</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>Cusip</u>	<u>Maturity</u> <u>August 1</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>Cusip</u>
2011	\$235,000				2014	\$235,000			
2012	235,000				2015	230,000			
2013	235,000								

\*Preliminary, subject to change

# **COUNTY OF OCEAN, NEW JERSEY**

## **BOARD OF CHOSEN FREEHOLDERS**

**James F. Lacey**  
**Director**

**John P. Kelly**  
**Deputy Director**

**John C. Bartlett, Jr.**  
**Freeholder**

**Gerry P. Little**  
**Freeholder**

**Joseph H. Vicari**  
**Freeholder**

## **COUNTY ADMINISTRATION**

**Carl W. Block**  
**County Administrator**

**Betty Vasil**  
**Clerk of the Board of Chosen Freeholders**

**Julie N. Tarrant**  
**Comptroller & Chief Financial Officer**

**Ralph B. Patterson**  
**Management & Budget Director**

**David J. McKeon**  
**Planning Director**

## **PROFESSIONAL SERVICES**

**William E. Antonides, C.P.A., R.M.A.**  
**County Auditor**

**John C. Sahradnik, Esquire**  
**County Counsel**

**GluckWalrath LLP**  
**Bond Counsel**

**Public Financial Management, Inc.**  
**Financial Advisor**

No dealer, broker, salesperson or other person has been authorized by the County to give any information or to make any representation, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

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## OFFICIAL STATEMENT

**\$91,090,000**

**COUNTY OF OCEAN, NEW JERSEY**

**\$31,090,000\* GENERAL IMPROVEMENT BONDS, SERIES 2010**

**(Option offered to bid as Tax-Exempt Maturities or as Taxable Maturities to be designated as “Build America Bonds (Direct Payment)” –See Notice of Sale herein)**

**\$43,830,000\* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010**

**\$15,000,000\* GENERAL IMPROVEMENT BONDS (OCEAN COUNTY COLLEGE-GATEWAY BUILDING PROJECT), SERIES 2010**

**\$1,170,000\* COLLEGE CAPITAL IMPROVEMENT BONDS, SERIES 2010**

### INTRODUCTION

This Official Statement which includes the cover page and the appendices has been prepared by the County of Ocean (the “County”) in the State of New Jersey (the “State”) and provides certain information regarding the financial and economic condition of the County in connection with the sale of \$31,090,000\* of its General Improvement Bonds, Series 2010 (the “General Improvement Bonds”), \$15,000,000\* of its General Improvement Bonds (Ocean County College-Gateway Building Project), Series 2010 (the “College Bonds”), \$1,170,000\* College Capital Improvement Bonds, Series 2010 (the “Chapter 12 Bonds” and together with the General Improvement Bonds and the College Bonds, the “2010 Bonds”) and \$43,830,000\* of its General Obligation Refunding Bonds Series 2010 (the “Refunding Bonds” and together with the 2010 Bonds, the “Bonds”). The General Improvement Bonds maturing in the years \_\_\_\_\_ to \_\_\_\_\_, inclusive (the “Tax-Exempt Maturities”) are issued as tax exempt obligations of the County under the Internal Revenue Code of 1986, as amended (the “Code”). The Tax-Exempt Maturities, together with the College Bonds and the Chapter 12 Bonds, are hereinafter referred to as the “Tax Exempt Bonds.” The General Improvement Bonds maturing in the years \_\_\_\_\_ to \_\_\_\_\_, inclusive (the “Taxable Maturities”) are issued as taxable obligations of the County and the County is electing to treat the Taxable Maturities as “Build America Bonds (Direct Payment)” under Sections 54AA and 6431 of the Code.

### DESCRIPTION OF BONDS

The General Improvement Bonds are dated the date of delivery and will mature in the following principal amounts on August 1 in each of the following years:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2011	\$1,215,000	2021	\$1,470,000
2012	1,210,000	2022	1,535,000
2013	1,220,000	2023	1,605,000
2014	1,235,000	2024	1,680,000
2015	1,250,000	2025	1,760,000
2016	1,275,000	2026	1,850,000
2017	1,300,000	2027	1,940,000
2018	1,330,000	2028	2,040,000
2019	1,370,000	2029	2,145,000
2020	1,405,000	2030	2,255,000

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\* Preliminary, subject to change

The Refunding Bonds are dated the date of delivery and will mature in the following principal amounts on August 1 in each of the following years:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2011	\$ 575,000	2018	\$ 5,475,000
2012	1,975,000	2019	5,700,000
2013	3,240,000	2020	3,820,000
2014	4,850,000	2021	1,985,000
2015	3,310,000	2022	2,060,000
2016	3,350,000	2023	2,165,000
2017	5,325,000		

The College Bonds are dated the date of delivery and will mature in the following principal amounts on August 1 in each of the following years:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2011	\$ 610,000	2021	\$ 730,000
2012	610,000	2022	755,000
2013	615,000	2023	780,000
2014	620,000	2024	805,000
2015	630,000	2025	835,000
2016	640,000	2026	865,000
2017	655,000	2027	895,000
2018	670,000	2028	925,000
2019	690,000	2029	960,000
2020	710,000	2030	1,000,000

The Chapter 12 Bonds are dated the date of delivery and will mature in the following principal amounts on August 1 in each of the following years:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2011	\$ 235,000	2014	\$ 235,000
2012	235,000	2015	230,000
2013	235,000		

The Bonds shall be issued in the form of one bond certificate for the aggregate principal amount of Bonds of each series maturing in each year.

When issued, the Bonds of each series will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, (“DTC”), which will act as securities depository (the “Securities Depository”). The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interest of its participants or the transfers of the interest among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchasers. Individual purchases may be made in the principal amount of \$5,000 or any multiple thereof through book entries made on the book and records of DTC and its participants. Individual purchasers of the Bonds will not receive certificates representing their beneficial ownership interests in the Bonds, but each book-entry Bond owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Bonds purchased. (See “BOOK-ENTRY-ONLY TRANSFER SYSTEM FOR THE BONDS” herein).

Interest on the Bonds will be payable on February 1, 2011 and semiannually thereafter on the 1<sup>st</sup> day of February and August in each year until maturity. Principal and interest on the Bonds will be paid to the Securities Depository by the County. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each preceding January 15 and July 15 (the “Record Dates”) for the payment of interest on the 2010 Bonds.

## **Taxable Maturities As “Build America Bonds”**

The American Recovery and Reinvestment Act of 2009 (the “Recovery Act”) permits the County to issue the Taxable Maturities as “Build America Bonds” to finance capital expenditures for which it could issue tax-exempt bonds, and to elect to receive payments from the federal government equal to 35% of the corresponding interest payable on such Taxable Maturities (the “Build America Payments”). Such Build America Payments are not pledged to the payment of the Taxable Maturities. Build America Payments for the Taxable Maturities would be paid to the County and therefor the holders of Taxable Maturities would not be entitled to a tax credit.

## **Redemption Provisions**

The Chapter 12 Bonds are not subject to optional redemption prior to maturity.

The General Improvement Bonds (including both the Tax-Exempt Maturities and the Taxable Maturities), the College Bonds and the Refunding Bonds maturing prior to August 1, 2020 are not subject to redemption prior to maturity. The General Improvement Bonds, the College Bonds and the Refunding Bonds maturing on or after August 1, 2020 may be redeemed at the option of the County at any time on or after August 1, 2019, in whole or in part, from such maturities as the County shall determine and by lot within a single maturity, at the respective redemption price of 100% of the principal amount to be redeemed together with unpaid interest accrued to the redemption date.

The Taxable Maturities shall also be subject to redemption prior to their stated maturity dates, in whole or in part on any date, in any order of maturity, at the option of the County, upon the occurrences of an Extraordinary Event, as defined below, at a redemption price (the “Extraordinary Optional Redemption Price”) equal to the greater of :

- (1) the issue price set forth on the inside cover page of the Official Statement (but not less than 100%) of the principal amount of such Taxable Maturities to be redeemed; or
- (2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Taxable Maturities to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Taxable Maturities are to be redeemed, discounted to the date on which such Taxable Maturities are to be redeemed on a semi-annual basis, assuming a 360 day year consisting of twelve 30 day months, at the Treasury Rate, described below, plus 100 basis points; plus, in each case, accrued interest on such Taxable Maturities to be redeemed to the date fixed for redemption.

An “Extraordinary Event” will have occurred if the County determines that a material adverse change has occurred to Section 54AA or 6431 of the Code (as such Sections were added by Section 1531 of the American Recovery and Reinvestment Act of 2009, pertaining to “Build America Bonds”) or there is any guidance published by the Internal Revenue Service or the United States Department of the Treasury with respect to such Sections or any other determination by the Internal Revenue Service or the United States Department of the Treasury, which determination is not the result of an act or omission by the County to satisfy the requirements to qualify to receive the 35% cash subsidy payment from the United States Department of the Treasury, pursuant to which the County’s 35% cash subsidy payment from the United States Department of the Treasury is reduced or eliminated.

“Treasury Rate” means, with respect to any redemption date for a particular Taxable Maturity, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least 2 business days, but no more than 45 calendar days, prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Taxable Maturities to be redeemed; provided, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Notice of redemption shall be given by publication at least once in a publication printed in the English language devoted primarily to financial news or the subject of state and municipal bonds and published in the City of New York or in New Jersey, at least once not less than thirty (30) days or more than sixty (60) days prior to the redemption date. The County shall also mail or cause to be mailed a copy of such notice, postage prepaid, not less than twenty-five (25) days before such redemption date, to the registered owner of any bond all or a portion of which is to be redeemed, at his last address, if any, appearing upon the registry books kept by or on behalf of the County, but such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity or any proceedings for the redemption of bonds. For so long as the book-entry system remains in effect and the Bonds are registered in the name of DTC or its nominee, the County will not be responsible for mailing of notices of redemption to anyone other than to DTC. (See BOOK-ENTRY-ONLY TRANSFER SYSTEM FOR THE BONDS” herein.)



## PURPOSE OF THE GENERAL IMPROVEMENT BONDS AND CHAPTER 12 BONDS

The County plans to apply the proceeds derived from the sale of the General Improvement Bonds and the Chapter 12 Bonds to finance various capital projects consisting of, among others, facility improvements, acquisition of land, construction, reconstruction and resurfacing projects, all as authorized by the Bond Ordinances (collectively, the “Bond Ordinances”) described below. The County estimates that the average period of usefulness of these projects exceeds the life of the General Improvement Bonds and the Chapter 12 Bonds. The various projects financed by the General Improvement Bonds and the Chapter 12 Bonds are set forth in the table following this paragraph.

Ordinance Number	Date Adopted	Purpose	Amount of Bonds Authorized	Period of Usefulness	Bonds to be Issued
2008-16	5/21/08	Acquisition and installation of prefab inmate housing at Justice Complex and Corrections Facility	36,100,000	30	7,500,000
2009-1	3/4/09	Reconstruct and resurface certain County roads, Phase I	950,000	10	950,000
2009-4	3/4/09	Install new and upgraded traffic control devices	1,140,000	10	1,140,000
2009-17	6/3/09	Bridge rehabilitation and management	380,000	15	380,000
2009-23	9/2/09	Phase II replacement of the existing Airpark terminal bldg.	950,000	15	950,000
2010-1	3/3/10	Phase I reconstruction and resurfacing County roads	950,000	5	950,000
2010-2	3/3/10	Phase I acquisition of title, rights-of-way and/or easements for road, bridge and/or drainage	950,000	40	950,000
2010-4	3/3/10	Install new and upgraded traffic control devices	1,140,000	10	1,140,000
2010-7	4/21/10	Ocean County College infrastructure improvements	4,750,000	20	4,750,000
2010-9	4/21/10	Various capital improvements	3,990,000	10	3,990,000
2010-10	4/21/10	Phase II various engineering, road, bridge, drainage and dredging	2,470,000	20	2,470,000
2010-11	4/21/10	Reconstruction and design of various bridges	2,850,000	30	2,850,000
2010-14	5/19/10	Phase II acquisition of title, rights-of-way and/or easements for road, bridge and/or drainage	1,900,000	40	1,900,000
2010-15	5/19/10	OCC-College Capital renewal and replacement program Chapter 12	2,353,000	15	2,340,000
Totals			\$60,873,000		\$32,260,000

## **PURPOSE OF THE COLLEGE BONDS**

The College Bonds are being issued by the County pursuant to Bond Ordinance No. 2010-8 (the “College Ordinance”) to: (a) fund a loan to Ocean County College (“County College”) in Toms River, New Jersey, that will be used to pay a portion of the costs of construction of an approximately 75,000 square foot academic building (“Gateway Building”) on the campus of the County College, to be jointly used by the County College and Kean University (the “University”) (the “Project”); and (b) pay the costs of issuance with respect to the sale and delivery of the College Bonds.

The Project shall be constructed on a portion of an approximately 34 acre site (“Property”) owned by the County College. The County College has entered into a Lease Agreement with the Kean University Foundation, Inc. (the “Foundation”) dated as of \_\_\_\_\_, 2010 (“Ground Lease”), whereby the Foundation will lease fifty percent of the acreage of the Property (as more specifically defined in the metes and bounds description in the Ground Lease) from the County College, on which the Gateway Building will be constructed. The County College and the Foundation have entered into an Ownership and Operating Agreement, dated as of \_\_\_\_\_, 2010 (the “Operating Agreement”) governing the construction, ownership and operation of the Gateway Building, which provides that each party will finance fifty percent of the costs associated with the construction of the Gateway Building, and any other costs incurred for the Project.

The Foundation and the University will then enter into a Lease Agreement, dated as of \_\_\_\_\_, 2010 (the “Lease Agreement”) whereby the Foundation will lease its portion of the Gateway Building to the University.

## **PURPOSE OF THE REFUNDING BONDS**

### **General**

The County will apply the proceeds of the Refunding Bonds to (i) advance refund a portion of certain general improvement bonds previously issued by the County (collectively the “Prior Bonds”) and (ii) pay costs associated with the issuance of the Refunding Bonds. The Prior Bonds include the County’s General Improvement Bonds, Series 2001 maturing on August 1 of the years 2012-2019, its General Improvement Bonds, Series 2002 maturing on August 1, of the years 2014-2020 and its General Improvement Bonds, Series 2003 maturing on August 1, 2013-2023. The Prior Bonds are being refunded to achieve debt service savings.

### **Refunding Plan; Verification of Mathematical Accuracy**

A portion of the proceeds of the Refunding Bonds will be deposited into an escrow fund in accordance with the terms of an escrow agreement (the “Escrow Agreement”) to be dated the date of issuance of the Refunding Bonds between the County and Wells Fargo Corporate Trust Services, as escrow agent (the “Escrow Agent”). Pursuant to the Escrow Agreement, the Escrow Agent will apply such proceeds to the purchase of United States Treasury Securities – State and Local Government Series, the maturing principal of which along with interest thereon shall be sufficient to provide for the principal and redemption price of and interest on the Prior Bonds when due through their respective redemption dates. Holman & Frenia, P.C. of Toms River, New Jersey will verify the accuracy of the mathematical computations of the adequacy of the maturing principal amount of government securities, together with the interest thereon, to be deposited with the Escrow Agent for the Prior Bonds in order to provide for payment when due of the principal and redemption price of and interest on such Prior Bonds through their respective redemption dates.

## **SECURITY FOR THE BONDS**

In the opinion of Bond Counsel, the full faith and credit of the County is irrevocably pledged for the payment of the principal of the Bonds and the interest thereon. The Bonds and the interest thereon will be valid and binding obligations of the County and, unless paid from other sources, are payable from ad valorem taxes levied upon all the taxable real property within the County without limitation as to rate or amount. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights or remedies now existing or hereafter enacted.

### **Additional Security for the Chapter 12 Bonds**

The Chapter 12 Bonds are entitled to the benefits of the provision 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 County College Bond 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 Chapter 12 Bonds. The amount paid by the State pursuant to the County College Bond Act is paid directly to the paying agent for the Chapter 12 Bonds and therefore must be used for the payment of the principal of and interest on the Chapter 12 Bonds. 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 appropriation by law from time to time.

## **AUTHORIZATION**

The 2010 Bonds have been authorized and are to be issued pursuant to the laws of the State of New Jersey, including the Local Bond Law, constituting Chapter 2 of Title 40A of the New Jersey Statutes (the “Act”) and Chapter 12 of the Laws of 1971, effective January 28, 1971, and the acts amendatory thereof and supplemental thereto. The 2010 Bonds are authorized by the Bond Ordinances and the College Ordinance and by resolutions adopted by the Board of Chosen Freeholders of the County on July 7, 2010. The Bond Ordinances included in the sale of the 2010 Bonds were published in full after their adoption along with the statement that the twenty day period of limitation within which a suit, action or proceeding questioning the validity of the authorizing ordinances can be commenced began to elapse from the date of the first publication of such ordinances. 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 stopped from questioning the sale, execution or delivery of the Bonds by the County.

The Refunding Bonds have been authorized and are to be issued pursuant to the Act, a resolution adopted by the Board of Chosen Freeholders on July 7, 2010 and a refunding bond ordinance authorizing the issuance of up to \$45,000,000 in refunding bonds finally adopted by the Board of Chosen Freeholders of the County on June 2, 2010. By resolutions adopted on June, 9, 2010, the New Jersey Local Finance Board approved the issuance of the Refunding Bonds.

## **BOOK-ENTRY-ONLY TRANSFER SYSTEM FOR THE BONDS**

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal and interest, and other payments on the Bonds to DTC Participants or Beneficial Owners defined below, confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the County. Accordingly, the County does not make any representations concerning these matters.

DTC will act as securities depository for the Bonds. The 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 Bond certificate will be issued for each maturity of each series of the 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 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants” and, together with Direct Participants, “Participants”). DTC has Standard & Poor's highest rating: AAA. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct Participants' 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 Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all 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 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants or 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 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 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 in 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, the Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent, 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 Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates 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 that event, Bond certificates will be printed and delivered.

*UNLESS OTHERWISE NOTED, THE INFORMATION CONTAINED IN THE PRECEDING PARAGRAPHS OF THIS SUBSECTION "BOOK-ENTRY-ONLY SYSTEM" HAS BEEN OBTAINED FROM SOURCES THE COUNTY BELIEVES TO BE RELIABLE, BUT THE COUNTY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. THE COUNTY MAKES NO REPRESENTATIONS AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION, NOR AS TO THE ABSENCE OF ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF. THE COUNTY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY ANY DTC PARTICIPANT; (II) ANY NOTICE (INCLUDING ANY NOTICE OF REDEMPTION) THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO BOND OWNERS; (III) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL, PREMIUM (IF ANY) OR INTEREST DUE ON THE BONDS; (IV) THE SELECTION BY DTC OR DTC PARTICIPANTS OF ANY PERSON TO RECEIVE A PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY CEDE & CO., AS NOMINEE OF DTC, AND THE REGISTERED OWNER OF THE BONDS. THE RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.*

## COUNTY OF OCEAN

### General Information

Ocean County, the second largest county in the State of New Jersey with 634 square miles, is located in the east central area of the State along the Atlantic Ocean. The County has 45 miles of oceanfront and more than 150 miles of bay fronts and estuaries. Toms River, the County seat, is centrally located in the County 60 miles from New York City and 50 miles from Philadelphia. Toms River is also 50 miles from Atlantic City. The County is easily accessible from these metropolitan areas via the Garden State Parkway and major state roadways. By means of progressive land use planning and responsible capital improvement programming, the area has maintained residential, commercial and industrial growth while preserving the integrity of the existing Ocean County "quality of life" and the open space environment.

### Governmental Structure

The County is governed by a five member Board of Chosen Freeholders (the "Board") who are elected for terms of three years and who may succeed themselves. The structure of the Board represents the County-at-large. The Board operates under a form of government whereby each Freeholder is responsible for a major department of County government. Professional department heads in County government are appointed by the Board and are responsible to the chairman and the committee charged with a specific operation. The County follows the Civil Service merit system of employment and the Board abides by the regulations of the New Jersey Civil Service Commission.

County employees are enrolled in one of three State of New Jersey retirement systems. Contributions are made to the systems by both employer and employees. Effective July 1, 2008, the pension rate for the Public Employees Retirement System was increased to five and a half percent from five percent.

County employees are also enrolled in the Social Security system and are covered by the New Jersey State Health Benefits Plan, prescription drug plans, dental, vision care plans, workman's compensation, disability insurance and an optional deferred compensation plan.

Each year, with the assistance of a professional labor negotiator, the Board decides average salary increases for County employees. As of May 1, 2010, 10 of the 20 bargaining units representing County employees have executed contracts for 2010.

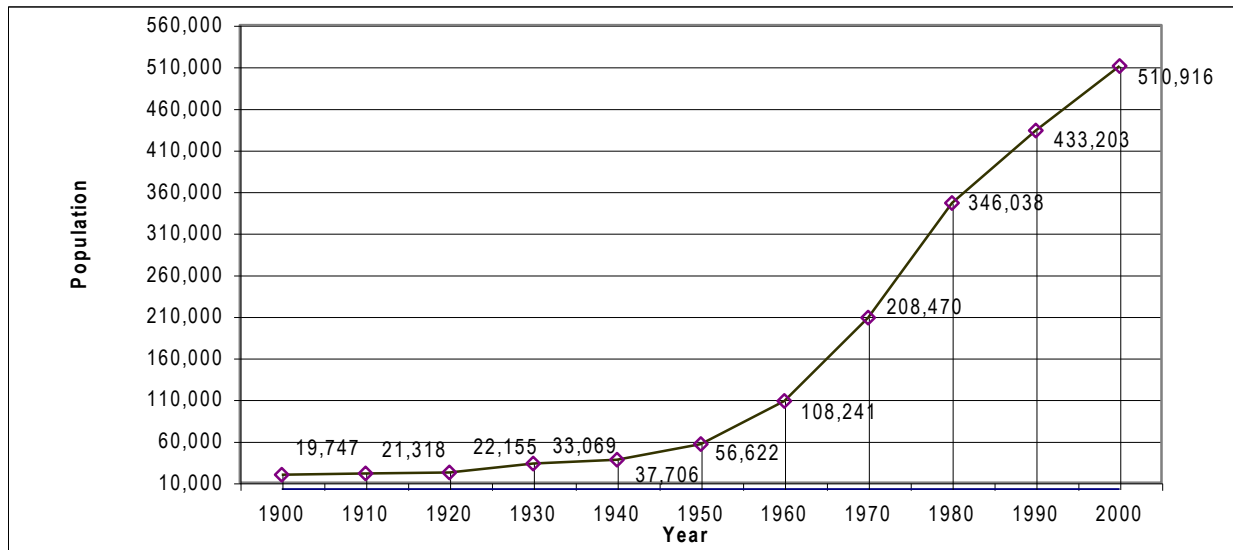
### Population

Dynamic, orderly population growth trends continue to characterize the County's economy. While the County has traditionally been noted as a resort, tourist, and vacation area with dozens of famous resort communities along its coast and on its off-shore barrier beach islands following the coastline, the County has changed dramatically in the past 25 years.

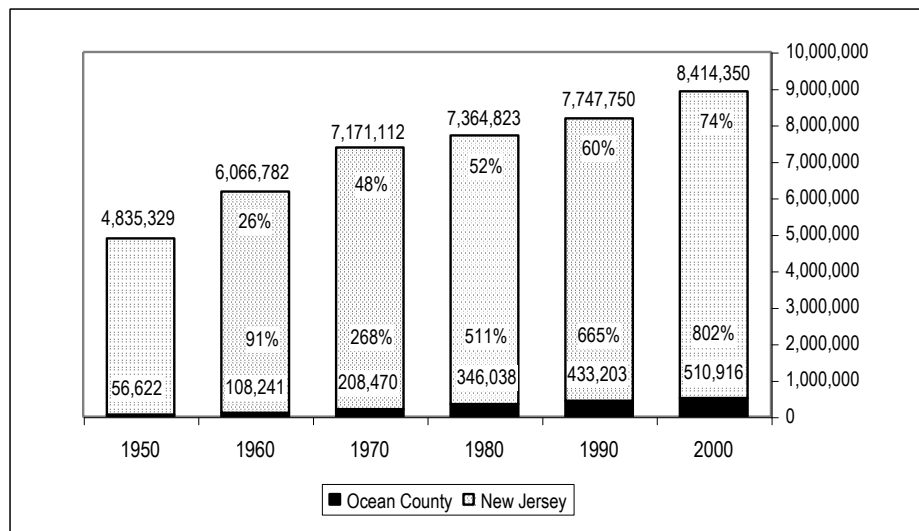
After leading the State with dramatic population growth from 1950 to 1990, in 2000, the County has slowed to a still-impressive second place growth rate of 18%, behind Somerset County's rate of 24%. The population increased 91 percent between 1950 and 1960, 93 percent between 1960 and 1970, 66 percent between 1970 and 1980 and 25 percent between 1980 and 1990. The 2000 population of the County is 510,916 and the 2009 population estimate is 573,678, according to the U.S. Census, March 2010. Population is projected to increase to 622,900 by the year 2016, and 696,100 by the year 2025 according to New Jersey Department of Labor, May 2008.

The rapid population growth over the last three decades has transformed the economic base of the County from primarily seasonal to a diversified year round economy. A continually expanding workforce, coupled with readily developable and relatively inexpensive land, abundant water supplies and a modern and expanding regional sewer network offer unusual opportunities for the development of clean decentralized industry, corporate headquarters and commercial and residential growth.

**Population Growth in Ocean County 1900-2000**



**Population Growth Trends – State of New Jersey and Ocean County 1950-2000**



## Land Area

Most of the historic development in the County occurred along the coast and bay corridor, particularly in the northern part of the County. The most rapid period of development occurred between 1960 and the late 1980's, and was due in large part to the direct transportation access provided by the Garden State Parkway. In recent years, significant growth has expanded to the southern and northwestern areas of the County. A large part of the inland development in the County has been characterized by retirement communities. However, the majority of the western inland region remains undeveloped and rural in character.

## Economy

The County continues to diversify its economic base, since its transformation to a year-round economy. However, the ocean and bay-front areas still provide a significant recreation industry in the County. The traditional three month summer season has expanded to include May through October, with many special events held throughout the year. Overall, the County's economy is expanding in the retail, service and manufacturing sectors. The largest retail center in the County is the Ocean County Mall in Toms River. This facility provides roughly 2,500 jobs in four major department stores and 140 specialty stores. There are over 25 other malls and shopping centers throughout the County.

The County continues to attract businesses, partly to service a growing population within the County and partly as a result of the area's excellent regional location. The center of the County is approximately sixty miles south of New York

City and 50 miles east of Philadelphia. The Garden State Parkway and Interstate 195 are limited access highways, which have several interchanges located in the County. In addition, the Robert J. Miller Airpark is a County owned and maintained facility located just outside of Toms River. The airport is a full service general aviation facility accommodating planes and small business jets.

The expansion of the County's economic base is exemplified by the highly successful Lakewood Industrial Park, which is the second largest municipal industrial park in New Jersey. The park has three separate campuses, which provide over 8.5 million square feet of industrial and warehousing space adjacent to major highways. One campus also has access to rail freight service. There are currently 350 companies, including subsidiaries, at the Lakewood Park, employing close to 11,000 persons, including seasonal help. In addition to Lakewood, eight other municipalities in the County have industrial parks in varying stages of planning and development.

## **Employment**

According to the U.S. Department of Labor, the County has been at the forefront of State job growth throughout the 1990s to the present. Office oriented employment and manufacturing were important growth sectors in the County. Employment in the service, retail and government/education sectors increased substantially over the last decade and now account for approximately 80 percent of the employment opportunities in the County. Retail trade in particular is a rapidly growing field, which employs 25,778 persons. The Health Care and Social Assistance Sector is now the leading employment sector at 30,383 jobs, according to the 2009 2<sup>nd</sup> Quarter Private Sector Report. The New Jersey Department of Labor has converted all industry estimates to the North American Industry Classification System (NAICS) from the Standard Industrial Classification (SIC) System to more accurately reflect today's economy. This results in significantly different industry definitions and groups than under the SIC.

Employment projections for Ocean County continue to remain strong, compared to the slower growth in the State, mainly due to new industry growth and replacement needs. Ocean County's economic makeup is projected to continue to shift towards professional and service occupations. Professional occupations will be growing in all industry sectors except transportation/communication and utilities, and finance/insurance/real estate.

The 2009 Annual Average Labor Force Estimate for the County was 263,100. Total Ocean County residents employed was 237,400; resulting in an unemployment rate of 9.7%, up from 6.0% in 2008. Ocean County's strong population growth and residential construction sector continue to be a driving force in the economy. Labor and employment estimates are as reported by the New Jersey Department of Labor, April 2010.

Listed below are the leading employers in the County as reported by the County Planning Department in April 2010:

***Leading Employers in Ocean County***

<b>Employer</b>	<b>Location</b>	<b>Number of Employee s</b>
Saint Barnabas Health Care System: Community/Kimball/Behavioral Health Ambulatory Care	Toms River, Lakewood, Manchester Townships	***4,684
Six Flags Theme Park, Inc.	Jackson Township	***4,330
Naval Engineering Station- Naval Air Warfare Center-Aircraft Division	Lakehurst Borough, Manchester, Jackson Townships	**2,837
ShopRite	Various County locations	***2,563
Toms River Regional School System	Toms River Township, So. Toms River, Beachwood, Pine Beach Boroughs	2,270
Ocean County Government	Various County Locations	*2,001
Brick Township Board of Education	Brick Township	1,600
Southern Ocean County Hospital	Stafford Township	***1,510
Anchor Auto Lease Inc.	Lakewood Township	1,500
Viking Sport Cruisers Inc.	Tuckerton Borough	1,400
Meridian Health: Ocean Medical Center	Brick Township	***1,400
Wawa	Various County locations	***1,382
Jackson Township Board of Education	Jackson Township	1,300
DPT Lakewood	Lakewood Township	*1,100
Jenkinson's	Point Pleasant Beach Borough	*1,100
Lakewood Township Board of Education	Lakewood Township	1,000
Lacey Township Board of Education	Lacey Township	769
Wal-Mart	Various County locations	***872
Home Depot	Various County locations	***720

Notes:      \* Number reflects seasonal or fluctuating employment.  
              \*\*Numbers reflect other organizations, both Dept. of Defense and non-Dept. of Defense  
              \*\*\*Numbers reflect The Atlantic City Press website database, Saturday 09/19/09  
 Sources:    NJ Department of Labor, Telephone verification, April 2010.  
 Prepared by: Ocean County Planning Department, April 2010.

## Development Approvals

In 2009, the Ocean County Planning Board approved over 1.7 million square feet of new commercial development, slightly down from 1.8 million in 2008. 275,780 square feet of industrial space were approved, compared to 194,344 in 2008. Industrial space is marked by significant rises and declines from year to year because of the large sizes of individual projects. A total of 661 new lots, primarily residential, were created in 2009. According to the preliminary report from the



NJ Department of Labor, Ocean County issued a total of 900 building permits in 2009, third highest of any county in the State.

#### Residential Construction Authorized by Building Permits

#### New Jersey Counties 2005-2009

COUNTY	2005	2006	2007	2008	2009 *
Atlantic County	1,993	1,887	1,137	795	514
Bergen County	2,984	2,163	2,887	1,788	802
Burlington County	1,460	1,247	1,228	836	711
Camden County	1,666	1,183	1,190	669	596
Cape May County	2,432	1,579	1,070	492	399
Cumberland County	591	735	679	410	237
Essex County	3,117	3,247	1,862	1,334	787
Gloucester County	2,100	1,170	888	743	868
Hudson County	4,699	4,291	3,350	2,632	1,718
Hunterdon County	513	353	316	219	267
Mercer County	1,321	851	719	575	274
Middlesex County	3,215	2,431	1,595	1,093	963
Monmouth County	2,548	2,807	2,105	1,307	895
Morris County	2,521	1,661	1,077	875	612
Ocean County	2,866	2,113	2,145	1,470	900
Passaic County	677	858	755	405	277
Salem County	294	300	153	197	143
Somerset County	1,105	1,012	915	797	440
Sussex County	668	601	365	305	179
Union County	1,155	1,563	1,131	766	488
Warren County	556	514	261	157	165
<b>New Jersey</b>	<b>38,481</b>	<b>32,566</b>	<b>25,828</b>	<b>17,865</b>	<b>12,235</b>

Source: U.S. Census Bureau, Manufacturing & Construction Division

Prepared by: New Jersey Department of Labor and Workforce Development, January 2010.

\*\*December 2009 Year-to-Date New Privately Owned Residential Housing Units Authorized to Be Built,"

#### Transportation

A network of State Highway routes links the County with other parts of New Jersey and the eastern seaboard. U.S. Route 9 and the Garden State Parkway provide ready access for north-south travel and extend north to the New York metropolitan area and south past Atlantic City to Cape May. State Highway 70 crosses the County at its widest point and provides access to center city Philadelphia and points west. Interstate 195, in the northern part of the County, provides highway service from the Trenton area to the Shore. There are 127 miles of State highways within the County, 630 miles of County roads and 1,320 miles of municipal roads.

Ocean County has been providing countywide transportation service for 33 years. Ocean Ride is the county-wide transportation system and serves as the paratransit provider operated by the Ocean County Department of Transportation Services. The County transportation system is funded through a variety of state and federal grants as well as County funds. As of April 2010, the system fleet totals 77 vehicles, which includes transit buses, mini-buses, mini-vans and passenger cars.

Ocean Ride provides a system of 17 fixed bus routes. This system offers discounted rates for senior and disabled residents, providing feeder service to existing transit routes. The routes link the most populated areas of the County with local shopping, governmental, healthcare and transit facilities. During 2009, Ocean Ride service provided 435,000

passenger trips system-wide, which represents a 3% decrease over 2008. In addition, Ocean Ride provides a county-wide Reserve-A-Ride program which offers door-to-door transportation service mainly intended to serve areas of the county not served by the fixed bus route system, based on advance reservation requests from eligible riders. There are three types of Reserve-A-Ride service:

Advance Reservation – service available to those who need travel to pre-scheduled appointments for non-emergency medical service such as doctor appointments and treatments. Two weeks advance notice is required.

Next Day Trip – service available to those with last minute travel needs based on system availability. Typical trips utilizing this service are flexible and do not require a specific appointment or time schedule such as shopping.

Shoppers Special – weekly shopping trips are offered to several popular local shopping centers, based on advance reservation, for senior citizens and persons with disabilities who have been pre-qualified by their local Trip Coordinator.

Specialized transit service is also available for Ocean County veterans needing transportation to major, out of the county VA hospitals and for those Ocean County residents needing dialysis transportation to area facilities. Ocean Ride has also continued its efforts to provide bus service for welfare recipients and lower income residents through the Jobs Access Reverse Commute (JARC) program. The *Toms River Connection* fixed bus route service is one of the top three successful JARC funded projects currently in operation in the State of New Jersey. The agency earned the distinction of the Administrator's Award for Outstanding Public Service in Rural Public Transportation in 2006 from the Federal Transit Administration (FTA), one of three awards nationwide. The agency also earned the 2007 Outstanding Transportation System of the Year awarded by the NJ Council on Special Transportation. Recently, the Ocean County Transportation Advisory Committee for Senior Citizens and Persons with Disabilities was created to review and recommend appropriate strategies and policies to address the growing demand for specialized transportation service. You may visit their website at [www.co.ocean.nj.us/Transportation](http://www.co.ocean.nj.us/Transportation) for more information.

## **Educational Facilities**

From the elementary grades to specialized academic and vocational high school programs to higher education at Ocean County College and Georgian Court University, the various public and private school systems are keeping pace with changing times and the growing needs of the County's population. There are 114 public elementary, middle and high schools in the County. The County maintains the largest public library system in the State, headquartered in Toms River, with 21 County-owned branches. The library system has been expanding and improving the libraries within the constituent municipalities. The County completed construction of the 24,000 square foot library in Jackson Township that opened in November 2001 and began the expansion-renovation of the Ocean County Library Toms River branch in the fall of 2002. In January 2006, the library officially opened the 100,000 square foot new and renovated facility. In 2009 the County public school population was 75,722. Within the County, there are six vocational-technical schools that offer both vocational training and comprehensive high school programs. In September 2006, the Marine Academy of Technology and Environmental Science (MATES) of the Ocean County Vocational-Technical School officially opened. The MATES Academy offers a full-time high school program with concentration in math and science, specializing in marine and environmental science studies. Ocean County College in Toms River Township offers two-year degree programs and a variety of adult education courses. The County College is sponsored and funded by the Board of Chosen Freeholders and the State of New Jersey. The County College has joined with Kean University to offer students the ability to continue for a four-year degree program, as well as a masters program, at the Toms River Township campus. Public school enrollments for the past 10-year period reflect the trends shown below.

### **Ocean County Public School Enrollments**

2009.....	75,722
2008.....	76,365
2007.....	77,032
2006.....	77,771
2005.....	78,249
2004.....	78,299
2003.....	77,799
2002.....	77,866
2001.....	75,606
2000.....	74,051

Source: Ocean County Superintendent of Schools

### **Health Care Facilities**

The County provides a wide variety of public services including various clinics, senior health counseling, health education, an environmental health department, a visiting homemaker's service, a public health nursing service, as well as funding for three alcohol rehabilitation centers and two mental health centers. Blue Cross/Blue Shield operates a health care facility in Brick Township.

The County is serviced by hospitals in a number of municipalities, including the Community and Kimball Medical Centers, which are part of the Saint Barnabas Health Care System, Southern Ocean County Hospital and Meridian Health's Ocean Medical Center in Brick Township. These hospitals provide about 1,672 beds to residents in different regions of the County. The Saint Barnabas Health Care System includes another six New Jersey hospitals and is the State's largest health care system. In addition, the United States Veterans Administration opened an outpatient health center in Brick Township in 1991, to serve six counties in the region.

Community Medical Center's Emergency Department has recently completed a multi-phase renovation and construction project. The first phase of the project included the completion of an 18,000-square foot space which houses Quick Care, a 17-bed area for minor emergencies, including 8 dedicated pediatric beds. It also marked the completion of a 187-space parking garage conveniently located adjacent to the Emergency Department. Community's new Emergency Department is now 50,000 square feet, doubling the size of the previous facility. With 78 new emergency beds, Community will have the capacity to treat 120,000 emergency patients each year.

The second phase of construction was completed in the spring of 2007. It now includes a new ambulance entrance, a rapid assessment area, expanded specialized treatment areas, parking garage, and other amenities for the patient's care, comfort, and convenience.

A multi-disciplinary committee organized by area hospitals is continuing to evaluate ways of improving the health and welfare of all the County residents. The organization is comprised of professionals from the public and private sectors who are evaluating long term needs of residents and methods of reaching the greatest number of people through new technology, including fiber optics.

### **Environmental Quality**

Ocean County has vast land and water resources. Although the population of the County has increased over seven-fold since 1950, extensive areas of the county remain undeveloped. Significant portions of the County's undeveloped land are environmentally sensitive, including the beach dunes, the coastal wetlands and the Pinelands. The dune systems of the barrier islands protect the beaches and mainland from storms and erosion. The wetland areas along the coast serve as a primary manufacturer, storehouse and distributor of nutrients to the marine food chain, are a natural habitat for waterfowl and other wildlife, and act as a buffer against flood and wave damage to inland areas. The Pinelands, in addition to being an important ecosystem of rare and unique flora and fauna, provides one of the largest reservoirs of potable ground water in the State.

Measures have been taken to ensure that the overall environmental quality of the County is protected. The County has undertaken an extensive Water Quality Management Program to address present and future wastewater needs of the County. Among the established regulatory programs are the Wetlands Act, which restricts development in wetlands, the Coastal Area Facilities Review Act, commonly referred to as CAFRA, which regulates and evaluates impacts to the coastal environment, and the Pinelands Protection Act, which mandates the development of a comprehensive management plan requiring County conformance.

The State Planning Act requires the creation of a State Development and Redevelopment Plan designed to achieve the highest degree of compatibility between municipal, county and state plans. In January 2005, Ocean County completed the third round of cross-acceptance, through which future plans of local municipalities are compared with those of New Jersey departments and agencies. Emphasis is placed on efficient development and redevelopment patterns, while protecting environmentally sensitive areas. Inconsistencies between State and local plans are addressed during the negotiation phase of Cross Acceptance. The Office of Smart Growth (OSG) put this process on hold during the summer of 2005 while it developed new guidelines for this process. The process resumed in July 2006 when the State Planning Commission adopted updated Environmental GIS data to be negotiated and incorporated into the Preliminary Plan data. In April 2007, Ocean County had their negotiation meeting with the Office of Smart Growth to discuss proposed changes in policies and mapping to be made to the Preliminary State Plan based on new data from municipalities and the County. The next step in the process is for the OSG to adopt the Final State Plan, which will reflect the revisions made in the negotiation meeting.

In March 2006, Ocean County and Schoor DePalma, Inc. completed a Regional Planning Study for the Northern Bay Corridor. The study was funded by a Smart Growth Grant received from the New Jersey Department of Community Affairs. The Study assessed Population, Housing, Employment and Environmental Issues in 12 municipalities in northeastern Ocean County. There was also an analysis of Transportation and Land Use issues, which will impact the future development of the area. Information on water supply and State Planning information was added as a supplemental to the grant. To date, eight municipalities are currently working with OSG through the Plan Endorsement process.

In 1998, Ocean County established a Natural Lands Trust Fund Program to acquire and maintain natural areas in the County. The benefits of the program include protecting critical environmental resources, maintaining the rural character of the County and buffering areas not compatible with development. To date, 93 parcels totaling 9,492 acres have been acquired. The program also has a farmland preservation component, which seeks to protect and enhance active agriculture in the County. Through this and previous preservation efforts, 45 farms totaling 3,046 acres have been protected, primarily in the northwest part of the County.

The County of Ocean continues to work with various organizations for the protection of environmental resources. The US Environmental Protection Agency has approved the Comprehensive Conservation and Management Plan for the Barnegat Bay and Watershed. The plan contains 77 "Action Items" for implementing projects to protect and enhance the quality of the Barnegat Bay Watershed. Active participants in this effort include a number of federal, state, county and local agencies, as well as Rutgers University, non-profit agencies and the general public. Ocean County has successfully implemented a number of the action items and is currently working on several others. The plan addresses the multi-user needs of the bay and watershed (essentially all of Ocean County), including commercial, recreational and environmental resources.

Since recreational boating is a popular activity in Ocean County, the County has been an active participant in the federal Clean Vessel Act Program since its introduction in New Jersey. The program provides funding for the installation of vessel sewage pumpout facilities at marinas and boat basins. Roughly a third of the 216 pumpout stations installed in New Jersey under the program are located in Ocean County. In addition, the County funds the operation of five mobile pumpout boats in Barnegat Bay. Last year, the boats removed over 94,954 gallons of wastewater from recreational vessels. The service is provided free of charge to boaters.

## **Solid Waste Management**

Ocean County's solid waste management strategy includes a very successful and aggressive mandatory recycling program, which began in October 1988. The District Recycling Plan provides for the operation of two Recycling Centers, the Ocean County Northern Recycling Center in Lakewood Township and the Ocean County Southern Recycling Center in Stafford Township. The Southern Recycling Center serves as a recycling transfer station for the southern municipalities to deliver their recyclables. These recyclables are then transported by the County to the Northern Center where they are processed for market at the County's two Recyclable Materials Processing Facilities (MPFs).

Recent developments include a new Recyclable Materials Processing Facility at the Northern Recycling Center, which became operational in 2010. This facility functions as single stream recycling, which processes commingled bottles and cans with paper at the same time. Updated, state-of-the-art equipment installed at this facility enables the County to collectively process 400 tons per day of material in a much more efficient manner with less manpower. The County also has a new Southern Recycling Center in Stafford Township, which also opened in 2008. This facility includes a new Recycling Transfer Station, which is twice as large as the previous facility and can accommodate the needs of the County's population growth for the next fifteen to twenty years. As part of the new Southern Recycling Center, a new scalehouse and a new Resident Recycling Center and recycling storage building also became operational with the opening of the new Southern Recycling Center.

Both County Recycling Centers will continue to offer convenient Resident Recycling Centers for citizens to drop off their recyclables. In addition, the County Recycling Centers accept a full range of recyclable materials from the municipalities, private haulers, landscapers and homeowners, which includes cell phones, computers, and boat shrink wrap.

The County's Recycling Program includes a Regional Leaf and Vegetative Waste Composting Program that allows each municipality in the County access to a composting site. As part of this program, the County owns and operates mobile leaf composting equipment that travels to the regional sites to ensure a consistent, good quality compost product. Also, the County's Paint Management Program is available daily at both County Recycling Centers and eight municipal sites so that residents may drop off their full and partially full paint cans. A new program that the County recently introduced is the Residential Document Shredding Program. This allows residents the opportunity to recycle their old documents and files safely and securely each spring and fall at various locations and days, which is also at no cost to residents.

In 1995, the Board of Chosen Freeholders introduced the Recycling Revenue Sharing Program that shares the profits with the County's municipalities who deliver their recyclables to the County's recycling facilities. Their share is based upon the profits received from the processing and sale of the recyclables. To date, the County has paid its municipalities over \$14 million for their recycling efforts from this program.

Unlike many other New Jersey counties, the County has no outstanding debt issues relating to solid waste disposal facilities. Since the County has no outstanding debt, the deregulation of waste flow that occurred in New Jersey in 1997 has not had any impact upon the finances of the County.

To continue its effort to educate residents about recycling and composting, the County also enlists the use of the Ocean County Recycling Education Center and the County's Backyard Composting Demonstration Site. These are both located at the Northern Recycling Center in Lakewood Township. The Education Center is used in conjunction with the tours of the MPFs, holding environmental education events, which include the County's Master Composter Training Program. The Backyard Composting Demonstration Site helps with increasing public awareness on home composting and is used for holding "how to" compost classes for County residents each spring and fall, which are taught by Ocean County Master Composter volunteers.

### **Recreational Facilities**

The County, known for its coastline, also contains many inland recreational facilities and natural areas. There are numerous State parks and forests totaling 27,157 acres. The State of New Jersey also manages 75,424.71 acres in Fish, Game and Wildlife Management Areas and 4,106.29 acres within the New Jersey Natural Lands Trust. The Federal government protects over 22,626 acres within the Barnegat Division of the Edwin B. Forsythe National Wildlife Refuge. The refuge is located in portions of Barnegat, Eagleswood, Long Beach, Ocean, and Stafford Townships in southern Ocean County and recently added land in the Reedy Creek section of Brick Township.

The County and its municipalities maintain a number of parks for the enjoyment of area residents. The Ocean County Parks System consists of a network of 22 parks throughout the County ranging in size from 1.2 to 944 acres. There are different parks for different recreational needs. Patriots Park in Jackson Township and Lake Shenandoah Sports Fields Complex provide active recreational fields, while Wells Mills Park in Ocean Township and Cattus Island in Toms River Township are available for passive, nature oriented activities. The County Parks Department also operates two eighteen-hole golf courses in both the northern and southern ends of the County.

In February 2009, Jake's Branch County Park opened its doors. The park is located in Beachwood Borough and includes soccer and baseball fields, tennis courts, a basketball court, nature trails and a 6,500 sq ft nature center. The acquisition and development of this park will further the County's goal to serve the recreational needs of its residents throughout the County.

### **Community Development Activities**

Since 1984, the County has been involved with the federal Community Development Block Grant Program (CDBG), which funds projects in 29 municipalities, as well as the HOME Investment Partnerships Program (HOME), which funds projects in all 33 municipalities, including Brick, Toms River, Lakewood and Jackson Township entitlement communities, since 1992. The County has been awarded approximately \$1.33 million in CDBG grant funds and approximately \$1.41 million in HOME grant funds for the program year 2010. Acting on the recommendations of the CDBG Committee, the Board of Chosen Freeholders allocates CDBG funding for projects submitted by the 29 participating municipalities (submit applications on an every-other-year schedule), public services and non-profit organizations. Major project activities considered for funding include housing rehabilitation; removal of architectural barriers; improvements to public facilities, parks and recreational facilities; public services; handicapped services; senior and community facilities; water and sewer improvements; and sidewalks and street improvements. In addition, acting on the recommendations of the County Housing Advisory Committee (CHAC), the Board of Chosen Freeholders allocates HOME funding for four countywide programs; Housing Rehabilitation, Rental Assistance, First-Time Homebuyer's and Community Housing Development Organization (CHDO).

Under the CDBG and HOME Housing Rehabilitation Programs, income-eligible homeowners may receive up to \$50,000 in home repairs to bring their dwellings up to State and local code. The cost of the repairs is in the form of an

interest-free prorated 10-year mortgage lien on the property. It is anticipated that approximately 25 low and moderate-income households will be rehabilitated under these programs during FY 2010.

The County's First-Time Homebuyer Program, through a cooperative effort with local non-profit organizations and area financial institutions, is designed to assist eligible low and moderate-income County residents in the purchase of a home. The program provides reduced bank fees and closing costs, as well as down payment/closing cost assistance of up to \$10,000 to pre-approved homebuyers. The program also provides educational and mortgage counseling to the eligible homebuyers. Each grant is secured by a mortgage lien for a six-year period for \$10,000. Since 1992, nearly \$3 million dollars has been provided to 350 families to assist in the purchase of their first home.

The County has also developed partnerships with eight qualified local non-profit organizations to construct affordable rental housing under the HOME CHDO Program. This activity has resulted in a significant increase of the affordable rental housing stock for low and moderate-income residents. Since the program's inception, approximately \$6.1 million has been invested in this program, resulting in 104 total units of affordable rental housing in many towns across the County.

Additionally, under the HOME Program, the County operates a Tenant-Based Rental Assistance Program, which is operated by the County Board of Social Services. This program provides a two-year rental subsidy to low and moderate-income residents with the goal of assisting those served in becoming self-sufficient. During FY 2010, approximately 37 families will be provided with rental subsidies under this program.

Acting on the recommendations of the Ocean County Water Assistance Steering Committee, the Board implemented the Ocean County Water Assistance Program (OCWAP) in 1992. This program provides a grant in the amount of \$500.00 for connection to the public water supply for eligible low and moderate-income households. To date, 245 homeowners have been assisted totaling \$121,160 in CDBG grant funds.

#### **Tax Information**

In the period from 2002-2010, the County's total assessed valuations of land and improvements rose from \$36,495,254,367 to \$97,305,152,394. The County's tax rate for 2010 is \$.2709 per \$100 of assessed valuation.

The County's tax rate has declined by 43% over the past ten years.

#### **County Tax Rate - 10 Year History**

<u>Year</u>	<u>Rate/\$100</u>
2001	.4753
2002	.4508
2003	.4110
2004	.3612
2005	.3220
2006	.2825
2007	.2559
2008	.2542
2009	.2545
2010	.2709

### Ocean County Population and Density by Municipality, 2000

<b>Municipality</b>	<b>Form of Government</b>	<b>2000 Census</b>	<b>Land Area Square Miles</b>	<b>Population Density 2000</b>
Barnegat Township	Township Committee	15,270	34.9	438
Barnegat Light Borough	Mayor-Council	764	0.7	1091
Bay Head Borough	Mayor-Council	1,238	0.6	2063
Beach Haven Borough	Commission	1,278	1	1278
Beachwood Borough	Mayor-Council	10,375	2.8	3705
Berkeley Township	Mayor-Council	39,991	41.9	954
Brick Township	Mayor-Council	76,119	26.4	2883
Eagleswood Township	Township Committee	1,441	16.5	87
Harvey Cedars Borough	Commission	359	0.55	653
Island Heights Borough	Mayor-Council	1,751	0.6	2918
Jackson Township	Township committee	42,816	100.3	427
Lacey Township	Township Committee	25,346	80.6	314
Lakehurst Borough	Mayor-Council	2,522	0.95	2655
Lakewood Township	Township Committee	60,352	25.5	2367
Lavallette Borough	Mayor-Council	2,665	0.65	4100
Little Egg Harbor Township	Township Committee	15,945	49.5	322
Long Beach Township	Commission	3,329	4.3	774
Manchester Township	Township Committee	38,928	82.5	472
Mantoloking Borough	Mayor-Council	423	0.44	961
Ocean Township	Township Committee	6,450	20.62	313
Ocean Gate Borough	Mayor-Council	2,076	0.5	4152
Pine Beach Borough	Mayor-Council	1,950	0.6	3250
Plumstead Township	Township Committee	7,275	40.7	179
Point Pleasant Borough	Mayor-Council	19,306	3.7	5218
Point Pleasant Beach Borough	Mayor-Council	5,314	1.5	3543
Seaside Heights Borough	Mayor-Council	3,155	0.35	9014
Seaside Park Borough	Mayor-Council	2,263	0.77	2939
Ship Bottom Borough	Mayor-Council	1,384	0.71	1949
South Toms River Borough	Mayor-Council	3,634	1.2	3028
Stafford Township	Mayor-Council	22,532	47.05	479
Surf City Borough	Mayor-Council	1,442	0.65	2218
Toms River Township	Mayor-Council	89,706	41.62	2155
Tuckerton Borough	Mayor-Council	3,517	3.7	951
<b>Ocean County</b>	<b>5 Member Board of Chosen Freeholders</b>	510,916	<b>634.36</b>	<b>805</b>

Source: US Bureau of the Census, 2000 Census of the Population

## Profile in Brief

COUNTY: OCEAN COUNTY

SEAT: TOMS RIVER

### Form of Government: Board of Chosen Freeholder-5 Members

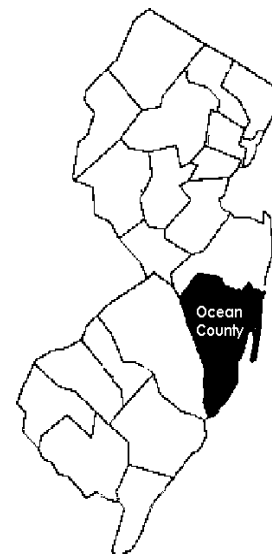
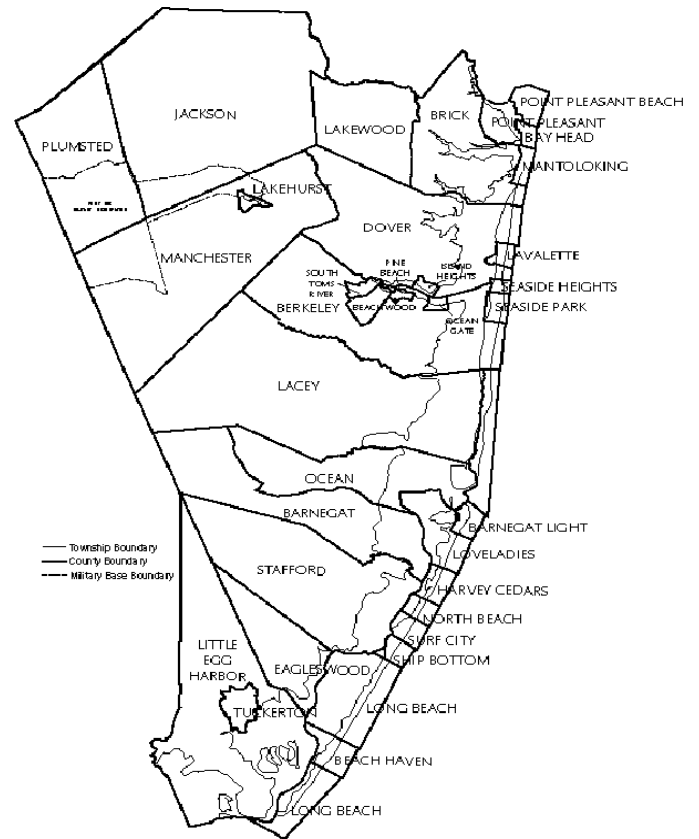
Number of Constituent Municipalities .....	33
Population, Census 1970 .....	208,470
Population, Census 1980 .....	346,038
Population, Census 1990 .....	433,203
Population, Census 2000 .....	510,916
Land Area -- Square Miles .....	634.36

### Net (True) Valuation on Which Taxes are Apportioned

2003 .....	52,228,782,215
2004 .....	62,170,501,902
2005 .....	74,416,899,023
2006 .....	89,166,146,560
2007 .....	103,161,991,252
2008 .....	108,897,663,942
2009 .....	109,906,985,727
2010 .....	106,595,527,585

Tax Rate per \$100.....\$.2709

Tax Levy, 2010.....\$287,002,464





### Distribution of Ratables -- 2010

<b>Class</b>	<b>Line Items</b>	<b>Assessed Valuation</b>	<b>Percent of Valuation</b>
Vacant Land	31,428	\$ 2,757,829,000	2.83%
Residential	237,549	83,333,317,965	85.64%
Farm	687	107,536,839	0.11%
Commercial	6,684	8,499,753,691	8.74%
Industrial	425	971,363,400	1.00%
Apartments	347	1,482,910,200	1.52%
Communication Equip. (Taxable)	41	152,441,299	0.16%
<b>TOTAL</b>	<b>277,161</b>	<b>\$97,305,152,394</b>	<b>100.00%</b>

### Ocean County Leading Tax Ratables - 2010

<b>Rank</b>	<b>Taxpayer</b>	<b>Municipality</b>	<b>2010 Total Assessed Value</b>
1	CPI @ Simon Property Group, LP	Toms River Twp.	152,500,000
2	Exelon Generation Co LLC c/o R	Lacey Twp.	145,292,200
3	Six Flags Theme Park, Inc.	Jackson Twp.	111,705,300
4	Cedar Glen Lakes, Inc.	Manchester Twp.	83,656,900
5	Crestwood Village, Co-op Four, Inc.	Manchester Twp.	79,101,500
6	CPG Partners LP	Jackson Twp.	77,484,000
7	Jenkinson's Pavilion	Pt. Pleasant Beach Boro	69,423,700
8	Crestwood Village, Co-op Two, Inc.	Manchester Twp.	67,784,100
9	Crestwood Village, Co-op Three, Inc.	Manchester Twp.	65,900,000
10	Federal Realty Investment Trust	Brick Twp.	63,663,600
11	Ciba Specialty Chemicals Corp.	Toms River Twp.	62,176,500
12	JCP&L c/o Fe Service Tax Dept.	Various	59,878,200
13	Crestwood Village Co-op One, Inc.	Manchester Twp.	51,578,600
14	SDD Inc. @ D Donofrio	Toms River Twp.	50,250,000
15	Pine Ridge MHC LLC/Hometown America	Manchester	47,000,000

**Ocean County**  
**Net Valuation of Real Property by Constituent Municipalities**

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Barnegat Township	\$ 1,612,154,381	\$ 2,039,795,138	\$ 2,527,057,489	\$ 2,677,435,540	\$ 2,690,756,257	\$ 2,506,808,982
Barnegat Light Borough	864,287,665	1,031,438,497	1,129,944,717	1,239,121,239	1,181,796,068	1,125,469,904
Bay Head Borough	1,185,025,680	1,365,123,044	1,589,596,873	1,694,105,779	1,695,068,383	1,568,091,781
Beach Haven Borough	1,532,257,927	1,845,867,359	2,059,025,155	2,120,392,883	2,168,831,309	2,108,457,024
Beachwood Borough	712,912,505	850,064,120	979,213,373	1,043,046,685	1,056,705,022	1,045,211,279
Berkeley Township	4,453,370,497	5,137,683,949	5,965,950,879	6,411,999,166	6,434,567,387	6,237,494,523
Brick Township	8,942,750,654	10,508,594,315	12,141,554,445	12,947,638,441	12,986,416,667	12,687,656,667
Eagleswood Township	160,235,678	229,866,568	295,921,202	308,490,534	307,728,267	279,067,217
Harvey Cedars Borough	1,020,080,610	1,242,433,238	1,346,889,786	1,411,896,720	1,403,863,112	1,455,081,985
Island Heights Borough	253,200,526	339,560,976	392,700,235	419,504,931	444,532,862	443,393,824
Jackson Township	5,156,109,685	6,032,656,183	7,063,164,759	7,459,572,861	7,553,491,606	7,128,274,293
Lacey Township	3,027,080,546	3,622,409,394	4,186,989,695	4,421,896,274	4,445,884,025	4,307,450,214
Lakehurst Borough	123,638,007	151,203,175	177,524,099	187,922,918	196,726,579	202,841,339
Lakewood Township	5,231,806,964	6,767,257,076	7,791,318,523	8,125,220,315	8,317,482,696	8,160,825,064
Lavallette Borough	1,631,904,953	1,909,152,704	2,239,678,710	2,415,934,667	2,425,335,008	2,413,908,113
Little Egg Harbor Township	1,884,904,444	2,331,506,329	2,872,595,997	3,096,156,764	3,066,000,647	2,856,003,259
Long Beach Township	6,244,733,236	7,534,365,131	8,733,354,760	8,759,327,277	8,769,025,730	8,641,567,716
Manchester Township	3,278,102,058	3,758,556,983	4,312,406,888	4,796,679,041	4,773,340,318	4,523,543,387
Mantoloking Borough	1,210,746,779	1,396,390,597	1,483,227,245	1,602,518,071	1,671,057,087	1,646,959,099
Ocean Township	816,596,385	1,091,670,407	1,321,595,596	1,436,424,737	1,474,870,438	1,485,252,419
Ocean Gate Borough	195,755,457	238,874,100	277,828,018	282,808,928	287,586,215	289,015,969
Pine Beach Borough	221,796,533	261,497,932	306,270,585	321,749,191	327,357,376	320,877,023
Plumsted Township	694,502,358	798,574,884	900,498,159	964,572,782	998,605,912	1,006,182,101
Point Pleasant Borough	2,612,678,233	3,058,251,124	3,538,613,763	3,765,500,340	3,814,180,328	3,710,471,196
Point Pleasant Beach	1,492,105,263	1,872,661,391	2,159,207,653	2,351,779,546	2,418,449,773	2,449,161,907
Seaside Heights Borough	468,724,488	646,697,356	792,242,977	868,883,154	876,461,523	848,883,053
Seaside Park Borough	893,854,867	1,087,670,873	1,264,317,582	1,375,662,450	1,347,313,494	1,250,938,794
Ship Bottom Borough	960,675,241	1,150,144,587	1,314,497,768	1,355,674,058	1,405,633,938	1,372,881,361
South Toms River Borough	173,459,753	216,234,026	265,522,739	289,406,966	293,330,413	295,383,002
Stafford Township	3,510,966,298	4,270,870,140	4,885,060,787	5,100,905,750	5,175,203,235	5,030,214,504
Surf City Borough	1,263,637,623	1,533,093,520	1,754,022,616	1,806,778,325	1,809,477,273	1,797,258,739
Toms River Township*	12,256,459,582	14,408,994,307	16,597,067,702	17,301,121,979	17,546,390,470	16,875,661,845
Tuckerton Borough	330,384,147	436,987,137	497,130,477	537,535,630	543,516,309	525,240,002
<b>Totals</b>	<b>\$ 74,416,899,023</b>	<b>\$ 89,166,146,560</b>	<b>\$ 103,161,991,252</b>	<b>\$ 108,897,663,942</b>	<b>\$ 109,906,985,727</b>	<b>\$ 106,595,527,585</b>

\*Previously reported as Dover Township

**Ocean County**  
**Gross and Net Debt of Constituent Municipalities**  
**December 31, 2009**

Municipality	Gross Debt			Statutory Deductions			Net Capital Debt	Valuation Basis
	School	Self-Liquidating	Other	School	Self-Liquidating	Other		
Barnegat	\$ 40,999,000.00	\$ 9,905,165.23	\$ 11,791,499.59	\$ 40,999,000.00	\$ 9,905,165.23	\$ 0.00	\$ 11,791,499.59	\$ 2,635,236,652.00
Barnegat Light	622,531.31	335,850.00	2,666,134.81	622,531.31	335,850.00	273,619.50	\$ 2,392,515.31	1,173,925,807.00
Bay Head	1,907,000.00	0.00	1,707,172.55	1,907,000.00	0.00	0.00	\$ 1,707,172.55	1,646,980,137.00
Beach Haven	1,124,103.14	6,690,712.00	3,384,039.62	1,124,103.14	6,690,712.00	0.00	\$ 3,384,039.62	2,119,754,747.00
Beachwood	4,276,871.41	6,940,985.05	10,038,151.75	4,276,871.41	6,940,985.05	0.00	\$ 10,038,151.75	1,042,734,166.00
Berkeley	23,762,791.47	0.00	33,650,998.26	23,762,791.47	0.00	1,240,395.15	\$ 32,410,603.11	6,304,493,432.00
Brick	25,021,349.19	0.00	100,522,463.32	25,021,349.19	0.00	800,000.00	\$ 99,722,463.32	12,812,187,890.00
Eagleswood	2,604,619.07	439,846.77	1,134,625.27	2,604,619.07	439,846.77	0.00	\$ 1,134,625.27	295,898,344.00
Harvey Cedars	751,853.63	2,201,542.30	4,494,988.89	751,853.63	2,201,542.30	0.00	\$ 4,494,988.89	1,417,792,758.00
Island Heights	1,100,669.68	1,353,370.88	2,996,114.36	1,100,669.68	1,353,370.88	70.00	\$ 2,996,044.36	432,878,836.00
Jackson	107,640,000.00	0.00	37,021,751.00	107,640,000.00	0.00	7,782,000.00	\$ 29,239,751.00	7,323,873,634.33
Lacey	50,791,000.00	0.00	17,637,961.00	50,791,000.00	0.00	0.00	\$ 17,637,961.00	4,347,519,524.00
Lakehurst	0.00	1,394,463.00	4,797,268.97	0.00	1,394,463.00	500.00	\$ 4,796,768.97	191,981,599.00
Lakewood	3,442,000.00	0.00	66,545,525.00	3,442,000.00	0.00	2,622,818.00	\$ 63,922,707.00	8,114,024,742.00
Lavallette	1,160,000.00	8,603,169.00	4,572,005.00	1,160,000.00	8,317,789.00	42,645.00	\$ 4,814,740.00	2,387,793,853.00
Little Egg Harbor	38,740,030.00	0.00	17,996,486.00	38,740,030.00	0.00	0.00	\$ 17,996,486.00	3,048,027,023.00
Long Beach	4,575,471.83	15,406,904.96	10,077,580.80	4,575,471.83	15,406,904.96	495,635.78	\$ 9,581,945.02	8,628,103,366.00
Manchester*	20,029,000.00	8,145,329.25	29,109,046.34	20,029,000.00	8,145,329.25	815,000.00	\$ 28,294,046.34	4,537,215,101.67
Mantoloking	0.00	0.00	1,455,834.97	0.00	0.00	93,763.15	\$ 1,362,071.82	1,635,678,581.00
Ocean	8,855,000.00	8,442,020.00	13,129,805.00	8,855,000.00	8,442,020.00	25,000.00	\$ 13,104,805.00	1,419,125,786.00
Ocean Gate	1,594,268.46	1,654,452.73	3,713,900.00	1,594,268.46	1,654,452.73	0.00	\$ 3,713,900.00	284,395,622.00
Pine Beach	1,310,480.03	1,547,159.53	4,588,070.30	1,310,480.03	1,547,159.53	302,203.88	\$ 4,285,866.42	319,505,115.00
Plumsted	23,161,000.00	0.00	2,383,032.98	23,161,000.00	0.00	693,471.98	\$ 1,689,561.00	989,174,829.00
Point Pleasant	13,163,000.00	7,029,145.00	22,478,317.00	13,163,000.00	99,796.00	200,455.00	\$ 29,207,211.00	3,725,954,939.00
Point Pleasant Beach	8,268,682.00	5,903,912.02	21,714,140.40	8,268,682.00	4,932,598.42	219,925.96	\$ 22,465,528.04	2,403,812,738.00
Seaside Heights	1,081,301.63	10,982,867.08	10,947,248.00	1,081,301.63	10,982,867.08	2,225,000.00	\$ 8,722,248.00	864,952,563.00
Seaside Park	870,095.89	14,360,658.12	5,403,178.79	870,095.89	14,360,658.12	400,000.00	\$ 5,003,178.79	1,314,622,432.00
Ship Bottom	720,226.64	7,118,092.57	8,227,045.44	720,226.64	7,118,092.57	1,449.38	\$ 8,225,596.06	1,358,152,810.00
South Toms River	1,191,284.00	0.00	1,342,356.00	1,191,284.00	0.00	9,193.00	\$ 1,333,163.00	290,444,151.00
Stafford	23,702,819.83	84,184,115.02	72,351,054.32	23,702,819.83	84,184,115.02	1,294,759.44	\$ 71,056,294.88	5,049,602,103.00
Surf City	948,016.12	2,513,000.00	1,882,591.45	948,016.12	2,513,000.00	0.00	\$ 1,882,591.45	1,787,702,213.33
Toms River	70,635,864.81	3,552,490.00	98,075,397.95	70,635,864.81	3,552,490.00	0.00	\$ 98,075,397.95	17,221,567,478.00
Tuckerton	3,928,900.24	8,158,264.81	2,008,181.45	3,928,900.24	8,158,264.81	85,000.00	\$ 1,923,181.45	529,049,383.00
Totals	<u>\$ 487,979,230.38</u>	<u>\$ 216,863,515.32</u>	<u>\$ 629,843,966.58</u>	<u>\$ 487,979,230.38</u>	<u>\$ 208,677,472.72</u>	<u>\$ 19,622,905.22</u>	<u>\$ 618,407,103.96</u>	<u>\$ 107,654,162,355.33</u>

\* As of June 30, 2009

## **PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT**

### **Local Bond Law (N.J.S.A. 40A:2-1 et seq.)**

The Local Bond Law governs the issuance of bonds and notes by local units to finance certain capital improvements. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects which are being bonded, that bonds be retired in serial installments and that a 5% cash down payment be generally provided.

### **Debt Limits**

The net debt of the County is limited by the Local Bond Law to an amount equal to 2% of its equalized valuation basis. The equalized valuation basis of the County is set by statute as the average value of all taxable real property within its boundaries as annually determined by the State Board of Taxation for each of the three most recent years. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

### **Exceptions to Debt Limits -Extensions of Credit**

The debt limit of the County may be exceeded to the extent of two-thirds of the amount of obligations for which an appropriation for payment was made in the annual budget for the current fiscal year and in certain other circumstances and otherwise only with the approval of the Local Finance Board (the "LFB") in the Division of Local Government Services in the New Jersey Department of Community Affairs (the "Division"). If all or any part of a proposed debt authorization would exceed its debt limit, the County must apply to the LFB for an extension of credit. In considering the request, the LFB focuses its review on the effect of the proposed authorization on outstanding obligations of the County, operating expenses of the County and the potential ability of the County to meet the proposed obligations. If the LFB determines, pursuant to statute and regulation, that a proposed debt authorization would materially impair the ability of the County to meet its obligations or to provide essential services, approval is denied.

The County is within its statutory debt limit.

### **Refunding Bonds**

Refunding bonds may be issued pursuant to the Local Bond Law for the purpose of paying, funding or refunding outstanding bonds, including emergency appropriations, the actuarial liabilities of a non-State administered public employee pension system, amounts owing to others for taxes levied and for paying the cost of issuance of refunding bonds. A form of refunding bonds, known as fiscal year adjustment bonds, may be issued for the purpose of assuring against adopting a budget which sets for a deficit. The New Jersey Local Finance Board must consent to the authorization for the issuance of refunding bonds and approve the maturity schedule thereof.

### **Short-term Financing**

The County is authorized to issue various types of short-term debt obligations, including bond anticipation notes, tax anticipation notes and emergency notes.

The County, in anticipation of the issuance of bonds, may in accordance with the Local Bond Law issue bond anticipation notes. Such notes may be issued for a period not exceeding one year and may be renewed for periods not exceeding one year for up to ten years from the date of original issuance of the notes, but such notes cannot, however, be renewed beyond the third anniversary date of the original issue unless a reduction in principal amount equal to the first legally payable installment of the bonds for which the notes were issued is made on or before the third and each succeeding anniversary date from funds other than proceeds of obligations. Bond anticipation notes may be extended and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes.

### **Debt Statements**

The County must report all new authorizations of debt or changes in previously authorized debt to the Division. The Supplemental Debt Statement, as this report is known, must be submitted to the Division before final passage of any debt authorization. Before January 31 of each year the County must file an Annual Debt Statement with the Division. This report is made under oath and states the authorized, issued and unissued debt of the County as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowings. Even though the County's authorizations are within its debt limits, the Division is able to enforce state regulations as to the amounts and purposes of local borrowings.

**County of Ocean**  
**Statement of Statutory Debt Condition**  
**May 31, 2010**

<b>General Debt</b>		<b>Gross Debt</b>	<b>Deductions</b>	<b>Net Debt</b>
<hr/>				
Issued and Outstanding				
Bonds		\$ 392,424,000.00	\$ 6,965,000.00	\$ 385,459,000.00
Bond Anticipation Notes		0.00	0.00	0.00
Green Acres Loan		1,269,671.59	0.00	1,269,671.59
		<hr/>	<hr/>	<hr/>
		\$ 393,693,671.59	\$ 6,965,000.00	\$ 386,728,671.59
Authorized and Unissued		77,860,601.98	1,176,500.00	76,684,101.98
		<hr/>	<hr/>	<hr/>
		\$ 471,554,273.57	\$ 8,141,500.00	\$ 463,412,773.57
<hr/>				
Equalized Valuation	2007	107,547,789,871.00		
	2008	108,938,384,196.00		
	2009	106,764,821,653.00		
Average Equalized Basis			<hr/>	
			\$ 107,750,331,906.67	
<hr/>				
Net Debt (including authorized and unissued) expressed as a percentage of said Average Equalized Basis				<hr/>
				0.43%
<hr/>				

**List of Authorized Debt  
As of May 31, 2010**

Total Bonds Outstanding		\$ 392,424,000.00
Total Notes Outstanding		0.00
Bonds and Notes Authorized but Unissued:		
Acquisition of land for Right-of-Way or Easements	2,850,000.00	
Reconstruction and Construction of Certain County Roads	33,924,507.63	
Reconstruction and Construction of Certain County Bridges	4,009,800.79	
Construction, Repairs and Additions to County Facilities	37,076,293.56	
Purchase of Various Equipment	0.00	
Total Bonds and Notes Authorized but Unissued		77,860,601.98
		<u>\$ 470,284,601.98</u>

**Debt Ratios**

**(exclusive of debt of Ocean County Utilities Authority and other local authorities)\***

Total Gross Debt Authorized, Issued and Outstanding as of May 31, 2010	\$ 392,424,000.00	
Total Gross Debt Issued and Outstanding per Capita (2000 Pop. -- 510,916)		768.08
Total Gross Debt Issued and Outstanding Net (True) (Value 2009) = 106,764,821,653.00		0.37%
Overlapping Gross Debt (as of December 31, 2009)		
School Debt	487,979,230.38	
Self Liquidating Debt	216,863,515.32	
Other Overlapping Debt	629,843,966.58	
Total Overlapping Gross Debt (as of May 31, 2010)	<u>\$ 1,334,686,712.28</u>	
Total Overlapping Gross Debt per Capita (2000 pop. -- 510,916)		2,612.34
Total Overlapping Gross Debt to Net (True) Value (Value 2009) = 106,764,821,653.00		1.25%

\*The ratios and the total debt figures listed above do not reflect the \$313,114,306 outstanding debt of the Ocean County Utilities Authority or other authority debt or debt of local fire districts. For the impact of such debt on the County, see the discussion below.

## **THE OCEAN COUNTY UTILITIES AUTHORITY**

The Ocean County Utilities Authority (the "Authority"), formerly known as The Ocean County Sewerage Authority, has developed a comprehensive sewerage collection and treatment plant system (the "System"). The Authority's System was essentially completed in 1979 at an estimated cost of \$502 million and is in operation. The Authority's System was financed by certain Federal and State grants and the issuance of \$207,240,480 1983 Wastewater Revenue Bonds, which were rated "A" by Moody's Investors Service and "A+ " by Standard and Poor's Corporation. These bond issues were refunded with \$236,445,000 Refunding Revenue Bonds in December 1985. The 1985 Bonds were refunded in part in February 1987 by the \$227,300,000 Wastewater Revenue Bonds, Refunding Series 1987. In September 1987, the Authority sold a bond issue of \$14,870,000 rated "A+" by Standard & Poor's Corporation and "Aa" by Moody's Investors Service to fund the local portion of the Sludge Management project that was not funded by Federal and State grants. The Authority issued \$25,000,000 Wastewater Revenue Bonds in May 1991 to refund a portion of the September 1987 issue and to provide funds to finance a portion of the costs of the development of the Authority's Capital Improvement Program. The Authority issued \$30,770,000 of its refunding bonds and \$4,855,000 of new money bonds in September 1992. The Authority issued \$30,000,000 Wastewater Revenue Bonds in January 1995 to finance certain improvements to the Authority's system and certain costs of issuance. In May 1997, The Authority issued \$195,000,000 Wastewater Revenue Bonds Refunding Series 1997 to refund a portion of the Authority's outstanding 1987 Bonds and pay the costs of issuance of the 1997 bonds. The Authority issued in January 1999 \$26,570,000 Wastewater Revenue Bonds Refunding Series 1999 to refund the remaining 1992 Bonds and a portion of the 1995 Bonds. On December 28, 2000, the Authority issued \$13,720,000 Wastewater Revenue Bonds Refunding Series 2000 to refund the remaining 1991 Bonds. On October 1, 2001, The Authority issued \$40,725,000 Wastewater Revenue Bonds Refunding Series 2001 to refund a portion of the 1987 and the 1992 Bonds. The Authority issued in January 2006 \$79,360,000 Wastewater Revenue Bonds Refunding 2006 to refund a portion of the 1997 and 1999 Bonds. On July 16, 2009, the Authority paid the remaining balance of the Wastewater Revenue Bonds, Refunding Series 1999A in the amount of \$15,770,000.

The Authority has also issued bonds through the New Jersey Wastewater Treatment Trust, now known as the New Jersey Environmental Infrastructure Trust (the "Trust"), program ("Program"). Under the Program, the Authority issued the following bonds to the Trust and the State of New Jersey evidencing the loans from the Trust and the State, the proceeds of which were used to finance improvements and replacements to the Authority's Water Pollution Control Facilities: \$11,183,308 in 1994, of which \$5,065,000 was refunded in 1998; \$5,239,180 in 1998; \$4,346,874 in 2000; \$10,360,730 in 2001; \$34,299,000 in 2002; \$9,903,957 in 2004; \$61,769,032 in 2005; \$14,623,455 in 2006; \$27,431,390 in 2007; \$14,632,000 in 2008; \$5,682,287 in 2009 and \$3,450,874 in 2010. It is the Authority's policy to utilize these loans to the greatest extent possible. For eligible projects, half of the cost is funded by an interest-free "Fund" loan and half of the cost by a "Trust" loan, which bears market-rate interest. These loans are on a reimbursement basis whereby the Authority receives loan payments upon submission of a reimbursement voucher to the Trust. Interest is credited to the Authority's account on funds temporarily held by the Trust.

A deficiency advance contract between the Authority and the County has been executed and provisions of the contract obligate the County to provide for the payment of the principal and interest which may become due on any outstanding project bonds or permanent bonds of the Authority, including the bonds referred to above. Although the County's obligation pursuant to the provisions of the deficiency advance contract is a direct and general obligation, the Authority anticipates that its operating costs and the principal, interest and reserve requirements on its obligations will be paid from the revenues derived from service charges to the communities and municipal utility authorities and private utility companies using the Authority's System. The provisions of the deficiency advance contract have never been utilized.

## **OTHER AUTHORITY AND FIRE DISTRICT DEBT**

The Ocean County Pollution Control Financing Authority has from time to time issued bonds to finance pollution control facilities located within the County. Such bonds do not constitute a debt or liability of the County, but are payable solely from payments made by the project owners. There are municipally created utilities authorities operating within the County, which are developing or have developed sewerage facilities for the benefit of local government units within the County. The authorities with temporary or permanent debt outstanding (which debt in some cases is additionally secured by the ad valorem taxing power of an underlying township) are Beachwood Sewerage Authority, Berkeley Township Municipal Utilities Authority and Berkeley Township Sewerage Authority, Brick Township Municipal Utilities Authority, Toms River Municipal Utilities Authority, Lacey Municipal Utilities Authority, Lakewood Municipal Utilities Authority, Little Egg Harbor Municipal Utilities Authority, Ocean Township, Manchester Township, South Toms River Sewerage Authority, Stafford Township and Tuckerton Water Utility.

Fire districts constituting special taxing districts have been created in several municipalities in the County. These fire districts have statutory authority to issue, and some of these districts have issued general obligation bonds after voter approval and review by the Local Finance Board in the State of New Jersey Department of Community Affairs, Division of Local Government Services.



## **TAX COLLECTION PROCESS AND COLLECTION OF DELINQUENT TAXES**

County taxes are collected by the municipalities and paid to the County Treasurer. The municipal levy includes all County, library, health, school, fire district, and municipal taxes. Each municipality is required by law to pay to the County Treasurer 100% of 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 first from the taxes collected by each municipality.

The County has received 100% of its tax levy during the levy year for each of the last five years.

## **COUNTY BUDGET AND SUMMARY OF REVENUES AND APPROPRIATIONS**

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

The foundation of the county local finance system is the annual cash basis budget. Every county must adopt an operating budget in the form required by the Division. Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division of Local Government Services (the "Director") prior to final adoption of the budget. The budget law requires each county to prepare its budget on a cash basis appropriating sufficient funds to meet all debt service and operating requirements including provision for mandatory payments.

The Director, who reviews and certifies the adequacy of such appropriations, is assisted in this duty by the Bureau of Financial Regulation and Assistance.

The budget law permits counties to raise revenue through taxation for county purposes. The county is restricted in the amount of increase it may raise through taxation from year to year. Counties receive 100% of their tax levies, which are collected and paid to them by municipalities.

Anticipated non-tax revenues are limited to the amount realized in the previous year unless the Director authorizes a higher figure based on assured sources.

Tax anticipation notes are limited in amount by law and must be paid off in full within six months of the succeeding fiscal year.

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 counties. By law and regulation, local budgets, as adopted, must be in balance on a "cash basis".

### **County Budget "CAPs" (N.J.S.A. 40A:4-45.1 et seq.)**

The annual budgets of counties must conform to the provisions of the "Local Government CAP Law" as amended from time to time. These provisions limit the increase in the County tax levy to the lesser of 2.5% or the cost of living adjustment, defined as the Implicit Price Deflator for State and Local Government Purchases of Goods and Services, computed by the U.S. Department of Commerce. Certain CAP exemptions allow for modification to the ceiling for such items as: expenditures necessary to comply with court orders or certain federal or state mandates, added revenue generated by new construction, contracts or agreements between local governments and authorities, debt service, capital expenditures, programs funded in cooperation with federal and state agencies, and certain funding to the County College.

On April 3, 2007, the Governor approved an amendment to the "Local Government Cap Law" which imposes temporary limitation on the amount to be raised by taxation by all counties, municipalities, school districts and other taxing entities. For each of the five County fiscal years beginning with the 2007-2008 Fiscal Year, the amount to be raised by taxation would generally be limited to the sum of (i) the amount of new ratables, plus (ii) certain excluded items (as described below), and plus (iii) items for which the Local Finance Board has granted a waiver to address certain extraordinary costs. Excluded items include (1) increases in amounts required to pay debt service and pre-effective date leases with county improvement authorities, (2) increases due to a reduction in State formula aid, (3) increases for certain pension obligations, and (4) increases in excess of 4% in health care costs (but not more than the average percentage increase of the State Health Benefits Program). This limitation may be exceeded by approval of 60% of the voters at a special referendum held for such purpose.

Any legislation or constitutional amendments which alter the existing system of real property taxation in New Jersey may adversely affect the security and/or market value of bonds, notes and other obligations of counties and municipalities (such as the County).

### **Miscellaneous Revenues**

Miscellaneous revenues generally consist of operating surplus from prior years, State and federal aid, interest on investments, permit fees, motor vehicle fines, real estate transfer fees, and the reimbursement costs of patients and prisoners in county and State institutions.

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

“No budget or amendment thereof shall be adopted unless the director shall have previously certified his approval thereof.” N.J.S.A. 40A:4-10.

The exception to this is the inclusion of categorical grants-in-aid contracts for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the County's calendar fiscal year.

### **Deferral of Current Expenses**

Emergency appropriations made after the adoption of the budget and determination of the tax rate may be authorized by the Board of Chosen Freeholders. However, with minor exceptions, such appropriations must be included in full in the following year's budget. When such appropriations amend the adopted operating budget, consent of the Director must be obtained. (N.J.S.A. 40A:4-46 et seq.).

### **MUNICIPAL BANKRUPTCY**

The undertakings of the County should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 901, et seq., as amended by Public Law 95-598, approved November 6, 1978, and as further amended on November 3, 1988, by an Act to Amend the Bankruptcy Law to Provide for Special Revenue Bonds, and for Other Purposes, and on October 22, 1994, by the Bankruptcy Reform Act of 1994, and by other bankruptcy laws affecting creditors' rights and municipalities in general. Chapter IX permits a state or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to file a petition in a bankruptcy court for the ultimate purpose of effecting a plan to adjust its debts. Chapter IX directs such a petitioner to file with the Bankruptcy Court a list of the petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner, with the exception that such petition does not operate as a stay of application of pledged special revenues to the payment of indebtedness secured by such revenues; grants priority to administrative and operational expenses and to debts owed for services or material, up to \$4,000 per individual or corporation, actually provided within ninety (90) days of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; provides that any securities issued under a reorganization plan will be exempt from the securities laws and, therefore, exempt from registration requirements; permits the petitioner, during bankruptcy proceedings, to continue to pay pre-petition debt without prior court approval; and provides that the plan must be accepted by a class of creditors, in writing, by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors. A plan shall not be approved by the Bankruptcy Court unless it is in the best interests of creditors and is feasible.

Reference should also be made to N.J.S.A. 52:27-40 thru 52:27-45.11, which provides that any county, municipality, or other political subdivision of the State has the power to file a petition with any Bankruptcy Court, provided the approval of the municipal finance commission has been obtained, and such petition has been authorized by ordinance of the governing body of the political subdivision. The powers of the municipal finance commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act. However, the Bankruptcy Act does provide that a municipality must obtain any regulatory or electoral approval necessary under constitutional, statutory, or charter provisions, for actions taken under the reorganization plan.

### **STATEMENT OF LITIGATION--COUNTY COUNSEL**

The County of Ocean, its officers and employees are defendants in various law suits. The County Counsel has reviewed the status of the pending law suits. With regard to the pending litigation, it is the opinion of the County Counsel that the pending litigation shall not be finally determined so as to result individually, or in the aggregate, in a final judgment against the County which would substantially and materially affect the financial status of the County

## **DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS**

### **Absence of Litigation**

Upon the delivery of the Bonds, the County shall furnish a certificate of the County Counsel, dated the date of delivery of the Bonds, to the effect that there is no litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds. In addition, such certificate shall state that there is no litigation of any nature now pending or threatened by or against the County wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the County or adversely affect the power of the County to levy, collect and enforce the collection of taxes or other revenues for the payment of the Bonds, which has not been disclosed in this Official Statement.

### **Legal Matters**

The legality of the Bonds will be subject to the final approving opinion of GluckWalrath LLP, of Trenton, New Jersey ("Bond Counsel"). Such opinion will be to the effect that the Bonds are valid and legally binding obligations of the County and, unless paid from other sources, the County is authorized and required by law to levy ad valorem taxes upon all taxable real property within the County for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

### **Certificates of County Officials**

The original purchasers of the Bonds shall receive certificates signed by the County Treasurer and the Clerk of the Board of Chosen Freeholders (a) certifying that this Official Statement, as of the date of this Official Statement, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made herein, in the light of the circumstances under which they were made, not misleading; and (b) certifying that there has been no material adverse change in the condition, financial or otherwise, of the County from that set forth in or contemplated by this Official Statement to the date of delivery of the Bonds. In addition, the original purchasers of the Bonds shall also receive certificates in form satisfactory to GluckWalrath LLP, of Trenton, New Jersey, evidencing the proper execution and delivery of the Bonds and receipt of payment therefore, and a certificate dated as of the date of the delivery of the Bonds, and signed by the officers who signed the Bonds, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Bonds or the levy or collection of taxes to pay the Bonds or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Bonds are issued, and that neither the corporate existence or boundaries of the County, nor the title of any of the said officers to their respective offices, is being contested.

## **TAX MATTERS**

### **Federal Income Tax**

In the opinion of Bond Counsel, assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") applicable to the Tax-Exempt Bonds subject to certain provision of the Code which are described below, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Tax-Exempt Bonds, interest received by a holder of the Tax-Exempt Bonds will be excludable from gross income for federal income tax purposes. However, interest on the Tax Exempt Bonds may become taxable retroactively if certain requirements under the Code are not complied with. Interest received by a holder of the Tax-Exempt Maturities, the Chapter 12 Bonds and the College Bonds will not be treated as a preference item for purposes of the alternative minimum tax imposed on individuals and corporations. For corporate holders, interest on the Refunding Bonds will be taken into account in the calculation of such holders' alternative minimum tax liability as part of adjusted current earnings.

The Code contains a number of provisions that apply to the Tax-Exempt Bonds, including restrictions relating to the use or investment of the proceeds of the Tax-Exempt Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Tax-Exempt Bonds to the Treasury of the United States. Non-compliance with such provisions may result in interest on the Tax-Exempt Bonds not being excludable from gross income for federal income tax purposes retroactive to the date of issuance of the Tax-Exempt Bonds. The County, among others, has covenanted to comply with these requirements.

The Code imposes an alternative minimum tax on individuals and corporations. Interest received with respect to certain types of private activity bonds issued after August 7, 1986 is considered a tax preference subject to the alternative minimum tax. As the Tax-Exempt Bonds are not private activity bonds, interest received by individual and corporate holders of the Tax-Exempt Maturities, the Chapter 12 Bonds and the College Bonds will not be considered a tax preference item for purposes of the alternative minimum tax for individuals and corporations. However, interest on the Refunding

Bonds will be reflected in calculating a corporate holder's alternative minimum tax liability as part of adjusted current earnings.

The alternative minimum tax is imposed on a corporation to the extent such tax exceeds its regular tax liability, and is calculated at a rate equal to twenty percent (20%) of the amount by which the taxpayer's alternative minimum taxable income exceeds its exemption amount. A \$40,000 exemption is provided, but such exemption phases out if the alternative minimum taxable income exceeds \$150,000.

A corporation's alternative minimum taxable income will include seventy-five percent (75%) of the amount by which adjusted current earnings of the corporation exceeds alternative minimum taxable income (determined without regard to the 75% adjustment). Interest on tax-exempt bonds would generally be includable in the adjusted current earnings of a corporate holder, and thus a portion of the interest on the Refunding Bonds held by corporations may be subject to the alternative minimum tax.

Under prior law, banks, thrift institutions and other financial institutions were required to reduce the amount deducted with respect to the interest expense incurred to purchase or carry tax-exempt obligations by 20%. Section 265(b) of the Code generally denies to institutions any deduction for that portion of interest expense incurred in taxable years ending after December 31, 1986. An exception is provided to the 100% disallowance rule for certain small issuers who designate the obligations as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code and, provided certain conditions are met, for bonds the proceeds of which refund obligations which are issued after August 7, 1986 and which were designated as qualified tax-exempt obligations. Such obligations will be treated as if they were acquired on August 7, 1986 and will be subject to the 20% disallowance rule. The Tax-Exempt Bonds will not be designated as qualified under Section 265 of the Code by the County for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

Fifteen percent (15%) of the interest earned on tax-exempt obligations must be used to reduce deductions for losses incurred by property and casualty insurance companies.

In addition, prospective purchasers should be aware that on May 17, 2006, the President signed into law the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"). TIPRA amended Section 6049 of the Code to provide that interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. The provision is effective for interest paid on tax-exempt obligations after December 31, 2005, regardless of when the tax-exempt obligations were issued. Pursuant to Notice 2006-93, backup withholding will be required if the bondholder fails to provide a tax identification number. The new reporting requirement does not in and of itself affect or alter the excludability of such interest from gross income for federal tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

From time to time, there are legislative proposals in Congress that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted, it would apply to bonds issued prior to enactment. In addition, the Internal Revenue Service ("IRS") has established an expanded audit program for tax-exempt bonds. There can be no assurance that legislation enacted or proposed or an audit initiated or concluded by the IRS after the issue date of the Bonds involving either the Tax-Exempt Bonds or other tax-exempt bonds will not have an adverse effect on the tax-exempt status or market price of the Tax-Exempt Bonds. Each purchaser of the Bonds should consult his or her own tax advisor regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

Ownership of tax-exempt obligations may also result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations.

[Premium Bonds. The Tax-Exempt Bonds maturing on August 1 of the years \_\_\_\_ through \_\_\_\_, inclusive, and on \_\_\_\_ (collectively, the "Premium Bonds"), have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a Premium Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such Premium Bonds and not as interest.

Discount Bonds. The Tax-Exempt Bonds maturing on August 1 of the years \_\_\_\_\_, inclusive (collectively, the "Discount Bonds") have been sold to the public at an original issue discount. The original issue discount is the excess of the

stated redemption price at maturity of such a Discount Bond over the initial offering price to the public (excluding underwriters' and other intermediaries) at which price a substantial amount of that maturity of the Discount Bonds was sold. Under existing law, an appropriate portion of any original issue discount, depending in part on the period a Discount Bonds is held by the purchaser thereof, will be treated for federal income tax purposes as interest that is excludable from gross income rather than as taxable gain.

Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compounded basis. The amount of original issue discount that accrues to a holder of a Discount Bond, who acquires the Discount Bond in this initial offering, during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the holder's basis in such Discount Bond. Proceeds received from the sale, exchange, redemption or payment of a Discount Bond in excess of the holder's adjusted basis (as increased by the amount of original issue discount that has accrued and is treated as tax-exempt interest in such holder's hands), will be treated as gain from the sale or exchange of such Discount Bond and not as interest.]

The federal income tax consequences from the purchase, ownership and redemption, sale or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Holders of Discount Bonds should consult their own tax advisors with respect to the consequences of owning Discount Bonds, including the effect of such ownership under applicable state and local laws.]

## **Taxable Maturities**

As part of the Recovery Act, Congress added provisions to the Code which permit state or local governments to obtain certain tax advantages when issuing certain taxable obligations, referred to as "Build America Bonds." Build America Bonds must satisfy certain requirements, including that the interest thereon would be, but for the issuer's election to treat such bonds as Build America Bonds, excludable from gross income under Section 103 of the Code.

The County intends to make an irrevocable election to treat the Taxable Maturities as Build America Bonds. As a result of this election, interest on the Taxable Maturities is not excludable from gross income of the holders thereof for federal income tax purposes and the holders of the Taxable Maturities will not be entitled to any tax credits as a result either of ownership of the Taxable Maturities or of receipt of any interest payments on the Taxable Maturities. The Taxable Bondholders should consult their tax advisors with respect to the inclusion of interest on the Taxable Maturities in gross income for federal income tax purposes.

The following is a general discussion of certain of the anticipated federal tax consequences of the purchase, ownership and disposition of the Taxable Maturities by the original purchasers of the Taxable Maturities. This discussion is based upon the Code, regulations, rulings and decisions now in effect, all of which are subject to change at any time, possibly with retroactive effect, and does not purport to deal with federal income tax consequences applicable to all categories of investors, some of which will be subject to special rules. This discussion assumes that the Taxable Maturities will be held as "capital assets" under the Code and that the Taxable Maturities are owned by U.S. Holders (as defined below). Investors should consult their own tax advisors in determining the federal, state, local or other tax consequences to them of purchase, ownership and disposition of the Taxable Maturities.

As used herein, the term "U.S. Holder" means a beneficial owner of a Bond that is for United States federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or any State or any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a court within the United States and which has one or more United States fiduciaries who have the County to control all substantial decisions of the trust.

**INTEREST ON THE TAXABLE MATURITIES IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES.** The County will report annually (or more frequently if required) to owners of record and to the Internal Revenue Service in respect of interest paid on the Taxable Maturities.

Under the Code, payments on the Taxable Maturities may, under certain circumstances, be subject to "backup withholding". This withholding generally applies if the owner (i) fails to furnish such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnishes an incorrect TIN, (iii) fails to properly report interest, dividends or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide such owner's securities broker with a certified statement, signed under penalties of perjury, that the TIN is correct and that such

Bondholder is not subject to backup withholding. Owners of the Taxable Maturities should consult their own tax advisors as to their qualification for exemption for backup withholding and the procedures for obtaining the exemption.

U.S. Holders of the Taxable Maturities should be aware that, for federal income tax purposes, the deposit of moneys or securities in escrow in such amount and manner as to cause the Taxable Bonds to be deemed to be no longer outstanding under the ordinances (a “defeasance”), could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, for federal income tax purposes, the character and timing of receipt of payments on the Taxable Maturities subsequent to any such defeasance could also be affected. U.S. Holders of the Taxable Maturities are advised to consult with their own tax advisors regarding the consequences of a defeasance for federal income tax purposes, and for state and local tax purposes.

The federal income tax consequences from the purchase, ownership and redemption, sale or other disposition of Taxable Maturities which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Holders of Taxable Maturities should consult their own tax advisors with respect to the consequences of owning Taxable Maturities, including the effect of such ownership under applicable state and local laws.

**IRS CIRCULAR 230 DISCLAIMER REGARDING THE TAXABLE MATURITIES: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE INTERNAL REVENUE SERVICE, ANY TAX OPINIONS CONTAINED HEREIN WITH RESPECT TO THE TAXABLE MATURITIES IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING TAX-RELATED PENALTIES UNDER THE INTERNAL REVENUE CODE.**

### **State of New Jersey Taxation**

Under the laws of the State of New Jersey, as enacted and construed on the date of original delivery of the Bonds, interest on the Bonds and any gain from the sale thereof is excludable from gross income under the New Jersey Gross Income Tax Act.

**PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF THE OWNERSHIP OF THE BONDS**

### **CONTINUING DISCLOSURE**

The County has agreed to comply with the terms of the Securities and Exchange Commission (the “SEC”) Rule 15c2-12, as amended (the “Rule”), as it relates to the Bonds. The County will agree in separate Certificates, substantially in the forms set forth in APPENDIX D hereto, to provide certain annual financial information to the Municipal Securities Rulemaking Board (the “MSRB”), and to provide, in a timely manner, to the MSRB, notice of occurrence of certain enumerated events with respect to the Bonds, if such event is applicable and material. The specific nature of the annual financial information and the information to be contained in the notice of material events is specified in “APPENDIX D – Forms of Continuing Disclosure Certificates.”

There have been no instances in the previous five years in which the County failed to comply, in all material respects with any previous continuing disclosure undertakings entered into under Rule 15c2-12 to provide annual reports or notices of material events.

### **RATINGS**

Moody’s Investors Service Inc. has assigned the Bonds a rating of Aaa. FitchRatings has assigned the Bonds a rating of AAA (negative outlook). Any explanation of the significance of such ratings may only be obtained from the rating agencies. The County furnished to the rating agencies certain information and material respecting the Bonds. There is no assurance that such ratings will remain for any given period of time or that they may not be lowered or withdrawn entirely by the rating agencies if in their judgment circumstances so warrant. Any such downward change in or withdrawal of such ratings may have an adverse effect of the market price of the bonds.

## **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. 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 Bonds. Any additional information may be obtained from Julie N. Tarrant, County Comptroller and Chief Financial Officer.

The execution of this Official Statement and its delivery have been duly authorized by the Board of Chosen Freeholders of the County of Ocean, and has been executed by the Director of the Board of Chosen Freeholders, the County Administrator, the County Comptroller and Chief Financial Officer, and the Clerk of the Board of Chosen Freeholders.

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**JAMES F. LACEY.**  
**Director of the Board of Chosen Freeholders**

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**CARL W. BLOCK**  
**County Administrator**

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**JULIE N. TARRANT**  
**Comptroller and Chief Financial Officer**

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**BETTY VASIL**  
**Clerk of the Board of Chosen Freeholders**

## **APPENDIX A**



County of Ocean -- General Information  
Assessed Valuation and Tax Rate: 2010-2005  
(Abstract of Ratables)

Year	Assessed Valuation	Net (True) Valuation	Tax Rate per \$100 Valuation
2010	\$97,305,152,394.00	\$106,595,527,585.00	.2709
2009	\$89,288,166,049.00	\$109,906,985,727.00	.2545
2008	\$68,505,902,121.00	\$108,897,663,942.00	.2542
2007	\$67,050,661,857.00	\$103,161,991,252.00	.2559
2006	\$60,359,824,809.00	\$89,166,146,560.00	.2825
2005	\$52,045,082,824.00	\$74,416,899,023.00	.3220

Tax Collection Record: 2009-2004

Year	Levy	Collected Year of Levy	
		Amount	Percent
2009	\$278,876,987.00	\$278,876,987.00	100%
2008	\$276,305,117.00	\$276,305,117.00	100%
2007	\$263,560,329.00	\$263,560,329.00	100%
2006	\$251,548,008.00	\$251,548,008.00	100%
2005	\$239,224,899.00	\$239,224,899.00	100%
2004	\$224,198,148.00	\$224,198,148.00	100%

Added Tax Levies

Year	Total
2009	1,451,828.52
2008	1,726,002.27
2007	2,381,211.34
2006	3,290,293.55
2005	3,656,812.35
2004	3,447,834.16
2003	3,319,978.69

Percentage of Assessed Valuation of Real Property by Category (2010-2005)

Year	Vacant Land	Residential	Farm	Commercial	Industrial	Apartments	Comm. Equip.
2010	2.83%	85.64%	0.11%	8.74%	1.00%	1.52%	0.16%
2009	3.13%	85.09%	0.12%	8.81%	1.15%	1.55%	0.15%
2008	3.34%	85.81%	0.13%	7.95%	1.14%	1.50%	0.13%
2007	3.62%	85.36%	0.13%	8.01%	1.19%	1.56%	0.13%
2006	3.70%	85.57%	0.09%	7.61%	1.30%	1.58%	0.15%
2005	3.18%	86.50%	0.10%	7.70%	0.92%	1.42%	0.18%

Source: Ocean County Tax Board

County of Ocean  
Labor Force Employment and Unemployment Data (2009-2003)

Year	Annual Average			
	Labor Force	Employed	Unemployed	Rate
2009	263,100	237,400	25,700	9.7%
2008	260,100	244,500	15,600	6.0%
2007	257,600	245,900	11,700	4.5%
2006	256,000	242,800	13,200	5.2%
2005	250,200	238,900	11,200	4.5%
2004	245,700	233,600	12,100	4.9%
2003	241,200	227,400	13,800	5.7%

Source: N.J. Department of Labor and Industry

Schedule of Bond and Note Maturities

Year	Outstanding Notes and Bonds as of May 31, 2010			2010 Bonds		Total Fiscal Year Debt Service
	General Improvement Total Principal	College Improvement Total Principal	Interest on Outstanding Debt	General Improvement Bonds Principal	Interest	
2010	31,695,000	2,845,000	8,816,961			43,356,961
2011	30,685,000	1,760,000	15,223,731			47,668,731
2012	30,010,000	1,180,000	13,932,508			45,122,508
2013	26,150,000	1,180,000	12,718,233			40,048,233
2014	27,175,000		11,571,588			38,746,588
2015	24,475,000		10,408,708			34,883,708
2016	24,250,000		9,341,983			33,591,983
2017	26,910,000		8,288,333			35,198,333
2018	23,325,000		7,110,106			30,435,106
2019	22,455,000		6,130,549			28,585,549
2020	17,800,000		5,196,422			22,996,422
2021	16,534,000		4,442,456			20,976,456
2022	17,205,000		3,737,596			20,942,596
2023	15,685,000		2,999,525			18,684,525
2024	10,950,000		2,318,943			13,268,943
2025	11,255,000		1,840,318			13,095,318
2026	9,660,000		1,345,595			11,005,595
2027	9,595,000		908,810			10,503,810
2028	6,935,000		477,663			7,412,663
2029	2,710,000		149,050			2,859,050
	<u>\$ 385,459,000</u>	<u>\$ 6,965,000</u>	<u>\$ 126,959,075</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 519,383,075</u>

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COUNTY OF OCEAN

Current Fund Statement of Operations  
Last Five Calendar Years

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	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues:					
Surplus Balance January 1	\$ 46,591,590.04	\$ 49,074,868.92	\$ 54,995,022.83	\$ 52,842,440.07	\$ 51,774,504.07
Current Tax Collections	278,876,987.00	276,305,117.00	263,560,329.00	251,548,008.00	239,224,899.00
Added and Omitted Tax Collections	1,726,644.79	2,369,155.20	3,238,129.67	3,717,542.26	3,417,888.90
Miscellaneous Revenue and Other Credits to Income	<u>87,997,975.70</u>	<u>96,464,519.31</u>	<u>90,362,487.88</u>	<u>91,481,361.76</u>	<u>89,954,780.03</u>
	<u>\$ 415,193,197.53</u>	<u>\$ 424,213,660.43</u>	<u>\$ 412,155,969.38</u>	<u>\$ 399,589,352.09</u>	<u>\$ 384,372,072.00</u>
Expenditures:					
Budget and Emergency Appropriations:					
Operating	\$ 285,284,337.00	\$ 276,405,370.00	\$ 267,201,372.00	\$ 256,224,054.00	\$ 242,434,432.00
Capital Improvements	19,518,677.00	33,230,723.00	35,459,880.00	33,186,342.00	32,406,000.00
Debt Service	49,969,082.00	43,363,646.00	40,336,317.00	39,399,509.00	40,009,047.00
Deferred Charges and Statutory Expenditures	23,367,773.00	22,514,652.00	17,679,637.00	14,286,695.00	12,303,830.00
Miscellaneous	<u>2,660,567.67</u>	<u>2,107,679.39</u>	<u>2,403,894.46</u>	<u>1,497,729.26</u>	<u>4,376,322.93</u>
	<u>\$ 380,800,436.67</u>	<u>\$ 377,622,070.39</u>	<u>\$ 363,081,100.46</u>	<u>\$ 344,594,329.26</u>	<u>\$ 331,529,631.93</u>
Surplus Balance December 31	<u>\$ 34,392,760.86</u>	<u>\$ 46,591,590.04</u>	<u>\$ 49,074,868.92</u>	<u>\$ 54,995,022.83</u>	<u>\$ 52,842,440.07</u>
Tax Levy	\$ 278,876,987.00	\$ 276,305,117.00	\$ 263,560,329.00	\$ 251,548,008.00	\$ 239,224,899.00
Collections	\$ 278,876,987.00	\$ 276,305,117.00	\$ 263,560,329.00	\$ 251,548,008.00	\$ 239,224,899.00
Percentage of Collections	100%	100%	100%	100%	100%

NOTE: The current fund statements of operations were prepared by the management of the County of Ocean from financial information appearing in the County of Ocean's annual financial statement for the year 2009 and its audited financial statements for the years 2005 through 2008.

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COUNTY OF OCEAN - CURRENT FUND BALANCE SHEET AT DECEMBER 31, 2009

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**Assets**

Cash		\$	79,645,593.62
Receivables and Other Assets with Full Reserves:			
Taxes Receivable	\$	1,445,712.99	
Other Receivables		910,073.41	
Inventory - Central Supply Warehouse and Golf Course Pro Shops		235,495.11	
Interfunds Receivable		1,184,589.70	
Total Receivables and Other Assets with Full Reserves			<u>3,775,871.21</u>
Total Assets		\$	<u><u>83,421,464.83</u></u>

**Liabilities, Reserves and Fund Balance**

Appropriation Reserves	\$	15,263,559.53	
Encumbrances		25,978,312.96	
Accounts Payable and Payroll Liabilities		4,010,960.27	
Total Liabilities			<u>\$ 45,252,832.76</u>
Reserve for Receivables and Other Assets			3,775,871.21
Fund Balance			<u>34,392,760.86</u>
Total Liabilities, Reserves and Fund Balance		\$	<u><u>83,421,464.83</u></u>

NOTE: The Current Fund Balance Sheet of December 31, 2009 was prepared by the management of the County of Ocean from financial information appearing in the County of Ocean's annual financial statement for the year 2009.

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COUNTY OF OCEAN - SCHEDULE OF BUDGETED REVENUE BY SOURCES

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	<u>2010</u>	<u>2009</u>
Surplus Anticipated	\$ 17,700,000.00	\$ 24,300,000.00
Miscellaneous Revenues:		
Local Revenues	14,884,225.00	21,762,730.00
State Aid	4,715,799.00	4,238,596.00
State Assumption of Costs of County Social and Welfare		
Services Psychiatric Facilities	1,430,790.00	1,257,187.00
State and Federal Revenues Offset with Appropriations	7,669,686.00	9,899,316.00
Other Special Items	14,562,285.00	14,273,015.00
Amount to be Raised by Taxation:		
County Purpose Tax	<u>287,002,464.00</u>	<u>278,876,987.00</u>
 TOTAL	 <u>\$ 347,965,249.00</u>	 <u>\$ 354,607,831.00</u>

NOTE: The revenues in the foregoing schedule were those anticipated by the County of Ocean in its budgets for the years presented. The schedule is included in Appendix A for comparative purposes and does not purport to represent the budget revenues actually realized in 2009 or those revenues which may be realized in 2010.

**BUDGET APPROPRIATIONS TO PAY-OFF CAPITAL PROJECTS (2010 - 2006)**

<u>Year</u>	<u>Amount*</u>
2010	\$ 1,265,383.00
2009	2,000,000.00
2008	3,765,017.00
2007	3,649,073.00
2006	3,532,500.00

\* Reflects amount paid for capital project items from current operating budgets for the years 2006 through 2009 or the amounts which may be paid for capital project items from the current operating budget in 2010.

**LIST OF BUDGET APPROPRIATIONS FOR CAPITAL IMPROVEMENTS (2010 - 2006)**

<u>Year</u>	<u>Amount</u>
2010	\$ 10,650,159.00
2009	21,228,677.00
2008	33,230,723.00
2007	35,459,880.00
2006	32,886,342.00

NOTE: The appropriations in the foregoing schedule were raised by the County of Ocean in its budgets for the years presented. The schedule is included in Appendix A for comparative purposes and does not purport to represent those appropriations actually expended for the years 2006 through 2009 or the appropriations which may be expended in 2010.

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COUNTY OF OCEAN - SCHEDULE OF CHANGE IN CURRENT FUND BALANCE  
DECEMBER 31, 2009

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Fund Balance December 31, 2008		\$	46,591,590.04
Increased by:			
Miscellaneous Revenue Anticipated	\$	(4,636,372.57)	
Added and Omitted Tax Collections		1,726,644.79	
Miscellaneous Revenue Not Anticipated		2,903,065.35	
Unexpended Balances of 2009 Budget Appropriations		500,005.70	
Prior Year Interfunds Returned in 2009		1,731,804.73	
Grant Appropriation Cancellations		2,604,070.75	
Unexpended Balance of 2008 Appropriation Reserves		10,322,795.48	
Cancellation of Current Fund Reserve Balances		609,724.26	
			<u>15,761,738.49</u>
			62,353,328.53
Decreased by:			
Refund of Prior Year Revenue	\$	14,735.00	
Grant Receivable Cancellations		2,645,832.67	
Utilization as Anticipated Revenue		25,300,000.00	
			<u>27,960,567.67</u>
Fund Balance December 31, 2009		\$	<u><u>34,392,760.86</u></u>

NOTE: The schedule of change in Current Fund Balance at and for the year ended December 31, 2009 was prepared by the management of the County of Ocean from financial information appearing in its annual financial statement of 2009.

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COUNTY OF OCEAN - SUMMARY OF BUDGET OPERATIONS JANUARY 1, 2009 TO DECEMBER 31, 2009

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	<u>% Realized</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>	
Revenues:					
Surplus Anticipated	100	\$ 25,300,000.00	\$ 25,300,000.00	\$	
Miscellaneous Revenue Anticipated	94	73,962,882.00	69,326,509.43	(4,636,372.57)	
Amount to be Raised by Taxation	100	278,876,987.00	278,876,987.00		
Total Revenues		<u>\$ 378,139,869.00</u>	<u>\$ 373,503,496.43</u>	<u>\$ (4,636,372.57)</u>	
	<u>% Expended</u>	<u>Appropriated</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balances Canceled</u>
Expenditures:					
Operating:					
Salaries and Wages	95	\$ 115,509,179.00	\$ 110,067,700.96	\$ 5,441,478.04	\$
Other Expenses	95	169,575,158.00	160,703,154.39	8,372,003.61	500,000.00
Contingent	89	200,000.00	178,850.74	21,149.26	
Capital Improvements	94	19,518,677.00	18,399,947.74	1,118,729.26	
Debt Service	100	49,969,082.00	49,969,080.27		1.73
Deferred Charges and Statutory Expenditures	99	23,367,773.00	23,057,569.67	310,199.36	3.97
Total Expenditures		<u>\$ 378,139,869.00</u>	<u>\$ 362,376,303.77</u>	<u>\$ 15,263,559.53</u>	<u>\$ 500,005.70</u>

NOTE: The summary of budget operations was prepared by the management of the County of Ocean from financial information which appeared in the County's annual financial statement and adopted budget as amended for the year ended December 31, 2009.

## **APPENDIX B**



# *William E. Antonides and Company*

CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM E. ANTONIDES, C.P.A., R.M.A., P.S.A.  
WILLIAM E. ANTONIDES, JR., C.P.A., R.M.A., P.S.A.

EDWARD J. SIMONE, C.P.A., R.M.A., P.S.A.  
BRIAN K. LOGAN, C.P.A., R.M.A., P.S.A.  
DOROTHY S. GALLAGHER, C.P.A., R.M.A., P.S.A.  
DONALD F. HILL, C.P.A., P.S.A.  
CHI-LING LAI, C.P.A., P.S.A.

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Suite 200  
P.O. Box 1137  
Wall, New Jersey 07719-1137  
732-681-0980

Ocean County Office:  
506 Hooper Avenue, Suite B  
Toms River, New Jersey 08753-7704  
732-914-0004

## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

Honorable Director and Members  
of the Board of Chosen Freeholders  
County of Ocean  
P.O. Box 2191  
Toms River, NJ 08754-2191

We have reviewed the accompanying balance sheets - regulatory basis of the various funds and account groups of the County of Ocean (the "County"), as of December 31, 2009, the related statement of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2009 in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the County.

A review consists principally of inquiries of the management of the County and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the regulatory basis of accounting described in Note 1.

*William E. Antonides and Company*

July 12, 2010

# William E. Antonides and Company

CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM E. ANTONIDES, C.P.A., R.M.A., P.S.A.  
WILLIAM E. ANTONIDES, JR., C.P.A., R.M.A., P.S.A.

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732-914-0004

## INDEPENDENT AUDITOR'S REPORT

Honorable Director and Members  
of the Board of Chosen Freeholders  
County of Ocean  
P.O. Box 2191  
Toms River, NJ 08754-2191

We have audited the accompanying balance sheets - regulatory basis of the various funds and account groups of the County of Ocean (the "County"), as of December 31, 2008, the related statement of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2008. These financial statements are the responsibility of the County's management. 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; 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 (the "Division"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, the County prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis of accounting, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the County's statutory requirement to prepare its financial statements on the basis of accounting discussed in the preceding paragraph of this report, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County as of December 31, 2008, or changes in financial position for the year then ended.

*However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position - regulatory basis, of the various funds and account groups of the County as of December 31, 2008, and the results of operations and changes in fund balance - regulatory basis of such funds for the year then ended and the statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2008 on a modified accrual basis of accounting described in Note 1.*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2009, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements of the County taken as a whole. The accompanying supplementary schedules, the Schedules of Expenditures of Federal and State Awards, as required by U.S. Office of Management and Budget Circular Letter A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the comments and recommendations sections are presented for purposes of additional analysis and are not a required part of the financial statements, but is required by the Division. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

***William E. Antonides and Company***  
**Independent Auditors**



**William E. Antonides, C.P.A.**  
**Registered Municipal Accountant**  
**R.M.A. Number 14**

June 30, 2009

# William E. Antonides and Company

CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM E. ANTONIDES, C.P.A., R.M.A., P.S.A.  
WILLIAM E. ANTONIDES, JR., C.P.A., R.M.A., P.S.A.

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## **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**

Honorable Director and Members  
of the Board of Chosen Freeholders  
County of Ocean  
P.O. Box 2191  
Toms River, NJ 08754-2191

We have audited the financial statements of the County of Ocean (the "County"), as of and for the year ended December 31, 2008, and have issued our report thereon dated June 30, 2009 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and an unqualified opinion on the conformity of the statements with the basis of accounting described in Note 1. We conducted our audit in accordance with 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 in accordance with audit requirements prescribed by the Division.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting.

## **Internal Control Over Financial Reporting (Continued)**

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the regulatory basis of accounting prescribed by the Division such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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 of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division.

This report is intended solely for the information and use of the County's management and the Board of Chosen Freeholders, others within the organization, the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and federal and state awarding agencies and pass through entities, and is not intended to be and should not be used by anyone other than these specified parties.

***William E. Antonides and Company***  
**Independent Auditors**

June 30, 2009

**COUNTY OF OCEAN**

**BALANCE SHEET - CURRENT AND GRANT FUNDS**

**Exhibit A**

**REGULATORY BASIS**

**Sheet 1 of 2**

	<b><u>Ref.</u></b>	<b><u>Balance Dec. 31, 2009</u></b>	<b><u>Balance Dec. 31, 2008</u></b>
<b><u>Assets</u></b>			
<b><u>Current Fund</u></b>			
Cash and Cash Equivalents	A-4	\$ 79,637,543.62	\$ 98,037,345.34
Petty Cash Funds	A-5	5,000.00	
Change Funds	A-6	3,050.00	3,100.00
		<u>79,645,593.62</u>	<u>98,040,445.34</u>
<b><u>Receivables and Other Accounts with Full Reserves</u></b>			
County Share of Added and Omitted Taxes	A-8	1,445,712.99	1,720,529.26
Revenue Accounts Receivable	A-9	910,073.41	910,073.41
Inventory:			
Central Supply Warehouse	A-10	207,674.90	214,849.21
Golf Course Pro Shops	A-11	27,820.21	27,820.21
Interfunds Receivable:			
Trust Fund	A-12	7,292.36	33,427.23
General Capital Fund	A-12	7,245.63	121,944.56
Grant Fund	A-13	1,170,051.71	2,895,894.31
		<u>3,775,871.21</u>	<u>5,924,538.19</u>
		<u>83,421,464.83</u>	<u>103,964,983.53</u>
<b><u>Federal and State Grant Fund</u></b>			
Cash and Cash Equivalents	A-18	1,237,788.55	4,281,272.11
P.I.C. Cash in Excess of Current Expenditures	A-19	139,243.00	1,566.00
Grants Receivable	A-20	23,599,121.95	21,011,314.15
Mortgage Receivable	A-21	1,712,952.44	1,593,147.73
		<u>26,689,105.94</u>	<u>26,887,299.99</u>
Total Assets		<u>\$ 110,110,570.77</u>	<u>\$ 130,852,283.52</u>

See Accompanying Notes to Financial Statements.

**COUNTY OF OCEAN**

**BALANCE SHEET - CURRENT AND GRANT FUNDS**

**Exhibit A**

**REGULATORY BASIS**

**Sheet 2 of 2**

	<b><u>Ref.</u></b>	<b><u>Balance Dec. 31, 2009</u></b>	<b><u>Balance Dec. 31, 2008</u></b>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
<b><u>Current Fund</u></b>			
Reserve for Contribution to PERS		\$	\$ 1,589,096.46
Appropriation Reserves	A-3,14	15,263,559.53	11,857,321.14
Reserve for Encumbrances	A-15	25,978,312.96	32,141,807.10
Accounts Payable	A-16	1,382,674.60	3,434,636.70
Payroll Liabilities	A-17	2,628,285.34	2,425,993.90
Park's Sales Tax	A-4	.33	
		<u>45,252,832.76</u>	<u>51,448,855.30</u>
Reserve for Receivables and Other Assets		3,775,871.21	5,924,538.19
Fund Balance	A-1	34,392,760.86	46,591,590.04
		<u>83,421,464.83</u>	<u>103,964,983.53</u>
<b><u>Federal and State Grant Fund</u></b>			
Reserve for Encumbrances	A-15	9,193,433.56	8,251,812.78
Due to State of New Jersey	A-18		180.00
Interfunds Payable	A-22	1,170,051.71	2,895,894.31
Appropriated Reserves	A-23	14,385,051.15	14,082,013.95
Unappropriated Reserves	A-24	199,248.20	36,247.28
Reserve for Interest on Deposits	A-25	28,368.88	28,003.94
Reserve for Mortgage Receivable	A-26	1,712,952.44	1,593,147.73
		<u>26,689,105.94</u>	<u>26,887,299.99</u>
Total Liabilities, Reserves and Fund Balance		\$ <u>110,110,570.77</u>	\$ <u>130,852,283.52</u>

See Accompanying Notes to Financial Statements.

**COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-1**

**STATEMENT OF OPERATIONS AND CHANGE**

**Sheet 1 of 2**

**IN FUND BALANCE - REGULATORY BASIS**

	<b><u>Ref.</u></b>	<b><u>Year 2009</u></b>	<b><u>Year 2008</u></b>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	A-2	\$ 25,300,000.00	\$ 25,000,000.00
Miscellaneous Revenue Anticipated	A-2	69,326,509.43	71,862,831.76
Receipts from Current Taxes	A-2	278,876,987.00	276,305,117.00
Receipts from Added and Omitted Taxes	A-2	1,726,644.79	2,369,155.20
Non-Budget Revenue	A-2	2,903,065.35	3,439,057.78
Other Credits to Income:			
Current Year Appropriations Cancelled	A-3	500,005.70	537,913.68
Interfunds:			
Trust Fund	A-12	26,134.87	60,613.50
General Capital Fund	A-12	114,698.93	214,027.84
Grant Fund	A-13	1,590,970.93	5,410,218.70
Cancelled Federal and State Grant			
Appropriated Reserves	A-13	2,604,070.75	1,974,255.61
Unexpended Balance of Appropriation			
Reserves	A-14	10,322,795.48	12,844,592.42
Cancelled Accounts Payable	A-16		121,008.02
Cancellation of Current Fund Reserve Balances		609,724.26	
		<u>393,901,607.49</u>	<u>400,138,791.51</u>
<b><u>Expenditures</u></b>			
Budget Appropriations	A-3	378,139,869.00	375,514,391.00
Other Expenditures and Adjustments:			
Refund of Prior Year Revenue	A-4	14,735.00	75,497.25
Cancelled Federal and State Grant			
Receivables	A-13	2,645,832.67	2,032,182.14
		<u>380,800,436.67</u>	<u>377,622,070.39</u>

See Accompanying Notes to Financial Statements.



**COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-1**

**STATEMENT OF OPERATIONS AND CHANGE**

**Sheet 2 of 2**

**IN FUND BALANCE - REGULATORY BASIS**

	<b><u>Ref.</u></b>	<b><u>Year 2009</u></b>	<b><u>Year 2008</u></b>
Statutory Excess to Fund Balance		\$ 13,101,170.82	\$ 22,516,721.12
Fund Balance January 1	A	46,591,590.04	49,074,868.92
		<u>59,692,760.86</u>	<u>71,591,590.04</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1,2	<u>25,300,000.00</u>	<u>25,000,000.00</u>
Fund Balance December 31	A	<u>\$ 34,392,760.86</u>	<u>\$ 46,591,590.04</u>

See Accompanying Notes to Financial Statements.

**COUNTY OF OCEAN**

**CURRENT FUND**

**STATEMENT OF REVENUES - REGULATORY BASIS**

**Exhibit A-2**

**Sheet 1 of 8**

	<b>Ref.</b>	<b>Anticipated</b>		<b>Realized</b>	<b>Excess or (Deficit)</b>
		<b>Budget</b>	<b>Special N.J.S. 40A:4-87</b>		
Fund Balance Anticipated	A-1	\$ 25,300,000.00	\$	\$ 25,300,000.00	\$
<b><u>Miscellaneous Revenues</u></b>					
County Clerk Fees	A-9	7,000,000.00		6,229,782.16	(770,217.84)
Surrogate Fees	A-9	500,000.00		524,960.09	24,960.09
Sheriff Fees	A-9	600,000.00		740,918.25	140,918.25
Interest on Investments and Deposits	A-9	9,000,000.00		5,764,810.11	(3,235,189.89)
Data Processing Time Sharing Service	A-9	5,700.00		4,006.42	(1,693.58)
Road Opening Permits	A-9	39,000.00		32,627.50	(6,372.50)
Copy Machine Fees - County Clerk	A-9	50,000.00		44,905.25	(5,094.75)
Federal and State Contract - Indirect Cost Allocation	A-9	1,000,000.00		1,185,958.47	185,958.47
Telephone Commissions	A-9	150,000.00		206,667.47	56,667.47
Rent of Voting Machines	A-9	350.00		400.00	50.00
Sale of Plans and Specifications	A-9	10,000.00		19,678.50	9,678.50
Rent - Ocean County Air Park	A-9	80,000.00		30,559.51	(49,440.49)
Rent - Parks - Picnic Areas	A-9	8,000.00		11,140.00	3,140.00
State Reimbursement - Inmates	A-9	700,000.00		693,684.15	(6,315.85)
Welfare Reimbursement Medical Transportation	A-9	11,000.00		12,653.00	1,653.00
County Parks - Non-Profit Program	A-9	128,000.00		128,358.49	358.49
Shared Services Agreements - Roads	A-9		2,511,739.00	1,604,235.82	(907,503.18)
Shared Services Agreements - Engineering	A-9		831,349.00	252,357.85	(578,991.15)
Shared Services Agreements - Transportation and Vehicle Services	A-9	378,000.00	25,000.00	168,639.69	(234,360.31)
Shared Services Agreements - Planning	A-9		30,000.00	28,712.16	(1,287.84)
Atlantis Complex Revenues	A-9	740,000.00		700,210.89	(39,789.11)
Forge Pond Golf Course Fees	A-9	550,000.00		540,350.53	(9,649.47)
Atlantis Pro Shop	A-9	20,000.00		19,200.05	(799.95)
Forge Pond Pro Shop	A-9	31,000.00		34,960.17	3,960.17
School Board Election Expense Reimbursement	A-9	529,680.00		707,872.10	178,192.10
Reimbursement for Salary and Wages of Mental Health Coordinator	A-9	12,000.00		12,000.00	
Division of Aging - State Distribution Center Reimbursement	A-9	220,000.00		197,746.91	(22,253.09)
State Aid - County College Bonds (N. J. S. 18A:64A-22-6)	A-9	3,188,407.00		3,188,406.67	(.33)

See Accompanying Notes to Financial Statements.

**COUNTY OF OCEAN**

**CURRENT FUND**

**STATEMENT OF REVENUES - REGULATORY BASIS**

**Exhibit A-2**

**Sheet 2 of 8**

		<u>Anticipated</u>			
	<u>Ref.</u>	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Judicial Unification Archive Space	A-9	\$ 3,125.00	\$	\$ 2,000.00	\$ (1,125.00)
Judicial Unification Telephone Service Agreement	A-9	247,785.00		123,892.50	(123,892.50)
Judicial Unification Mail Distribution Agreement	A-9	100,000.00		100,000.00	
Prosecutor's Salary Reimbursement	A-9	65,000.00		65,496.00	496.00
State and Federal Reimbursement School Nutrition	A-9	30,000.00		46,568.60	16,568.60
Library Pension Payment	A-9	1,088,244.00		1,088,244.00	
Supplemental Security Income	A-9	1,200,810.00		947,316.00	(253,494.00)
DMH&H Recoveries	A-9	7,217.00		14,602.72	7,385.72
B.O.S.S. CMC Agreement	A-9	36,000.00		33,000.00	(3,000.00)
DDD Assessment Program	A-9	13,160.00		42,924.81	29,764.81
Vending Machine Commissions	A-9	10,000.00		12,681.66	2,681.66
Food and Liquor Concession	A-9	6,250.00		10,000.00	3,750.00
Sample Ballots Postage	A-9	29,000.00		33,127.38	4,127.38
Sample Ballots Printing	A-9	13,000.00		19,432.54	6,432.54
Rent - T-Hangers at Airpark	A-9	100,000.00		145,550.00	45,550.00
Sub-Division and Site Plan Fees	A-9	39,651.00		39,651.00	
Motor Vehicle Fines	A-9	3,143,498.00		3,143,498.00	
Pension Reserve	A-9	1,589,096.00		1,589,096.46	.46
Reserve to Pay Bonds	A-9	4,039,208.00		4,039,208.00	
Capital Surplus	A-9	2,502,408.00		2,502,408.00	
Recycling Reserve Trust	A-9	200,000.00		200,000.00	
Constitutional Officers Fees - Tax Relief:					
County Clerk	A-9	2,700,000.00		2,962,648.00	262,648.00
Surrogate	A-9	440,000.00		481,578.43	41,578.43
Sheriff	A-9	300,000.00		436,096.95	136,096.95
Public Health Priority Funding (N.J.S.A. 26:2F-1)	A-9	750,000.00		1,201,481.17	451,481.17
<b><u>Special Items</u></b>					
<b><u>State and Federal Revenues Offset with Appropriations</u></b>					
Project Life Saver FY03	A-20	3,120.00	10.00	3,130.00	
Crosswind Runway 14/32	A-20		8,553.00	8,553.00	
State Homeland Security FY07	A-20		6,546.00	6,546.00	

See Accompanying Notes to Financial Statements.

**COUNTY OF OCEAN**

**CURRENT FUND**

**STATEMENT OF REVENUES - REGULATORY BASIS**

**Exhibit A-2**

**Sheet 3 of 8**

		<b>Anticipated</b>			
	<b>Ref.</b>	<b>Budget</b>	<b>Special N.J.S. 40A:4-87</b>	<b>Realized</b>	<b>Excess or (Deficit)</b>
Work First New Jersey Program FY08/09	A-20	\$	\$ 100,000.00	\$ 100,000.00	\$
Obstruction Removal	A-20		3,764.00	3,764.00	
Design of Apron Expansion	A-20		2,106.00	2,106.00	
Veterans Transportation FY08	A-20		30,000.00	30,000.00	
FTA: Jarc Route 37 Bus Service	A-20	186,288.00		186,288.00	
Airport Layout Plan Update	A-20		3,053.00	3,053.00	
HUD: Community Development Block Grant FY08	A-20		375,734.00	375,734.00	
HUD: CDBG Program Income FY08	A-20		12,000.00	12,000.00	
HUD HOME: Program Income FY08	A-20	29,260.00	49,135.00	78,395.00	
Apron Expansion & Rehabilitation	A-20		2,433.00	2,433.00	
Edward Byrne JAG	A-20	13,119.00		13,119.00	
DCA Home Delivered Meals FY09	A-20	75,269.00		75,269.00	
Subregional Transportation Program FY09/10	A-20		102,815.00	102,815.00	
Human Services Advisory Council FY09	A-20	68,275.00	1,000.00	69,275.00	
SSBG Funds FY09	A-20	232,635.00		232,635.00	
Runway 6/24 Joint Repair, Rejuvenator & Marking	A-20		665,000.00	665,000.00	
Juvenile Accountability Incentive Program FY09	A-20	28,830.00		28,830.00	
County Gang, Guns & Narcotics Task Force FY09	A-20		39,428.00	39,428.00	
Victims of Crime Act	A-20		162,559.00	162,559.00	
Expand Bicycling & Pedestrian Mobility	A-20		120,000.00	120,000.00	
ARRA Congregate Meals	A-20		146,061.00	146,061.00	
ARRA Home Delivered Meals	A-20		71,907.00	71,907.00	
FTA JARC Rt. 37 FY09	A-20		55,793.00	55,793.00	
Bullet Proof Vest Partnership FY09 Corrections	A-20		5,791.00	5,791.00	
Bullet Proof Vest Partnership FY09 Sheriff	A-20		2,574.00	2,574.00	
Bullet Proof Vest Partnership FY09 Prosecutor	A-20		6,756.00	6,756.00	
Bullet Proof Vest Partnership FY09 Juvenile Services	A-20		966.00	966.00	
Replace Taxiway Lighting/Signage	A-20		142,500.00	142,500.00	
ARRA Energy Efficiency Conservation Block Grant	A-20		748,300.00	748,300.00	
FEMA Emergency Management Assistance FY07	A-20		18,000.00	18,000.00	
Victim/Witness Supplemental FY08	A-20		55,080.00	55,080.00	
Open Space Preservation FY08	A-20		335,543.00	335,543.00	

See Accompanying Notes to Financial Statements.

**COUNTY OF OCEAN**

**CURRENT FUND**

**STATEMENT OF REVENUES - REGULATORY BASIS**

**Exhibit A-2**

**Sheet 4 of 8**

		<b>Anticipated</b>			
	<b>Ref.</b>	<b>Budget</b>	<b>Special N.J.S. 40A:4-87</b>	<b>Realized</b>	<b>Excess or (Deficit)</b>
Regionalized Traffic Enforcement	A-20	\$ 30,000.00	\$	30,000.00	\$
FEMA Emergency Management Assistance FY08	A-20		50,000.00	50,000.00	
NJ State Airport Aid FY08	A-20		150,000.00	150,000.00	
Partnerships in Safety	A-20	94,200.00		94,200.00	
Green Acres Plan	A-20	600,000.00		600,000.00	
Ocean Area Plan Grant FY09	A-20	2,197,385.00	92,627.00	2,290,012.00	
Ocean Area Comprehensive Plan FY09	A-20	210,930.00		210,930.00	
Ocean Area Plan - State FY09	A-20	111,118.00	3,168.00	114,286.00	
Area Plan III E - State FY09	A-20	99,674.00	7,777.00	107,451.00	
Area Plan III E - Administration FY09	A-20	33,225.00		33,225.00	
Safe Housing and Transportation Program FY09	A-20	88,861.00		88,861.00	
Adult Protective Services FY09	A-20	284,918.00		284,918.00	
Mental Health Emergency Response Team	A-20		5,000.00	5,000.00	
Care Coordination FY09	A-20	23,810.00		23,810.00	
Personal Assistance Services FY09	A-20	621,569.00	337,940.00	959,509.00	
Medication Management State FY09	A-20	551.00	10.00	561.00	
Data Harvesting System	A-20		150,000.00	150,000.00	
Senior Citizens and Persons with Disabilities FY09	A-20	2,509,038.00		2,509,038.00	
Polling Place Accessibility	A-20		17,820.00	17,820.00	
US Marshall Fugitive Apprehension FY09/10	A-20		32,000.00	32,000.00	
Emergency Management Program	A-20		33,685.00	33,685.00	
Council on the Arts FY09	A-20	74,594.00	13,164.00	87,758.00	
DHS - Emergency Food and Shelter FY09	A-20	637,842.00	315,000.00	952,842.00	
Veterans Transportation FY09	A-20		30,000.00	30,000.00	
2009 Recycling Enhancement Tax Entitlement	A-20		378,000.00	378,000.00	
RERP: Reimbursement for Catering	A-20		25,000.00	25,000.00	
Family Court Services	A-20	343,406.00		343,406.00	
State COLA Senior Services FY09	A-20	410,495.00		410,495.00	
Medicaid Match	A-20	33,977.00		33,977.00	
State Health Insurance Assistance Program FY09	A-20	20,284.00	5,000.00	25,284.00	
NJNG Manchester Paving	A-20		93,245.00	93,245.00	
Clean Communities Program FY09	A-20		159,918.00	159,918.00	

See Accompanying Notes to Financial Statements.

**COUNTY OF OCEAN**

**CURRENT FUND**

**STATEMENT OF REVENUES - REGULATORY BASIS**

**Exhibit A-2**

**Sheet 5 of 8**

		<b>Anticipated</b>			<b>Excess or</b>
	<b>Ref.</b>	<b>Budget</b>	<b>Special N.J.S. 40A:4-87</b>	<b>Realized</b>	<b>(Deficit)</b>
Mental Health Training Program FY09/10	A-20	\$	\$ 6,000.00	\$ 6,000.00	\$
Chronic Disease Self Management	A-20		12,000.00	12,000.00	
State Facilities Education Act	A-20		99,000.00	99,000.00	
Edward Byrne Recovery Act	A-20		440,238.00	440,238.00	
Specialized Initiative and Transportation FY09	A-20		325,992.00	325,992.00	
Barnegat Branch Trail	A-20		313,000.00	313,000.00	
Recycling Enhancement Act Tax Bonus	A-20		258,300.00	258,300.00	
Comprehensive Farmland Preservation FY09	A-20		9,669.00	9,669.00	
NJ Historical Commission	A-20		11,354.00	11,354.00	
Children's Inter - Agency Coordinating Council FY09	A-20		56,918.00	56,918.00	
Cattus Island National Resource Foundation	A-20	3,868.00		3,868.00	
Wildlife Habitat Enhancement	A-20		30,337.00	30,337.00	
Law Enforcement Officers Training and Equipment FY09	A-20		46,525.00	46,525.00	
Insurance Fraud Program FY09/10	A-20	249,904.00		249,904.00	
State Homeland Security FY09	A-20		775,380.00	775,380.00	
Water Quality Management	A-20		100,000.00	100,000.00	
Jersey Shore Gang Task Force	A-20		33,807.00	33,807.00	
State Criminal Alien Assistance Program FY09	A-20		522,931.00	522,931.00	
Jake's Branch Park	A-20	2,320.00		2,320.00	
Program Service Funds FY09	A-20	334,482.00		334,482.00	
Program Management Funds FY09	A-20	55,550.00		55,550.00	
Decontamination Taskforce Training	A-20		6,978.00	6,978.00	
PARIS Grant FY09	A-20		410,931.00	410,931.00	
Alcohol, Tobacco, Firearms and Explosives	A-20		3,144.00	3,144.00	
966 Reimbursement Program FY09	A-20		244,932.00	244,932.00	
USDA FY09	A-20	190,519.00	29,840.00	220,359.00	
Lead Identification and Field Testing	A-20		49,510.00	49,510.00	
ARRA Workforce Investment Act	A-20		1,552,643.00	1,552,643.00	
Workforce Investment Act Plan FY09/10	A-20		1,890,505.00	1,890,505.00	
Work First New Jersey Program FY09/10	A-20		1,558,682.00	1,558,682.00	
Workforce Learning Link FY09	A-20		213,186.00	213,186.00	
HUD: CDBG Program Income FY09	A-20		32,972.00	32,972.00	
HUD: Community Development Block Grant FY09	A-20		1,434,195.00	1,434,195.00	
HUD: Home Investment FY09	A-20		1,419,159.00	1,419,159.00	

See Accompanying Notes to Financial Statements.

See Accompanying Notes to Financial Statements.

**COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-2**

**STATEMENT OF REVENUES - REGULATORY BASIS**

**Sheet 7 of 8**

	<b><u>Ref.</u></b>	<b><u>Amount</u></b>
<b><u>Analysis of Non-Budget Revenue</u></b>		
Miscellaneous Revenue		\$ 181,464.75
Payments in Lieu of Taxes (P.I.L.O.T.)		24,689.83
B.O.S.S. Indirect Cost		377,442.00
Employee Health Benefit Reimbursements		9,062.97
B.O.S.S. Refunds		13,279.95
Prosecutor's Office Copies		35,514.50
Tax Board Public Record Fees		535.50
Miscellaneous Repair Work Roads		2,469.72
Board of Construction Appeals		2,400.00
Project Lifesaver		5,400.00
Weights and Measures Fines		129,350.00
Gas and Oil Refunds - Miscellaneous		158,655.63
Whiting Reading Center		15,000.00
Tuition - Police Academy		168.00
Jury Duty Pay		427.90
Enhanced 911 System Agreements		80,000.00
Overload Permits		250.00
Copies		165.00
Vending Machine Commission		4,334.47
Senior Services St. Aid Reimbursement		58,000.00
Rent - DMV R. J. Miller Air Park		18,000.00
Communications Equipment Purchase Program		3,080.00
Warren Grove Fire Reimbursement		19,279.94
Municipal/Fire Elections - Election Board		42,345.81
Municipal/Fire Elections - County Clerk		11,855.06
AVA Pension		4,855.00
Auction Sale of Equipment		175,769.98
Tire Processing Facility		1,456.00
County Fines		7,947.00
Court Ordered Restitution		6,188.20
Engineering Billboard Lease Agreement		12,300.00
Alternate Fuel Vehicle Rebate Program		52,000.00
OCDETF Reimbursement		9,289.78
Twenty-One Plus Inc.		93,093.75
US Sprint Easement Agreement		80,239.45
Inmate User Fees		214,706.35
Transportation Donations		20,861.71
Reimbursement Grants Prior Years Charges		183,255.91
Transportation Fees		2,900.00
Dog Park Registration		33,275.00

See Accompanying Notes to Financial Statements.



**COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-2**

**STATEMENT OF REVENUES - REGULATORY BASIS**

**Sheet 8 of 8**

	<b><u>Ref.</u></b>	<b><u>Amount</u></b>
<b><u>Analysis of Non-Budget Revenue (Continued)</u></b>		
Inmate Bracelet Program		\$ 762.00
SCDRT - OCATS		19,066.22
RRT: Fuel Expense		25,914.52
Autopsy Reports		2,660.00
Inmate SSI Payments		26,000.00
Interest and Costs on Taxes		13,424.52
State Election Reimbursement		440,000.00
Inmate Medical Reimbursement		6,630.33
OPRA Copies		917.90
Postage Reimbursement		554.47
Defensive Driving Course		3,400.00
Bail Bond Forfeitures		170,205.00
Sale of Scrap Metal		3,412.70
Sale of Bid Procurement Software		3,750.00
Reimbursement Employee Telephone		8.43
Drainage - Road Agreements		95,050.10
	A-1	<u>2,903,065.35</u>
Added and Omitted Taxes	A-1,8	<u>1,726,644.79</u>
	A-2,4,9	<u>\$ 4,629,710.14</u>

See Accompanying Notes to Financial Statements.

**COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-3**

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

**Sheet 1 of 16**

	<b>Appropriations</b>		<b>Expended</b>			<b>Unexpended Balance Cancelled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Encumbered</b>	<b>Reserved</b>	
<b><u>GENERAL GOVERNMENT</u></b>						
<b><u>Administrative and Executive</u></b>						
Board of Chosen Freeholders						
Salaries and Wages	\$ 485,121.00	\$ 485,121.00	\$ 444,309.68	\$	\$ 40,811.32	\$
Other Expenses	5,700.00	5,700.00	5,381.86	96.14	222.00	
County Administrator						
Salaries and Wages	301,606.00	302,606.00	302,177.75		428.25	
Other Expenses	71,250.00	71,250.00	43,081.64	11,394.89	16,773.47	
Management System and Budget Analysis						
Salaries and Wages	552,050.00	552,050.00	536,060.96		15,989.04	
Other Expenses	157,500.00	157,500.00	8,922.49	142,040.00	6,537.51	
Wireless Technologies Divisior						
Other Expenses	52,368.00	52,368.00	46,293.23	4,507.93	1,566.84	
Audit						
Other Expenses	175,000.00	175,000.00	15,000.00	160,000.00		
Special Accounting Services						
Other Expenses	195,000.00	195,000.00	2,250.00	192,750.00		
County Counsel						
Other Expenses	726,268.00	726,268.00	409,426.82	30,298.74	286,542.44	
Adjusters Office						
Salaries and Wages	309,703.00	309,703.00	287,388.19		22,314.81	
Other Expenses	129,038.00	129,038.00	84,845.15	2,590.08	41,602.77	
Department of Finance						
Salaries and Wages	1,371,703.00	1,369,703.00	1,313,871.26	220.80	55,610.94	
Other Expenses	148,500.00	148,500.00	34,896.35	27,033.49	86,570.16	
Clerk of the Board						
Salaries and Wages	501,326.00	501,326.00	498,010.13		3,315.87	
Other Expenses	33,516.00	33,516.00	9,433.43	4,837.72	19,244.85	
Tourism Advisory Council						
Other Expenses	199,820.00	199,820.00	64,244.99	119,878.35	15,696.66	
Employee Relations						
Salaries and Wages	1,234,962.00	1,234,962.00	1,151,259.55		83,702.45	
Other Expenses	19,000.00	19,000.00	9,856.83	582.46	8,560.71	
Personnel Training Program						
Other Expenses	70,000.00	70,000.00	41,652.29	5,753.00	22,594.71	
Labor Relations Consultant						
Other Expenses	47,500.00	47,500.00	15,670.85	9,174.15	22,655.00	
Public Affairs						
Salaries and Wages	1,373,456.00	1,373,456.00	1,264,320.56		109,135.44	
Other Expenses	50,964.00	50,964.00	25,198.63	10,980.82	14,784.55	

See Accompanying Notes to Financial Statements

**COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-3**

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

**Sheet 2 of 16**

	<b>Appropriations</b>		<b>Expended</b>			<b>Unexpended Balance Cancelled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Encumbered</b>	<b>Reserved</b>	
Outreach Special Projects and Events						
Salaries and Wages	\$ 15,000.00	\$ 15,000.00	\$ 2,421.75	\$	\$ 12,578.25	\$
Other Expenses	175,000.00	175,000.00	122,393.24	46,904.51	5,702.25	
County Connection						
Other Expenses	21,061.00	21,061.00	7,329.30	108.76	13,622.94	
County Clerk						
Salaries and Wages	2,750,727.00	2,725,727.00	2,540,552.01	220.80	184,954.19	
Other Expenses	332,500.00	357,500.00	322,478.23	29,572.96	5,448.81	
Prosecutor's Programs						
Other Expenses	100,000.00	175,336.00	66,386.37	22,741.85	86,207.78	
Prosecutor						
Salaries and Wages	13,601,726.00	13,741,726.00	13,685,807.38	5,883.20	50,035.42	
Other Expenses	554,346.00	554,346.00	421,242.59	122,922.24	10,181.17	
Gang Violence Initiative						
Salaries and Wages	355,848.00	355,848.00	346,047.05		9,800.95	
Purchase Department						
Salaries and Wages	399,018.00	399,018.00	377,296.10		21,721.90	
Other Expenses	8,512.00	8,512.00	6,109.54	1,639.96	762.50	
Record Storage						
Salaries and Wages	110,799.00	110,799.00	104,768.24		6,030.76	
Other Expenses	2,375.00	2,375.00	1,421.78		953.22	
Warehouse						
Salaries and Wages	181,681.00	181,681.00	148,321.08		33,359.92	
Other Expenses	2,375.00	2,375.00	1,691.91	267.25	415.84	
Building and Grounds						
Salaries and Wages	6,742,936.00	6,742,936.00	6,444,021.99		298,914.01	
Other Expenses	2,966,400.00	2,966,400.00	2,105,642.35	808,279.23	52,478.42	
Security						
Salaries and Wages	3,286,902.00	3,286,902.00	3,083,685.22		203,216.78	
Other Expenses	85,500.00	85,500.00	23,957.19	52,679.98	8,862.83	
Insurance						
Group Insurance Plan for Employees	28,321,152.00	28,321,152.00	26,801,396.64	1,178,737.71	341,017.65	
Other Insurance Premiums Liability Self Insurance (N.J.S. 40A:10-6)	1,390,000.00	1,390,000.00	1,289,447.60	100,552.40		
Employee Physicals and Policy	80,500.00	80,500.00	26,259.00	46,151.00	8,090.00	
Insurance Consultant	54,000.00	54,000.00	36,458.25	17,541.75		
Workmen's Compensation Trust (N.J.S. 40A:10-6)	2,286,900.00	2,286,900.00	2,286,900.00			
Self-Insurance Administration of Claims	197,217.00	197,217.00	196,216.08		1,000.92	
Self-Insurance - Police Professional	300,000.00	300,000.00	300,000.00			
General Liability	750,000.00	750,000.00	750,000.00			

See Accompanying Notes to Financial Statements

**COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-3**

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

**Sheet 3 of 16**

	<b>Appropriations</b>		<b>Expended</b>			<b>Unexpended Balance Cancelled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Encumbered</b>	<b>Reserved</b>	
Stationery, Printing and Advertising						
Other Expenses	\$ 20,900.00	\$ 20,900.00	\$ 18,860.70	\$	\$ 2,039.30	\$
Postage						
Other Expenses	490,675.00	490,675.00	431,756.04	3,000.00	55,918.96	
Office of Information Technology						
Salaries and Wages	2,484,996.00	2,384,996.00	2,308,543.69	1,000.00	75,452.31	
Other Expenses	1,754,145.00	1,869,032.00	963,617.97	804,930.96	100,483.07	
Printing and Graphic Arts						
Salaries and Wages	711,691.00	711,691.00	674,674.47		37,016.53	
Other Expenses	326,300.00	326,300.00	198,885.22	70,869.24	56,545.54	
Total General Government	<u>79,072,533.00</u>	<u>79,301,756.00</u>	<u>72,708,141.62</u>	<u>4,036,142.37</u>	<u>2,557,472.01</u>	
<b><u>JUDICIARY</u></b>						
Indigent Costs						
Other Expenses	4,750.00	4,750.00	744.87		4,005.13	
Uniform Interstate Family Support Act						
Other Expenses	147,250.00	147,250.00	131,418.38		15,831.62	
Grand Jury Fees						
Other Expenses	3,000.00	3,000.00			3,000.00	
Surrogate						
Salaries and Wages	1,140,929.00	1,140,929.00	1,030,693.78		110,235.22	
Other Expenses	58,710.00	58,710.00	31,263.04	13,914.41	13,532.55	
Sheriff's Office - Judicial Function						
Other Expenses	73,387.00	73,387.00	61,827.97	3,655.18	7,903.85	
Total Judiciary	<u>1,428,026.00</u>	<u>1,428,026.00</u>	<u>1,255,948.04</u>	<u>17,569.59</u>	<u>154,508.37</u>	
<b><u>REGULATION</u></b>						
Office of the Sheriff						
Salaries and Wages	17,646,250.00	17,572,050.00	16,702,997.23	1,104.00	867,948.77	
Other Expenses	292,005.00	366,205.00	161,267.95	186,775.50	18,161.55	
Sheriff's - 911 System (N.J.S. 40A:45.4(r))						
Salaries and Wages	1,536,054.00	1,536,054.00	1,311,120.49		224,933.51	
Other Expenses	194,670.00	194,670.00	116,915.49	44,545.99	33,208.52	
Sheriff - Communication and Operations Division						
Other Expenses	194,670.00	194,670.00	68,866.33	115,306.94	10,496.73	
Sheriff - Criminal Division						
Other Expenses	194,670.00	194,670.00	114,832.46	74,015.00	5,822.54	
Police Academy						
Other Expenses	45,500.00	45,500.00	38,540.28	1,691.32	5,268.40	

See Accompanying Notes to Financial Statements

**COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-3**

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

**Sheet 4 of 16**

	<b>Appropriations</b>		<b>Expended</b>			<b>Unexpended Balance Cancelled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Encumbered</b>	<b>Reserved</b>	
Board of Taxation						
Salaries and Wages	\$ 560,035.00	\$ 560,035.00	\$ 493,294.34	\$ 493.20	\$ 66,247.46	\$
Other Expenses	24,652.00	24,652.00	16,526.31	3,330.15	4,795.54	
County Medical Examiner						
Salaries and Wages	394,510.00	394,510.00	370,069.51		24,440.49	
Other Expenses	600,523.00	600,523.00	448,214.11	142,438.39	9,870.50	
Burial Expenses - Indigents						
Other Expenses	10,000.00	10,000.00	4,843.00		5,157.00	
Shade Tree Commission						
Salaries and Wages	73,174.00	73,174.00	70,230.42		2,943.58	
Other Expenses	41,200.00	41,200.00	36,004.61	4,174.54	1,020.85	
Election Board						
Salaries and Wages	2,246,029.00	2,183,029.00	2,056,082.10		126,946.90	
Other Expenses	643,500.00	643,500.00	399,570.36	71,911.61	172,018.03	
Rent of Polling Places						
Other Expenses	90,500.00	90,500.00	70,200.00	2,600.00	17,700.00	
District Election Board Members						
Other Expenses	800,000.00	800,000.00	709,724.22		90,275.78	
County Clerk - Election Expense						
Other Expenses	267,200.00	259,400.00	234,949.91	3,701.58	20,748.51	
School Board Election Expense - Election Board						
Other Expenses	409,376.00	472,376.00	408,139.94	3,906.67	60,329.39	
School Board Election Expense - County Clerk						
Other Expenses	120,304.00	128,104.00	116,953.12	6,980.00	4,170.88	
Sheriff - Emergency Services Division						
Other Expenses	78,280.00	78,280.00	43,034.15	24,978.94	10,266.91	
Planning Board (N.J.S. 40:27-3)						
Salaries and Wages	858,954.00	858,954.00	815,606.33	3,441.60	39,906.07	
Other Expenses	71,900.00	71,900.00	27,412.33	32,738.72	11,748.95	
Consumer Protection (N.J.S. 40:23-6.47)						
Salaries and Wages	820,393.00	820,393.00	781,455.00		38,938.00	
Other Expenses	6,164.00	6,164.00	2,819.32	70.77	3,273.91	
Construction Board of Appeals (N.J.S. 52:27D-127)						
Other Expenses	2,591.00	2,591.00	347.99		2,243.01	
Firemen's Association E.O.C. Contribution (N.J.S. 40:23-8.13)						
Other Expenses	25,000.00	25,000.00	25,000.00			
Total Regulation	<u>28,248,104.00</u>	<u>28,248,104.00</u>	<u>25,645,017.30</u>	<u>724,204.92</u>	<u>1,878,881.78</u>	

See Accompanying Notes to Financial Statements

**COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 5 of 16

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Cancelled
<b><u>ROADS AND BRIDGES</u></b>						
Roads						
Salaries and Wages	\$ 9,982,580.00	\$ 9,892,244.00	\$ 9,049,571.32	\$	842,672.68	\$
Other Expenses	2,136,735.00	2,136,735.00	1,089,414.32	965,810.62	81,510.06	
Vehicle Services						
Salaries and Wages	3,103,300.00	3,103,300.00	3,007,675.54		95,624.46	
Other Expenses	194,670.00	194,670.00	178,462.46	13,610.50	2,597.04	
Engineering Department						
Salaries and Wages	5,787,078.00	5,737,078.00	5,484,963.48		252,114.52	
Other Expenses	370,800.00	370,800.00	193,751.27	35,888.99	141,159.74	
Beach Erosion						
Other Expenses	150,000.00	150,000.00	79,307.60	69,953.40	739.00	
Transportation Services						
Salaries and Wages	2,712,440.00	2,712,440.00	2,562,715.33		149,724.67	
Other Expenses	97,650.00	97,650.00	92,062.51	4,329.47	1,258.02	
Transportation Programs						
Other Expenses	600,000.00	600,000.00	313,441.65	271,934.45	14,623.90	
Shared Services Agreements:						
Salaries and Wages - Roads		439,461.00	190,133.17		249,327.83	
Other Expenses - Roads		2,072,278.00	619,859.55	196,331.55	756,086.90	500,000.00
Salaries and Wages - Engineering		28,000.00	14,041.08		13,958.92	
Other Expenses - Engineering		803,349.00	183,402.43	140,957.50	478,989.07	
Other Expenses - Transportation and Vehicle Services	378,000.00	403,000.00	178,994.54		224,005.46	
Other Expenses - Planning		30,000.00	30,000.00			
Maintenance of Pumping Facility						
Other Expenses	117,630.00	117,630.00	71,085.00	29,919.00	16,626.00	
Total Roads and Bridges	<u>25,630,883.00</u>	<u>28,888,635.00</u>	<u>23,338,881.25</u>	<u>1,728,735.48</u>	<u>3,321,018.27</u>	<u>500,000.00</u>
<b><u>CORRECTIONAL AND PENAL</u></b>						
Department of Corrections						
Salaries and Wages	17,698,996.00	17,623,996.00	17,261,615.30	2,220.80	360,159.90	
Other Expenses	1,141,500.00	1,141,500.00	943,634.29	115,619.57	82,246.14	
Corrections - Healthcare Services						
Other Expenses	3,031,992.00	3,031,992.00	2,778,542.50		253,449.50	
Law Enforcement Crime Prevention						
Other Expenses	108,422.00	108,422.00			108,422.00	
Total Correctional and Penal	<u>21,980,910.00</u>	<u>21,905,910.00</u>	<u>20,983,792.09</u>	<u>117,840.37</u>	<u>804,277.54</u>	

See Accompanying Notes to Financial Statements

**COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 6 of 16

	<b>Appropriations</b>		<b>Expended</b>			<b>Unexpended Balance Cancelled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Encumbered</b>	<b>Reserved</b>	
<b><u>HEALTH AND WELFARE</u></b>						
Local Health Services Act						
Environmental Health Title 26:A2-3	\$ 436,800.00	\$ 436,800.00	\$ 436,800.00		\$	\$
Aid to Visiting Homemaker Services (N.J.S. 40:23-8.11)	98,434.00	98,434.00	98,434.00			
Aid to Providence House (N.J.S. 40:5-2.9)	74,934.00	74,934.00		74,934.00		
Aid to Preferred Behavioral Health (N.J.S. 40:23-8.11)	18,973.00	18,973.00	18,973.00			
Aid to Special Children Services (N.J.S. 40:13-1)	75,000.00	75,000.00	75,000.00			
Aid to Youth and Day Care (N.J.S. 44:12-1, et seq.)	131,076.00	131,076.00	103,794.50	27,281.50		
Department of Human Services						
Salaries and Wages	566,501.00	566,501.00	551,471.01	1,000.00	14,029.99	
Other Expenses	269,458.00	269,458.00	253,907.51	281.85	15,268.64	
Aid to CONTACT of Ocean County (N.J.S. 40:5-2.9)	12,958.00	12,958.00	12,958.00			
Mental Health Program (N.J.S. 40:5-2.9)						
Other Expenses	1,686,110.00	1,686,110.00	1,686,110.00			
Aid to NJ Homeless Youth Act 1999, Ch. 224	35,000.00	35,000.00	35,000.00			
Aid to Dottie's House 52:4B	17,500.00	17,500.00	17,500.00			
Aid to Uniform Fire Prevention (40:23-8.13)	10,000.00	10,000.00			10,000.00	
Fire and First Aid Training Center						
Salaries and Wages	411,997.00	412,997.00	411,982.00		1,015.00	
Other Expenses	66,785.00	66,785.00	41,992.73	18,063.19	6,729.08	
Aid to First Aid Captain's Association (N.J.S. 40:5-2)						
Other Expenses	3,000.00	3,000.00			3,000.00	
Mosquito Extermination Commission (N.J.S. 26:9-13 et seq.)						
Other Expenses	2,097,680.00	2,097,680.00	2,097,680.00			
Aid/Alcohol and Addiction (N.J.S. 40:9B-4)	5,640.00	5,640.00	5,640.00			
Aid to Association of Retarded Citizens (N.J.S. 40:23-8.11)	76,684.00	76,684.00	76,684.00			
Maintenance of Patients O/T State Institutions	40,000.00	40,000.00	36,132.91		3,867.09	
Maintenance of Patients in State Institutions (N.J.S. 30:4-79)	2,074,177.00	2,074,177.00	2,074,177.00			
Maintenance of Patients Mentally Retarded	280.00	280.00	280.00			
Board of Social Services:						
Administration	14,840,251.00	14,840,251.00	14,840,078.96		172.04	
Services Account	2,321,226.00	2,321,226.00	2,321,226.00			
Supplemental Security Income	1,200,810.00	1,200,810.00	1,200,810.00			
Emergency Shelter Aid	45,675.00	45,675.00	45,675.00			
Building Rental - BOSS	480,000.00	480,000.00	303,497.28	151,750.72	24,752.00	
Juvenile Services Educational Programs						
Other Expenses	351,480.00	351,480.00	329,803.00	18,068.68	3,608.32	
Juvenile Services - State Housing						
Other Expenses	30,000.00	30,000.00	24,904.25	466.12	4,629.63	

See Accompanying Notes to Financial Statements

**COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-3**

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

**Sheet 7 of 16**

	<b>Appropriations</b>		<b>Expended</b>			<b>Unexpended Balance Cancelled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Encumbered</b>	<b>Reserved</b>	
Juvenile Services						
Salaries and Wages	\$ 3,326,352.00	\$ 3,326,352.00	\$ 3,151,565.46	\$	\$ 174,786.54	\$
Other Expenses	158,517.00	158,517.00	117,246.03	17,836.63	23,434.34	
Juvenile Services - Non-Secure Programs						
Other Expenses	730,588.00	730,588.00	722,252.99	5,454.00	2,881.01	
Juvenile Gang Initiatives						
Other Expenses	75,000.00	75,000.00	4,526.51	2,700.00	67,773.49	
Office of Senior Services						
Salaries and Wages	513,512.00	513,512.00	485,282.60		28,229.40	
Other Expenses	1,648,890.00	1,648,890.00	1,559,688.75	26,100.24	63,101.01	
Aid to Ocean County Economic Action Now, Inc. (N.J.S. 44:12-1)	79,310.00	79,310.00	79,310.00			
War Veterans' Burial and Grave Decorations						
Other Expenses	10,500.00	10,500.00	10,500.00			
County Environmental Agency						
Other Expenses	1,500.00	1,500.00	540.00		960.00	
Cerebral Palsy - Children (N.J.S. 9:13-7/8)						
Other Expenses	62,561.00	62,561.00	62,561.00			
Hazardous Household Waste Program						
Other Expenses	480,000.00	480,000.00	392,867.86	78,939.95	8,192.19	
Solid Waste Management						
Salaries and Wages	2,113,208.00	2,113,208.00	2,020,534.87	1,000.00	91,673.13	
Other Expenses	416,002.00	416,002.00	277,505.86	58,153.80	80,342.34	
Disability Awareness Through Education (D.A.T.E.)						
Other Expenses	32,000.00	32,000.00	29,680.00	2,320.00		
Task Force on Senior Victimization and Abuse						
Other Expenses	3,800.00	3,800.00			3,800.00	
Commission for Individuals with Disabilities						
Other Expenses	1,545.00	1,545.00	1,002.83	146.25	395.92	
Counseling and Referral Service OCE						
Other Expenses	11,666.00	11,666.00	11,666.00			
Health N/SA 40:23-8.19	850,000.00	850,000.00	850,000.00			
Ocean County Board of Social Services	17,239.00	17,239.00	17,239.00			
Aid to Saint Francis Community Center (N.J.S. 40:5-2.9)						
Other Expenses	140,951.00	140,951.00	140,951.00			
Division on Aging - State District Center Reimbursement						
Other Expenses	220,000.00	220,000.00	166,749.79	53,250.21		
Public Health Priority Funding (N.J.S. 26:2F-1)						
Other Expenses	248,852.00	248,852.00	248,852.00			

See Accompanying Notes to Financial Statements



**COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 8 of 16

	<b>Appropriations</b>		<b>Expended</b>			<b>Unexpended Balance Cancelled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Encumbered</b>	<b>Reserved</b>	
Aid to Families With Dependent Childrer						
Other Expenses	\$ 245,266.00	\$ 245,266.00	\$ 245,266.00			\$
Aid to Special Children's Services (N.J.S. 40:23-8.11)						
Other Expenses	75,600.00	75,600.00	75,600.00			
Aid to Animal Control (N.J.A.C. 8:52)						
Other Expenses	7,500.00	7,500.00	7,500.00			
School Nutrition Program						
Other Expenses	49,500.00	49,500.00	49,317.41	26.58	156.01	
Workforce Investment Board	50,000.00	50,000.00	50,000.00			
Total Health and Welfare	<u>39,048,288.00</u>	<u>39,049,288.00</u>	<u>37,878,717.11</u>	<u>537,773.72</u>	<u>632,797.17</u>	
<b><u>EDUCATIONAL</u></b>						
County Superintendent of Schools						
Salaries and Wages	398,739.00	398,739.00	372,931.84		25,807.16	
Other Expenses	12,818.00	12,818.00	9,857.35	452.51	2,508.14	
Vocational School						
Other Expenses	17,364,646.00	17,364,646.00	13,023,486.00	4,341,160.00		
County Extension Service Farm and Home Demonstration						
Salaries and Wages	374,525.00	374,525.00	343,964.10		30,560.90	
Other Expenses	21,624.00	21,624.00	19,639.82	1,414.06	570.12	
Rutgers Co-Op Extension						
Other Expenses	122,077.00	122,077.00	115,714.44		6,362.56	
County College						
Other Expenses	15,100,259.00	15,100,259.00	7,550,129.50	7,550,129.50		
Ocean County College Nursing Program						
Other Expenses	100,000.00	100,000.00	50,000.00	50,000.00		
Reimbursement for Residents Attending Out-of-County Two-Year Colleges (N.J.S. 18A:64A-23)						
Other Expenses	350,000.00	350,000.00	333,460.02		16,539.98	
County Cultural and Heritage Commission (N.J.S. 40:33A-6)						
Other Expenses	37,029.00	37,029.00	19,995.44	17,011.57	21.99	
County Historical Society Museum (N.J.S 40:32-6)						
Other Expenses	25,000.00	25,000.00	25,000.00			
Aid to Performing and Visual Arts (N.J.S. 40:23-8.25)						
Other Expenses	25,000.00	25,000.00	25,000.00			
Aid to Museums (N.J.S. 40:23-6.22)						
Other Expenses	25,000.00	25,000.00	25,000.00			
Total Educational	<u>33,956,717.00</u>	<u>33,956,717.00</u>	<u>21,914,178.51</u>	<u>11,960,167.64</u>	<u>82,370.85</u>	

See Accompanying Notes to Financial Statements

**COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-3**

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

**Sheet 9 of 16**

	<b><u>Appropriations</u></b>		<b><u>Expended</u></b>			<b><u>Unexpended</u></b>
	<b><u>Budget</u></b>	<b><u>Budget After Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Encumbered</u></b>	<b><u>Reserved</u></b>	<b><u>Balance Cancelled</u></b>
<b><u>RECREATION</u></b>						
County Parks (N.J.S 40:32-2.4)						
Salaries and Wages	\$ 5,748,782.00	\$ 5,748,782.00	\$ 5,422,329.70	\$	\$ 326,452.30	\$
Other Expenses	370,000.00	370,000.00	260,798.74	94,647.23	14,554.03	
County Parks - Non-Profit Program						
Other Expenses	163,012.00	163,012.00	130,114.31	22,396.11	10,501.58	
Forge Pond Complex						
Other Expenses	76,950.00	76,950.00	61,457.71	12,554.76	2,937.53	
Atlantis Complex						
Other Expenses	150,300.00	150,300.00	124,216.03	19,168.48	6,915.49	
Rent/Lease of Equipment						
Other Expenses	95,820.00	95,820.00	95,475.92		344.08	
Atlantis Golf Course Pro Shop						
Other Expenses	41,000.00	41,000.00	26,783.81	10,386.88	3,829.31	
Forge Pond Golf Course Pro Shop						
Other Expenses	25,500.00	25,500.00	9,646.66	10,136.19	5,717.15	
Public Information - Fair Committee						
Other Expenses	8,034.00	8,034.00	8,034.00			
Total Recreation	<u>6,679,398.00</u>	<u>6,679,398.00</u>	<u>6,138,856.88</u>	<u>169,289.65</u>	<u>371,251.47</u>	
<b><u>UNCLASSIFIED</u></b>						
County Airpark						
Salaries and Wages	119,966.00	119,966.00	114,875.94		5,090.06	
Other Expenses	19,950.00	19,950.00	6,466.13	954.03	12,529.84	
Purchase of County Fleet						
Other Expenses	250,000.00	250,000.00	153,678.00	21,319.00	75,003.00	
Repairs and Maintenance of County Vehicles						
Other Expenses	1,622,000.00	1,622,000.00	1,276,935.28	331,432.52	13,632.20	
Environmental Insurance Fund						
Other Expenses	95,000.00	95,000.00	39,737.54		55,262.46	
Rental/Lease Office Premises						
Other Expenses	950,000.00	950,000.00	895,716.51	21,961.46	32,322.03	
County Public Transportation Program						
Other Expenses	2,137.00	2,137.00	985.00	240.00	912.00	
Aid: Pollution Control Authority						
Other Expenses	2,375.00	2,375.00	1,530.00		845.00	
MOM Transportation Planning Support						
Other Expenses	50,000.00	50,000.00			50,000.00	
Purchase, Replacement, Repairs and Rental of Equipment						
Other Expenses	200,000.00	200,000.00	108,248.26	49,015.11	42,736.63	

See Accompanying Notes to Financial Statements

**COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-3**

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

**Sheet 10 of 16**

	<b>Appropriations</b>		<b>Expended</b>			<b>Unexpended Balance Cancelled</b>
	<b>Budget</b>	<b>Budget After Modifications</b>	<b>Paid or Charged</b>	<b>Encumbered</b>	<b>Reserved</b>	
Aid: Vet Works						
Other Expenses	\$ 207,000.00	\$ 207,000.00	\$ 190,630.44	\$ 16,369.56	\$	\$
Veteran's Service Bureau						
Salaries and Wages	273,699.00	273,699.00	260,377.56		13,321.44	
Other Expenses	17,368.00	17,368.00	9,962.82	740.36	6,664.82	
Ocean County Police and Firemen's Association (N.J.S. 40:23-8.9)						
Other Expenses	3,000.00	3,000.00	3,000.00			
Accumulated Sick Leave at Retirement						
Salaries and Wages	200,000.00	200,000.00	200,000.00			
N.J. Association of Counties						
Other Expenses	25,000.00	25,000.00	20,636.00		4,364.00	
Special Projects						
Other Expenses	500,000.00	500,000.00	210,388.26	276,803.12	12,808.62	
Utilities:						
Gasoline	3,275,000.00	3,275,000.00	1,742,146.61	812,982.21	719,871.18	
Telephone	2,072,240.00	2,057,353.00	1,876,876.30	6,444.12	174,032.58	
Natural Gas	1,850,000.00	1,850,000.00	993,564.81	365,235.55	491,199.64	
Heating Oil	16,000.00	16,000.00	7,205.79		8,794.21	
Water	249,000.00	249,000.00	184,785.47		64,214.53	
Data Transmission	466,950.00	466,950.00	275,888.99	7,500.00	183,561.01	
Sewer	295,000.00	295,000.00	169,990.87		125,009.13	
Trash Disposal	347,760.00	347,760.00	79,783.90	150,095.10	117,881.00	
Electricity	4,780,000.00	4,780,000.00	2,920,253.10	130,429.64	1,729,317.26	
Street Lighting	55,000.00	55,000.00	44,725.45		10,274.55	
Grant Management:						
Matching Funds For Future Grants	450,000.00	61,257.00			61,257.00	
LOCAL: FTA JARC Rt. 37 Bus Service	186,288.00	186,288.00	186,288.00			
LOCAL: Apron Expansion & Rehabilitation		128.00	128.00			
LOCAL: Edward Byrne JAG	4,373.00	4,373.00	4,373.00			
LOCAL: DCA Home Delivered Meals FY05	18,817.00	18,817.00	18,817.00			
LOCAL: Subregional Transportation Program FY09/10		25,704.00	25,704.00			
LOCAL: Human Services Advisory Council FY05	15,900.00	15,900.00	15,900.00			
LOCAL: SSBG Funds FY09	58,159.00	58,159.00	58,159.00			
LOCAL: Runway 6/24 Joint Repair, Rejuvenator & Marking		35,000.00	35,000.00			
LOCAL: Juvenile Accountability Incentive Program FY05	3,203.00	3,203.00	3,203.00			
LOCAL: County Gang, Guns & Narcotics Task Force FY05		39,428.00	39,428.00			
LOCAL: Victims of Crime Act		40,640.00	40,640.00			
LOCAL: Expand Bicycling & Pedestrian Mobility		30,000.00	30,000.00			
LOCAL: ARRA Congregate Meals		25,775.00	25,775.00			
LOCAL: ARRA Home Delivered Meals		12,688.00	12,688.00			
LOCAL: FTA JARC Rt. 37 FY09		55,793.00	55,793.00			

See Accompanying Notes to Financial Statements

**COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 11 of 16

	<b><u>Appropriations</u></b>		<b><u>Expended</u></b>			<b><u>Unexpended</u></b>
	<b><u>Budget</u></b>	<b><u>Budget After Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Encumbered</u></b>	<b><u>Reserved</u></b>	<b><u>Balance Cancelled</u></b>
LOCAL: Bullet Proof Vest Partnership FY09 Correctional	\$	\$ 5,791.00	\$ 5,791.00	\$	\$	\$
LOCAL: Bullet Proof Vest Partnership FY09 Sheriff		2,574.00	2,574.00			
LOCAL: Bullet Proof Vest Partnership FY09 Prosecutor		6,756.00	6,756.00			
LOCAL: Bullet Proof Vest Partnership FY09 Juvenile Services		966.00	966.00			
LOCAL: Replace Taxiway Lighting/Signage		7,500.00	7,500.00			
LOCAL: ARRA Energy Efficiency Conservation Block Grant		100,000.00	100,000.00			
Total Unclassified	<u>18,681,185.00</u>	<u>18,666,298.00</u>	<u>12,463,872.03</u>	<u>2,191,521.78</u>	<u>4,010,904.19</u>	
<b><u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u></b>						
Grant Management:						
Project Life Saver FY03	3,120.00	3,130.00	3,130.00			
Crosswind Runway 14/32		8,553.00	8,553.00			
State Homeland Security FY07		6,546.00	6,546.00			
Work First New Jersey Program FY08/09		100,000.00	100,000.00			
Obstruction Removal		3,764.00	3,764.00			
Design of Apron Expansion		2,106.00	2,106.00			
Veterans Transportation FY08		30,000.00	30,000.00			
FTA: Jarc Route 37 Bus Service	186,288.00	186,288.00	186,288.00			
Airport Layout Plan Update		3,053.00	3,053.00			
HUD: Community Development Block Grant FY08		375,734.00	375,734.00			
HUD: CDBG Program Income FY08		12,000.00	12,000.00			
HUD HOME: Program Income FY08	29,260.00	78,395.00	78,395.00			
Apron Expansion & Rehabilitation		2,433.00	2,433.00			
Edward Byrne JAG	13,119.00	13,119.00	13,119.00			
DCA Home Delivered Meals FY09	75,269.00	75,269.00	75,269.00			
Subregional Transportation Program FY09/10		102,815.00	102,815.00			
Human Services Advisory Council FY09	68,275.00	69,275.00	69,275.00			
SSBG Funds FY09	232,635.00	232,635.00	232,635.00			
Runway 6/24 Joint Repair, Rejuvenator & Marking		665,000.00	665,000.00			
Juvenile Accountability Incentive Program FY09	28,830.00	28,830.00	28,830.00			
County Gang, Guns & Narcotics Task Force FY09		39,428.00	39,428.00			
Victims of Crime Act		162,559.00	162,559.00			
Expand Bicycling & Pedestrian Mobility		120,000.00	120,000.00			
ARRA Congregate Meals		146,061.00	146,061.00			
ARRA Home Delivered Meals		71,907.00	71,907.00			
FTA JARC Rt. 37 FY09		55,793.00	55,793.00			

See Accompanying Notes to Financial Statements.

**COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 12 of 16

	<b>Appropriations</b>		<b>Expended</b>		<b>Unexpended Balance Cancelled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Encumbered      Reserved</b>	
Bullet Proof Vest Partnership FY09 Corrections	\$	\$ 5,791.00	\$ 5,791.00	\$	\$
Bullet Proof Vest Partnership FY09 Sheriff		2,574.00	2,574.00		
Bullet Proof Vest Partnership FY09 Prosecutor		6,756.00	6,756.00		
Bullet Proof Vest Partnership FY09 Juvenile Services		966.00	966.00		
Replace Taxiway Lighting/Signage		142,500.00	142,500.00		
ARRA Energy Efficiency Conservation Block Grant		748,300.00	748,300.00		
FEMA Emergency Management Assistance FY07		18,000.00	18,000.00		
Victim/Witness Supplemental FY08		55,080.00	55,080.00		
Open Space Preservation FY08		335,543.00	335,543.00		
Regionalized Traffic Enforcement	30,000.00	30,000.00	30,000.00		
FEMA Emergency Management Assistance FY08		50,000.00	50,000.00		
NJ State Airport Aid FY08		150,000.00	150,000.00		
Partnerships in Safety	94,200.00	94,200.00	94,200.00		
Green Acres Plan	600,000.00	600,000.00	600,000.00		
Ocean Area Plan Grant FY09	2,197,385.00	2,290,012.00	2,290,012.00		
Ocean Area Comprehensive Plan FY09	210,930.00	210,930.00	210,930.00		
Ocean Area Plan - State FY09	111,118.00	114,286.00	114,286.00		
Area Plan III E - State FY09	99,674.00	107,451.00	107,451.00		
Area Plan III E - Administration FY09	33,225.00	33,225.00	33,225.00		
Safe Housing and Transportation Program FY09	88,861.00	88,861.00	88,861.00		
Adult Protective Services FY09	284,918.00	284,918.00	284,918.00		
Mental Health Emergency Response Team		5,000.00	5,000.00		
Care Coordination FY09	23,810.00	23,810.00	23,810.00		
Personal Assistance Services FY09	621,569.00	959,509.00	959,509.00		
Medication Management State FY09	551.00	561.00	561.00		
Data Harvesting System		150,000.00	150,000.00		
Senior Citizens and Persons with Disabilities FY09	2,509,038.00	2,509,038.00	2,509,038.00		
Polling Place Accessibility		17,820.00	17,820.00		
US Marshall Fugitive Apprehension FY09/10		32,000.00	32,000.00		
Emergency Management Program		33,685.00	33,685.00		
Council on the Arts FY09	74,594.00	87,758.00	87,758.00		
DHS - Emergency Food and Shelter FY09	637,842.00	952,842.00	952,842.00		
Veterans Transportation FY09		30,000.00	30,000.00		
2009 Recycling Enhancement Tax Entitlement		378,000.00	378,000.00		
RERP: Reimbursement for Catering		25,000.00	25,000.00		
Family Court Services	343,406.00	343,406.00	343,406.00		
State COLA Senior Services FY09	410,495.00	410,495.00	410,495.00		
Medicaid Match	33,977.00	33,977.00	33,977.00		
State Health Insurance Assistance Program FY09	20,284.00	25,284.00	25,284.00		
NJNG Manchester Paving		93,245.00	93,245.00		

See Accompanying Notes to Financial Statements

**COUNTY OF OCEAN****CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 13 of 16

	<b>Appropriations</b>		<b>Expended</b>			<b>Unexpended Balance Cancelled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Encumbered</b>	<b>Reserved</b>	
Clean Communities Program FY09	\$	\$ 159,918.00	\$ 159,918.00	\$		\$
Mental Health Training Program FY09/10		6,000.00	6,000.00			
Chronic Disease Self Management		12,000.00	12,000.00			
State Facilities Education Act		99,000.00	99,000.00			
Edward Byrne Recovery Act		440,238.00	440,238.00			
Specialized Initiative and Transportation FY09		325,992.00	325,992.00			
Barneget Branch Trail		313,000.00	313,000.00			
Recycling Enhancement Act Tax Bonus		258,300.00	258,300.00			
Comprehensive Farmland Preservation FY09		9,669.00	9,669.00			
NJ Historical Commission		11,354.00	11,354.00			
Children's Inter - Agency Coordinating Council FY09		56,918.00	56,918.00			
Cattus Island National Resource Foundation	3,868.00	3,868.00	3,868.00			
Wildlife Habitat Enhancement		30,337.00	30,337.00			
Law Enforcement Officers Training and Equipment FY09		46,525.00	46,525.00			
Insurance Fraud Program FY09/10	249,904.00	249,904.00	249,904.00			
State Homeland Security FY09		775,380.00	775,380.00			
Water Quality Management		100,000.00	100,000.00			
Jersey Shore Gang Task Force		33,807.00	33,807.00			
State Criminal Alien Assistance Program FY09		522,931.00	522,931.00			
Jake's Branch Park	2,320.00	2,320.00	2,320.00			
Program Service Funds FY09	334,482.00	334,482.00	334,482.00			
Program Management Funds FY09	55,550.00	55,550.00	55,550.00			
Decontamination Taskforce Training		6,978.00	6,978.00			
PARIS Grant FY09		410,931.00	410,931.00			
Alcohol, Tobacco, Firearms and Explosives		3,144.00	3,144.00			
966 Reimbursement Program FY09		244,932.00	244,932.00			
USDA FY09	190,519.00	220,359.00	220,359.00			
Lead Identification and Field Testing		49,510.00	49,510.00			
ARRA Workforce Investment Act		1,552,643.00	1,552,643.00			
Workforce Investment Act Plan FY09/10		1,890,505.00	1,890,505.00			
Work First New Jersey Program FY09/10		1,558,682.00	1,558,682.00			
Workforce Learning Link FY09		213,186.00	213,186.00			
HUD: CDBG Program Income FY09		32,972.00	32,972.00			
HUD: Community Development Block Grant FY09		1,434,195.00	1,434,195.00			
HUD: Home Investment FY09		1,419,159.00	1,419,159.00			
Total Public and Private Programs Offset by Revenues	9,899,316.00	26,960,205.00	26,960,205.00			
Contingent	200,000.00	200,000.00	178,850.74		21,149.26	
Total Operations	264,825,360.00	285,284,337.00	249,466,460.57	21,483,245.52	13,834,630.91	500,000.00

See Accompanying Notes to Financial Statements

**COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 14 of 16

	<b>Appropriations</b>		<b>Expended</b>			<b>Unexpended Balance Cancelled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Encumbered</b>	<b>Reserved</b>	
Detail:						
Salaries and Wages	\$ 115,379,254.00	\$ 115,509,179.00	\$ 110,051,116.56	\$ 16,584.40	\$ 5,441,478.04	\$
Other Expenses	149,446,106.00	169,775,158.00	139,415,344.01	21,466,661.12	8,393,152.87	500,000.00
<b><u>CAPITAL IMPROVEMENTS</u></b>						
Capital Improvement Fund	8,876,695.00	8,876,695.00	8,876,695.00			
Structural Repairs and Additions to Various County Buildings	3,500,000.00	3,500,000.00	1,318,549.75	1,908,262.07	273,188.18	
Installation of Traffic Lights	68,640.00	68,640.00	34,299.00	24,745.00	9,596.00	
Road Overlays and Reconstruction	2,593,183.00	2,593,183.00	2,160,577.41	346,324.64	86,280.95	
Purchase of Data Processing Equipment	750,000.00	750,000.00	314,286.31	435,713.69		
Purchase of Communication Equipment	500,159.00	500,159.00	166,508.82	333,650.18		
Purchase of Office Equipment, Machinery and Furniture	605,000.00	605,000.00	313,149.87	210,052.46	81,797.67	
Purchase of Trucks	1,000,000.00	1,000,000.00	538,450.00	314,926.50	146,623.50	
Planemetric Mapping of County Roads	100,000.00	100,000.00			100,000.00	
Bikeway Trails	100,000.00	100,000.00		100,000.00		
Timekeeping Software and Equipment	50,000.00	50,000.00	46,410.00		3,590.00	
Engineering Projects - Design, Permits and Other	600,000.00	600,000.00	15,088.21	524,911.79	60,000.00	
Antenna and Microwave Bands	200,000.00	200,000.00	115,269.93	83,213.11	1,516.96	
Air Park Upgrades	75,000.00	75,000.00	5,596.00	19,300.00	50,104.00	
Roof Upgrades and Alterations	500,000.00	500,000.00		193,968.00	306,032.00	
Total Capital Improvements	19,518,677.00	19,518,677.00	13,904,880.30	4,495,067.44	1,118,729.26	
<b><u>COUNTY DEBT SERVICE</u></b>						
Payment of State Aid County College Bonds (N.J.S. 18A:64A-22.6)	2,845,000.00	2,845,000.00	2,845,000.00			
Payment of Bonds	31,125,000.00	31,125,000.00	31,125,000.00			
Interest on State Aid County College Bonds (N.J.S. 18A:64A-22.6)	343,407.00	343,407.00	343,406.67			.33
Interest on Bonds	15,264,779.00	15,264,779.00	15,264,778.76			.24
Green Trust Loan Program Loan Repayments Principa and Interest	326,462.00	326,462.00	326,461.74			.26
N.J. Economic Development Authority Loan Repayments: Principal and Interest	64,434.00	64,434.00	64,433.10			.90
Total County Debt Service	49,969,082.00	49,969,082.00	49,969,080.27			1.73

See Accompanying Notes to Financial Statements

**COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-3**

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

**Sheet 15 of 16**

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Cancelled
<b><u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u></b>						
Deferred Charges to Future Taxation - Unfunded						
07-3: Phase II, Long Beach Blvd.	\$ 931,345.00	\$ 931,345.00	\$ 931,344.11	\$	\$	\$ .89
07-4: Route 571 (Stump Tavern Rd. to Route 528)	950,000.00	950,000.00	949,999.11			.89
07-1: Reconstruct/Resurface County Roads	118,655.00	118,655.00	118,655.00			
Prior Year Bills:		21,558.00	21,555.81			2.19
J B Orthopedics PA	1,333.00					
Ocean Eye Institute	181.00					
Eliyahu Publications - The Jewish Journal	750.00					
State Toxicology Laboratory	630.00					
United Water Toms River	5,099.00					
United Water Toms River	6,801.00					
United Water Toms River	6,430.00					
Stewart Industries	167.00					
Stewart Industries	167.00					
Statutory Expenditures:						
Contribution to Public Employees Retirement System	12,110,115.00	12,110,115.00	12,110,114.00		1.00	
Social Security System (O.A.S.I)	8,800,000.00	8,800,000.00	8,544,758.73		255,241.27	
N.J. Temporary Disability Insurance	429,500.00	429,500.00	374,542.91		54,957.09	
N.J. Catastrophic Illness Fund - Right to Know	6,600.00	6,600.00	6,600.00			
Total Deferred Charges and Statutory Expenditures:	<u>23,367,773.00</u>	<u>23,367,773.00</u>	<u>23,057,569.67</u>		<u>310,199.36</u>	<u>3.97</u>
Total General Appropriations for County Purpose:	<u>\$ 357,680,892.00</u>	<u>\$ 378,139,869.00</u>	<u>\$ 336,397,990.81</u>	<u>\$ 25,978,312.96</u>	<u>\$ 15,263,559.53</u>	<u>\$ 500,005.70</u>
Ref.	A-2		A-1:A-3	A-1:A-15	A:A-1	A-1

See Accompanying Notes to Financial Statements



**COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-3**

**STATEMENT OF EXPENDITURES - STATUTORY BASIS**

**Sheet 16 of 16**

		<b><u>Appropriations</u></b>
	<b><u>Ref.</u></b>	<b><u>Budget After</u></b>
		<b><u>Modification</u></b>
Appropriation by 40A:4-87	A-2	\$ 20,458,977.00
Budget	A-2	357,680,892.00
	A-1	\$ 378,139,869.00
		<b><u>Expended</u></b>
		<b><u>Paid or</u></b>
		<b><u>Charged</u></b>
Cash Disbursed	A-4	\$ 308,179,029.85
Inventory - Central Supply Warehouse	A-10	583,272.96
Interfund - Grant Fund	A-13	27,635,688.00
		\$ 336,397,990.81

See Accompanying Notes to Financial Statements.

**COUNTY OF OCEAN**  
**BALANCE SHEET - TRUST FUND**  
**REGULATORY BASIS**

**Exhibit B**

	<b><u>Ref.</u></b>	<b><u>Balance</u></b> <b><u>Dec. 31, 2009</u></b>	<b><u>Balance</u></b> <b><u>Dec. 31, 2008</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	B-1	\$ 51,324,874.65	\$ 57,057,131.22
Added and Omitted Taxes Receivable	B-3	<u>297,254.40</u>	<u>352,889.45</u>
Total Assets		<u>\$ 51,622,129.05</u>	<u>\$ 57,410,020.67</u>
<b><u>Liabilities and Reserves</u></b>			
Interfunds Payable	B-4	\$ 7,292.36	\$ 33,427.23
Reserve for Encumbrances	B-5	2,937,247.90	12,896,395.15
Reserve for Trust Accounts	B-6	<u>48,677,588.79</u>	<u>44,480,198.29</u>
Total Liabilities and Reserves		<u>\$ 51,622,129.05</u>	<u>\$ 57,410,020.67</u>

See Accompanying Notes to Financial Statements.

**COUNTY OF OCEAN**

**BALANCE SHEET - GENERAL CAPITAL FUND**

**Exhibit C**

**REGULATORY BASIS**

	<b><u>Ref.</u></b>	<b><u>Balance Dec. 31, 2009</u></b>	<b><u>Balance Dec. 31, 2008</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	C-2	\$ 140,957,831.96	\$ 165,851,907.80
Deferred Charges to Future Taxation:			
Funded	C-4	393,842,715.31	382,870,823.42
Unfunded	C-5	43,904,780.44	56,230,328.69
Other Accounts Receivable:			
County College Bonds	C-7	6,965,000.00	9,810,000.00
Total Assets		<u>\$ 585,670,327.71</u>	<u>\$ 614,763,059.91</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Interfund - Current Fund	C-8	\$ 7,245.63	\$ 121,944.56
General Serial Bonds	C-9	392,424,000.00	381,094,000.00
Green Trust Loans Payable	C-10	1,418,715.31	1,712,390.32
N.J. Economic Development Authority Loan Payable	C-11		64,433.10
Improvement Authorizations:			
Funded	C-12	77,307,868.31	82,203,118.02
Unfunded	C-12	23,085,276.95	21,386,478.73
Reserve for:			
Encumbrances	C-13	71,104,842.29	100,924,286.59
Interest Earned on Proceeds of Bonds	C-14	3,049,829.30	6,489,233.38
Payment of Serial Bonds	C-15	3,857,985.54	4,039,208.10
Capital Improvement Fund	C-16	1,727,565.78	546,523.64
Miscellaneous Reserves	C-17	3,347,963.20	3,869,035.00
		<u>577,331,292.31</u>	<u>602,450,651.44</u>
Reserve for Accounts Receivable	C-18	6,965,000.00	9,810,000.00
Fund Balance	C-1	1,374,035.40	2,502,408.47
Total Liabilities and Reserves and Fund Balance		<u>\$ 585,670,327.71</u>	<u>\$ 614,763,059.91</u>

At December 31, 2009 there were bonds and notes authorized but not issued in the amount of \$43,904,780.44 (Exhibit C-19).

See Accompanying Notes to Financial Statements.

**COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-1**

**STATEMENT OF FUND BALANCE - REGULATORY BASIS**

Balance December 31, 2008	<u>Ref.</u> C		\$ 2,502,408.47
Increased by:			
Receipts on Funded Improvements	C-2	\$ 71,216.04	
Improvement Authorizations Cancelled	C-12	<u>1,302,818.89</u>	
			<u>1,374,034.93</u>
			3,876,443.40
Decreased by:			
Utilization as Anticipated Revenue	C-2	\$	<u>2,502,408.00</u>
Balance December 31, 2009	C		\$ <u><u>1,374,035.40</u></u>

See Accompanying Notes to Financial Statements.

**COUNTY OF OCEAN**

**BALANCE SHEET - GENERAL FIXED ASSETS ACCOUNT GROUP**

**Exhibit D**

**REGULATORY BASIS**

	<b><u>Inventory Classification Number</u></b>	<b><u>Balance Dec. 31, 2009</u></b>	<b><u>Balance Dec. 31, 2008</u></b>
<b><u>General Fixed Assets</u></b>			
Land	010	\$ 157,172,551.00	\$ 133,664,613.00
Buildings	210	148,342,664.00	138,520,247.00
Furniture, Fixtures and Equipment	410	30,787,951.00	42,700,854.00
Vehicles	610	<u>67,056,956.00</u>	<u>62,892,320.00</u>
Total General Fixed Assets		<u>\$ 403,360,122.00</u>	<u>\$ 377,778,034.00</u>
Investment in General Fixed Assets		<u>\$ 403,360,122.00</u>	<u>\$ 377,778,034.00</u>

See Accompanying Notes to Financial Statements.

**COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2009**

**NOTE 1.      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A.      Reporting Entity**

Except as noted below, the financial statements of the County of Ocean, New Jersey (the “County”) include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the County as required by N.J.S. 40A:5-5.

The Governmental Accounting Standards Board (“GASB”) Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) requirements where certain boards, commissions, and agencies of the County, by statute or other directive, report separately on their financial statements. The financial statements of the following units are reported separately:

Ocean County Board of Health  
Ocean County Board of Social Services  
Ocean County College  
Ocean County Library  
Ocean County Mosquito Commission  
Ocean County Pollution Control Financing Authority  
Ocean County Private Industry Council  
Ocean County Utilities Authority  
Ocean County Vocational-Technical School

**B.      Description of Funds**

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles.

The accounting policies of the County conform to the accounting principles applicable to counties, which have been prescribed by the Division. Such principles and practices 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. Under this method of accounting, the County accounts for its financial transactions through the following separate funds, which differs from the fund structure required by generally accepted accounting principles (“GAAP”).

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Description of Funds (Continued)**

**Current Fund** - revenues and expenditures for governmental operations of a general nature.

**Grant Fund** - revenues and expenditures for Federal and State grant programs.

**Trust Fund** - sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

**General Capital Fund** - resources, including Federal and State grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

**General Fixed Assets Account Group** - is used to account for fixed assets used in general government operations.

**C. Basis of Accounting**

The accounting principles and practices prescribed for counties by the Division differ in certain respects from GAAP applicable to local governmental units. The more significant differences are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

**Property Taxes and Other Revenues** - property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the County's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**Grant Revenues** - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the County's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

**Expenditures** - unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

**Encumbrances** - contractual orders at December 31, are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

**Appropriation Reserves** - are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **C. Basis of Accounting (Continued)**

**Deferred Charges** - the regulatory basis of accounting utilized by the County requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as “paid or charged” exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures would represent the designation of fund balance. There were no deferred charges of either type at December 31, 2009 or 2008.

**Accumulated Sick Leave at Retirement** - The County has reserved through the use of the budgetary system \$1,909,492, which is less than the estimate of its liability to pay for all known accumulated sick leave at retirement. (See Note 7). GAAP requires that the amount, which would normally be liquidated with expendable available financial resources, be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

**Interfunds** - advances in the Current Fund are reported as interfund receivables with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve. The status of interfunds at December 31, 2009 is set forth in Note 10.

**Inventories of Supplies** - a general supplies inventory is reported in the current fund and is maintained through a central supply warehouse. Departments are charged for the cost of supplies used, as they are withdrawn from the warehouse. The inventory is valued at cost.

**Inventories of Pro Shops** - golf course pro shop inventories are reported in the current fund and maintained through the golf course pro shops. Inventory purchases are charged to budget appropriations. The balance sheet at December 31, 2009 reflects inventory on hand, verified by physical count, and stated at cost.

**General Fixed Assets** - in accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the County has a fixed asset inventory which, was established and maintained by an independent appraisal company retained by the County. In 2002, with the assistance of the Office of Information Technology, the County assumed responsibility for the maintenance of the inventory records. Annual updated inventory reports once provided by the independent appraiser, are now generated in house.

Fixed assets used in governmental operations (general fixed assets) are required to be 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.



**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**General Fixed Assets (Continued)**

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation is not recorded in the General Fixed Assets Account Group.

Expenditures for construction in progress are required to be 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 have not been accounted for separately.

During 2009 the following changes occurred in the fixed assets of the County:

	<b>Inventory Classification Number</b>	<b>Balance Dec. 31, 2008</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance Dec. 31, 2009</b>
<b><u>General Fixed Assets</u></b>					
Land	010	\$ 133,664,613	\$ 25,039,202	\$ 1,531,264	\$ 157,172,551
Buildings	210	138,520,247	9,931,650	109,233	148,342,664
Furniture, Fixtures and Equipment	410	42,700,854	1,324,773	13,237,676	30,787,951
Vehicles	610	<u>62,892,320</u>	<u>7,457,270</u>	<u>3,292,634</u>	<u>67,056,956</u>
Total General Fixed Assets		\$ <u>377,778,034</u>	\$ <u>43,752,895</u>	\$ <u>18,170,807</u>	\$ <u>403,360,122</u>

**D. Financial Statements**

The GASB Codification requires the financial statements of a governmental unit to be presented in accordance with GAAP. The County presents its financial statements in accordance with another comprehensive basis of accounting as promulgated by the Division which differs from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

**E. Budgets and Budgetary Accounting**

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the County and approved by the Division in accordance with applicable statutes.

## **NOTE 2.     CASH AND CASH EQUIVALENTS**

### **A.     Deposits**

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

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

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

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The County considers certain short term investments permitted by statute to be cash equivalents if they mature within three months or may be withdrawn in cash upon notice from a pool of eligible investments in a participation arrangement with a bank that meets the insurance and collateral requirements of the statute.

At year-end the carrying amount of the County's deposits was \$273,166,089 and the bank balance amount was \$274,477,203. Of this amount \$1,250,000 was covered by Federal depository insurance, \$186,738,724 was guaranteed by the United States Government, \$37,685,751 was on deposit with the State of New Jersey Cash Management Fund and the remaining \$48,802,728 was covered by a collateral pool maintained by the banks as required by New Jersey statutes. The net increase in the fair value of cash equivalents that would otherwise qualify as investments except for the maturity or the withdrawal provisions of their deposit at December 31, 2009 was \$-0-.

### **B.     Investments**

a.     When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the County may use available funds for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the County:

- (1)     Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2)     Government money market mutual funds.
- (3)     Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.

**NOTE 2.      CASH AND CASH EQUIVALENTS (CONTINUED)**

**B.      Investments (Continued)**

- a.      (4)      Bonds or other obligations of the County, or bonds or other obligations of a school district of which the County is a part or within which the school district is located.
- (5)      Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6)      Municipal investment pools.
- (7)      Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or
- (8)      Agreements for the repurchase of fully collateralized securities, if:
  - (a)      the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
  - (b)      the custody of collateral is transferred to a third party;
  - (c)      the maturity of the agreement is not more than 30 days;
  - (d)      the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
  - (e)      a master repurchase agreement providing for the custody and security of collateral is executed.

b.      Any investment instruments in which the County does not physically hold the security shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the County and prevent unauthorized use of such investments.

- c.      Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

Other than cash equivalents that would otherwise qualify as investments, except for their maturity or the withdrawal provisions of their deposit, the County had no investments in qualified securities at December 31, 2009.

**C.      Cash Management Plan**

In accordance with N.J.S. 40A:5-14, every county shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing body and may be modified from time to time in order to reflect changes in federal or state law or regulations. The chief financial officer shall be charged with administering the plan.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report and shall include, at a minimum, the specific detailed information as set forth in the statute.

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)****D. Credit Risk Categories**

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

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2009</u>	<u>2008</u>
Insured:		
FDIC	\$ 1,250,000	\$ 1,250,000
GUDPA	48,802,728	97,411,338
United States Government	186,738,724	188,633,617
State of New Jersey Cash Management Fund	<u>37,685,751</u>	<u>40,051,455</u>
	<u>\$ 274,477,203</u>	<u>\$ 327,346,410</u>

**Custodial Credit Risk - Deposits**

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

State law limits investments as noted above.

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

**NOTE 3. DEBT**

The Local Bond Law governs the issuance of bonds and notes to finance general county capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the County are general obligation bonds, backed by the full faith and credit of the County. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the County at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

**NOTE 3.      DEBT (CONTINUED)****A.      Long-Term Debt**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Type</u>	<u>Date of Last Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>
General Improvement Bonds - Series 2000	09-01-00	26,895,000	Due Serially	09-01-10	5.00%	\$ 1,275,000
County College Capital Improvement Bonds - Series 2000	09-01-00	3,000,000	Due Serially	09-01-10	4.60%	300,000
General Improvement Bonds - Series 2001	08-15-01	25,000,000	Due Serially	08-01-19	Various	12,805,000
General Improvement Bonds - Series 2002	08-01-02	25,925,000	Due Serially	08-01-20	Various	18,040,000
General Obligation Refunding Bonds - Series 2002B	10-01-02	25,660,000	Due Serially	08-01-19	Various	19,880,000
General Improvement Bonds - Series 2003	10-01-03	27,659,000	Due Serially	10-01-23	Various	21,149,000
General Improvement Bonds - Series 2004	09-01-04	27,700,000	Due Serially	09-01-22	Various	21,625,000
County College Capital Improvement Bonds - Series 2005	08-01-05	3,910,000	Due Serially	08-01-10	4.000%	780,000
General Improvement Bonds - Series 2005	08-01-05	27,235,000	Due Serially	08-01-25	Various	23,270,000
General Obligation Refunding Bonds - Series 2005	11-01-05	65,100,000	Due Serially	11-01-19	Various	60,205,000
County College Capital Improvement Bonds - Series 2006	08-01-06	2,905,000	Due Serially	08-01-11	5.00%	1,160,000
General Improvement Bonds - Series 2006A	08-01-06	36,580,000	Due Serially	08-01-23	Various	31,875,000
General Improvement Bonds - Series 2006B	08-01-06	4,540,000	Due Serially	08-01-26	Various	4,055,000
General Improvement Bonds - Series 2007	08-01-07	41,770,000	Due Serially	08-01-27	Various	38,860,000
General Improvement Bonds - Series 2008	09-04-08	59,770,000	Due Serially	08-01-28	Various	57,520,000
County College Capital Improvement Bonds - Series 2008	09-04-08	5,910,000	Due Serially	08-01-13	Various	4,725,000
General Obligation Refunding Bonds - Series 2008A	09-04-08	26,290,000	Due Serially	12-01-14	Various	21,790,000
General Obligation Refunding Bonds - Series 2008B	09-04-08	9,140,000	Due Serially	12-01-18	Various	7,810,000
General Improvement Bonds - Series 2009	09-03-09	45,300,000	Due Serially	08-01-29	Various	45,300,000
Green Trust Loan - Cattus Island	10-27-93	2,250,000	Due Serially	07-27-13	2.00%	535,281
Green Trust Loan - Golf Course	10-11-94	3,000 000	Due Serially	07-11-14	2.00%	<u>883,434</u>

\$ 393,842,715

**B.      Short-Term Debt**

None

**NOTE 3.     DEBT (CONTINUED)**

**C.     Bonds and Notes Authorized but not Issued**

At December 31, 2009, the County had bonds and notes authorized but not issued in the amount of \$43,904,780.

**D.     General Obligation Refunding Bonds**

On August 15, 1998, the County issued \$41,180,000 in General Obligation Refunding Bonds - Series 1998 with variable interest rates to advance refund \$13,289,000 of outstanding General Improvement Bonds - Series 1991A, \$13,200,000 of outstanding General Improvement Bonds - Series 1992 and \$12,500,000 of outstanding General Improvement Bonds - Series 1994. The net proceeds were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for the principal and redemption price of and interest on the Prior Bonds when due through their respective redemption dates. As a result, the prior bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. The purpose of the refunding issue was to achieve debt service savings. During 2008, \$4,005,000 of bond principal related to this issue was retired. The remaining \$26,320,000 was defeased by way of refunding bond issues 2008A and 2008B which were delivered September 4, 2008 as discussed later in this note.

The County authorized financing of \$29,965,000 General Obligation Bonds (refunding Series 2002A) and \$25,660,000 General Obligation Bonds (refunding Series 2002B) pursuant to a resolution adopted on August 21, 2002.

The proceeds of the Series 2002A and Series 2002B General Obligation Bonds, which closed on October 1, 2002, were used for the advance refunding of \$1,662,000 Series 1991A General Improvement Bonds, \$8,460,000 Series 1992 General Improvement Bonds, \$19,000,000 Series 1993 General Improvement Bonds, \$4,400,000 Series 1993A General Improvement Bonds, \$9,600,000 Series 1994 General Improvement Bonds, \$12,440,000 Series 1999 General Improvement Bonds and costs of issuance. The bond's interest payments are semi-annual on February 1 and August 1.

On October 1, 2002 the County issued \$29,965,000 in General Obligation Bonds - Series 2002A and \$25,660,000 in General Obligation Bonds - Series 2002B with variable interest rates. The net proceeds after payment of underwriting fees, insurance and other issuance costs were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the aforementioned Series 1991A, Series 1992, Series 1993, Series 1993A, Series 1994 and Series 1999 General Improvement Bonds.

The County authorized financing of \$65,100,000 General Obligation Refunding Bonds, Series 2005 pursuant to a resolution adopted on August 17, 2005.

The proceeds of the Series 2005 General Obligation Bonds, which closed on August 30, 2005, were used for the advance refunding of \$2,640,000 Series 1993A General Improvement Bonds, \$11,411,000 Series 1997 General Improvement Bonds, \$24,255,000 Series 1998 General Improvement Bonds, \$5,740,000 Series 1998A General Improvements Bonds, \$2,525,000 Series 1999 General Improvement Bonds, \$15,860,000 Series 2000 General Improvement Bonds and \$3,410,000 Series 2001 General Improvement Bonds. The bond's interest payments are semi-annual on May 1 and November 1.

**NOTE 3. DEBT (CONTINUED)****D. General Obligation Refunding Bonds (Continued)**

On August 30, 2005 the County issued \$65,100,000 in General Obligation Refunding Bonds, Series 2005 with variable interest rates. The net proceeds, after payment of underwriting fees, insurance and other issuance costs were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the aforementioned Series 1993A, Series 1997, Series 1998, Series 1998A, Series 1999, Series 2000 and Series 2001 General Improvement Bonds. The net present value debt service savings equaled \$2,383,988.

The County authorized financing of \$26,290,000 General Obligation Refunding Bonds, Series 2008A and \$9,140,000 General Obligation Refunding Bonds, Series 2008B pursuant to a resolution adopted on August 6, 2008.

The proceeds of the Series 2008A and Series 2008B General Obligation Refunding Bonds, which closed on September 4, 2008, were used for the advance refunding of \$26,320,000 General Obligation Refunding Bonds - Series 1998, \$9,225,000 General Improvement Bonds - Series 1998A and costs of issuance. The bond's interest payments are semi-annual on June 1 and December 1.

On September 4, 2008 the County issued \$26,290,000 in General Obligation Refunding Bonds - Series 2008A and \$9,140,000 in General Obligation Refunding Bonds - Series 2008B with variable interest rates. The net proceeds after payment of underwriting fees, insurance and other issuance costs were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the aforementioned General Obligation Refunding Bonds - Series 1998 and General Improvement Bonds - Series 1998A.

**E. Borrowing Power**

New Jersey statutes limit the debt of a County to 2% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements of its constituent communities plus the assessed valuation of Class II Railroad Property. The County's statutory debt at December 31, 2009 was .40% and its remaining borrowing power in dollars was \$1,728,082,128.

**F. Summary of Annual Debt Service**

The County's outstanding bonds and loans mature serially in installments to the year 2028. Aggregate debt service requirements during the next five fiscal years and thereafter are as follows:

<b><u>Calendar Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2010	\$ 34,839,578	\$ 16,350,792	\$ 51,190,370
2011	32,750,599	15,244,593	47,995,192
2012	31,501,742	13,947,228	45,448,970
2013	27,648,008	12,726,687	40,374,695
2014	27,358,788	11,574,349	38,933,137
2015-2019	121,415,000	41,279,679	162,694,679
2020-2024	78,174,000	18,694,941	96,868,941
2025-2029	<u>40,155,000</u>	<u>4,721,435</u>	<u>44,876,435</u>
Totals	\$ <u>393,842,715</u>	\$ <u>134,539,704</u>	\$ <u>528,382,419</u>

**NOTE 3. DEBT (CONTINUED)****G. Changes in Outstanding Debt**

During 2009 the following changes occurred in the outstanding debt of the County:

	<u>Balance</u> <u>Jan. 1, 2009</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
General Serial Bonds	\$ 381,094,000	\$ 45,300,000	\$ 33,970,000	\$ 392,424,000
Green Trust Loans Payable	1,712,390		293,675	1,418,715
New Jersey Economic Development Authority Loan Payable	<u>64,433</u>	<u></u>	<u>64,433</u>	<u></u>
	<u>\$ 382,870,823</u>	<u>\$ 45,300,000</u>	<u>\$ 34,328,108</u>	<u>\$ 393,842,715</u>

**NOTE 4. FUND BALANCE APPROPRIATED**

The following current fund balances were appropriated as revenue in the County's budgets for the years 2009 and 2010.

<u>Year</u>	<u>Amount</u>
2009	\$ 25,300,000
2010	17,700,000

**NOTE 5. COUNTY TAX RATES AND NET VALUATION TAXABLE**

The County tax rate is determined by dividing the total County taxes levied among the County's constituent communities by the total equalized valuation of real and personal property of those municipalities. The net valuations of such property, prior to equalization, the equalized values and the tax rate for each \$100 of equalized value for the past five years are as follows:

<u>Year</u>	<u>Net Taxable</u> <u>Value</u>	<u>Net Valuation</u> <u>For County Tax</u> <u>Apportionment</u>	<u>(1)</u> <u>County</u> <u>Tax Rate</u>
2009	\$ 89,288,166,049	\$ 109,906,985,727	0.255
2008	68,505,902,121	108,897,663,942	0.254
2007	67,050,661,857	103,161,991,252	0.256
2006	60,359,824,809	89,166,146,560	0.282
2005	52,045,082,824	74,416,899,023	0.322

(1) The County library tax, local health service tax and open space preservation tax are not included in the rates.

**NOTE 6. PENSION PLANS**

The County contributes to two cost sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. These plans provide retirement, disability, annual cost-of-living adjustments and death benefits to plan members and their beneficiaries. Each plan has a Board of Trustees that implement benefit provisions, which are established and amended by State statute. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:



**NOTE 6.      PENSION PLANS (CONTINUED)**

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

The contribution requirements of plan members are determined by State statute. Plan members enrolled in the PERS are required to contribute 5.5% of their annual covered salary except for employees in the prosecutor's part of the PERS, who are required to contribute 7.5% of their annual covered salary. Plan members enrolled in the PFRS are required to contribute 8.5% of their annual covered salary. The County's contributions to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2009	\$ 7,354,522	\$ 6,827,010
2008	6,387,513	5,722,601 *
2007	4,686,738	5,405,683 *

\* Due April of subsequent year.

**NOTE 7.      ACCUMULATED SICK LEAVE AT RETIREMENT**

Any employee of the County who retires under either of the contributory pension systems (Note 6) may be eligible to receive payment of unused sick leave. Payment is limited to one half of the earned but unused sick leave days with a maximum payment of \$15,000. The payment may be taken as a lump sum or in two or three equal annual installments, and is computed at one half of the employee's 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.

The County has appropriated a reserve in the amount of \$1,909,492, which appears to be deficient from the amount that management estimates its liability exposure to be should all those eligible to receive payment for unused sick leave exercise their option to do so. Estimates were prepared as of December 31, 2009 for individuals eligible for the benefit. The liability as of December 31, 2009 is estimated at \$2,553,713. The reserve, \$1,909,492, coupled with the amount budgeted for 2009, \$200,000, is insufficient to cover the liability at December 31, 2009 albeit only by \$444,220. The likelihood that this liability would be due and payable all at once is remote since the County's employees' ages and anticipated retirement dates vary.

**NOTE 8.      DEFERRED COMPENSATION PLAN**

The County offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan is available to all full time County employees and allows them to defer a portion of their salaries until future years. The County makes no contribution to the Plan. The deferred compensation is not available to employees until they terminate their employment or retire, or in the event of an unforeseeable emergency.

**NOTE 8.      DEFERRED COMPENSATION PLAN (CONTINUED)**

On April 1, 1998 the governing body adopted a resolution amending the County's Deferred Compensation Plan to comply with the "funding" requirements of Internal Revenue Code Section 457(g) which was added to the Code by the Small Business Job Protection Act of 1996, and intends for all assets of the Plan to be held for the exclusive benefit of the Plan participants and beneficiaries. In accordance with this Plan change, the Administrators agree that all amounts new or hereafter held under any and all annuity contracts issued in connection with the Plan shall be treated in a manner consistent with the requirements of Section 457(g) and the terms of the Plan as amended.

The County's Deferred Compensation Program is offered to all eligible County employees. The program was created in accordance with Section 457 of the Internal Revenue Code. The program is offered by the County through program administrators.

**NOTE 9.      DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED**

Upon authorization of capital projects, the County establishes deferred charges for the cost 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 New Jersey Statute 40A:2-4, the County may levy taxes on all taxable property within its jurisdiction to repay its debt. The County raises the debt requirements for its debt in its current budget as funds are raised; the deferred charges are reduced.

**NOTE 10.    INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at December 31, 2009:

	<b><u>Interfund Receivable</u></b>	<b><u>Interfund Payable</u></b>
Current Fund:		
Federal and State Grant Fund	\$ 1,170,052	\$
Trust Fund	7,292	
General Capital Fund	7,246	
Federal and State Grant Fund:		
Current Fund		1,170,052
Trust Fund:		
Current Fund		7,292
General Capital Fund		
Current Fund		<u>7,246</u>
	<u>\$ 1,184,590</u>	<u>\$ 1,184,590</u>

#### **NOTE 11. GENERAL FIXED ASSETS ACCOUNT GROUP**

In 1988 the County entered into a contract with a company to count, record and maintain an inventory of its fixed assets. Apart from periodic physical inventories of fixed assets, which were performed by the company at the County's direction, the company relied on the County to provide information concerning additions, deletions, and transfers of assets in order to maintain an accurate fixed asset ledger. The company completed the last physical inventory on March 6, 1995. Items in the fixed assets inventory are valued at cost or appraised values based upon 100% of their current replacement cost, adjusted retroactively using the consumer price index for the year in which the asset was placed in service. Assets with values of \$1,000 or less are not included in the fixed asset group. As discussed in Note 1C., effective in 2002 the County now maintains inventory records of fixed assets. Effective January 1, 2009, the threshold used to account for Governmental Fixed Assets was increased from the amount of \$1,000 to the amount of \$5,000 as set forth in the Local Finance Notices issued by the Division. Therefore, only assets with a value of \$5,000 or more will be accounted for by the Department of Finance.

#### **NOTE 12. ARBITRAGE**

Under section 148 (f) of the Internal Revenue Code of the United States, interest on bonds of a local governmental unit is not tax exempt unless the issuer of such bonds rebates to the United States Government arbitrage profits earned from investing proceeds of the bond in higher yielding non-purpose investments.

The County made no arbitrage liability payments during the period under audit. The County will consult with its financial advisors to determine the actual amount which may be due.

Once the actual amount is known, the payments are made in one of two ways:

- a. From the Reserve for Interest Earned on Proceeds of Bonds Account for County General Improvement Bonds. The reserve account has more than an adequate balance to cover any potential liability.
- b. From the Contingent Line Item in the Budget for County College General Improvement Bonds. Budgeting for contingencies occurs annually.

Should any additional liability exist, the County will again consult with its financial advisors to determine the amount, if any, which may be due. As of the date of the audit, no such payments were determined to be due.

#### **NOTE 13. LEASE COMMITMENTS**

A. On June 1, 1993, the County entered into a lease agreement with the Court House Associates for space located at 213 Washington Street, Toms River. The lease was to run from June 1, 1993 to May 31, 2001. During 1999, ownership of the property was transferred to 213 Washington Street Associates, LLC. The County continued to lease the premises under the same terms that were in effect with the previous owner. In 2001, the County negotiated an addendum to the original agreement extending the lease term to May 31, 2006 with an option to renew for an additional two (2) years. The County exercised said option thereby extending the lease term to May 31, 2008 and provided for an option to renew for two (2) additional years. Rather than exercising its option to renew for two (2) additional years, the County, on May 30, 2008, executed a new lease agreement with 213 Washington Street Associates, LLC. The term of this new lease is for a period of fifteen (15) years commencing on June 1, 2008 and ending on May 31, 2023. Under the terms of this new lease, the County is required to pay equal monthly installments. The lease is described as a triple net lease, which is defined as a lease whereby the tenant is solely responsible for all of the costs relating to the asset being leased. Examples of the types of costs relating to the asset

**NOTE 13. LEASE COMMITMENT10 (CONTINUED)**

being leased are taxes, insurance, maintenance expense and snow and trash removal.

On June 1, 2009 and yearly thereafter until the end of the new lease term, May 31, 2023, the rent would increase by the CPI Index for the Philadelphia area as reported on year end December 31, 2008, and thereafter as of December 1 of the preceding year with the change to begin on June 1 of the following year. Annual increases in the base rent in the event of increases in the cost of living will be based on the “all items” Index for the Philadelphia area of the “Consumers Price Index for all Urban Consumers” published by the Bureau of Labor Statistics of the U.S. Department of Labor. The Index figure for the initial month shall be compared with the Index figure for the anniversary month in each subsequent year during the term of the lease. If the latter figure is more than the Index for the initial month, the latter figure shall be divided by the former figure to determine the new base rent. The new base rent will be divided by 12 to determine the new monthly installment provided, however, in no event shall the new monthly base rent be less than the prior years monthly base rent.

The amount expended by the County for this lease during the period under audit was \$320,493, which included real estate taxes.

**B.** On April 19, 1996, the County of Ocean and the Board of Social Services entered into a lease agreement with Grunin Properties for space located at Building 2, 1027 Hooper Avenue, Toms River. The lease will run from June 1, 1996 to July 1, 2022, each of the tenants is responsible for their respective share of rents payable under the lease. In addition to the monthly rents, the tenants are responsible for insurance, common area costs and any direct costs. The monthly rents plus all other insurance, common area and direct costs attributable to the County was \$37,754 from January through May 2009 and \$37,937 thereafter. The amount expended by the County for this lease during the period under audit was \$454,515.

**C.** In 2005, the County relocated to a new space within the Ocean County Mall. In anticipation of the move, the County, on June 4, 2004, authorized the execution of a lease agreement with the landlord, Simon Property Group, Inc. (“the landlord”) for a period of 10 years. Minimum annual rents agreed to are as follows:

<u>Years</u>	<u>Price per Square Foot</u>	<u>Minimum Annual Rent</u>
1-3	\$ 30	\$ 73,740
4-7	33	81,114
8-10	36	88,488

In addition to the minimum annual rents, the County is also responsible for common area maintenance, real estate taxes, media funding and promotion. On February 4, 2005, the agreement was amended to provide for payment to the landlord for undertaking the renovations and fitout necessary for the relocation.

The amount expended by the County for this lease during the period under audit was \$169,596 which included the common area maintenance, real estate taxes, media funding and promotion.

**D.** On November 20, 2001 the County authorized a lease agreement with 206 Courthouse, LLC for property located at 206 Courthouse Lane. The lease was to run from December 1, 2001 through November 30, 2006. Upon written notice to the landlord, the County can extend this lease three times for an additional three year period thereby extending the lease through 2015. During the first three years of the lease term, the

### **NOTE 13. LEASE COMMITMENTS (CONTINUED)**

County had agreed to a minimum annual rent of \$120,960. In years four and five, the minimum annual rent would increase to \$124,589. In addition to the minimum annual rent, there is a supplemental annual rent of \$23,501 for each of the five years of the lease term. The County is also responsible for real estate taxes and the cost of three parking spaces.

In a resolution dated December 20, 2006 and later amended by a resolution dated April 4, 2007, the County exercised its option by authorizing and executing an addendum to the lease agreement. The addendum extends the lease term for a period of three years, commencing December 1, 2006 and terminating November 30, 2009 and provides for an option to renew for three (3) additional years. On November 20, 2009, the County executed the option to extend the term of the lease for a period of three years, commencing December 1, 2009 and terminating November 30, 2012 with an option to renew for three additional years. The amount expended by the County for this lease for 2009 rent was \$152,272.

**E.** On August 8, 2002, the County entered into a lease agreement with Richard S. Haines for space located at 7 Hadley Avenue. The lease will run from September 1, 2002 through August 31, 2010. Rent was established at \$5,250 per month with an annual 3% increase over the previous years rent. The monthly rent payment will be offset by any rents paid by tenants currently in occupancy. This lease is described as a triple net lease which is defined as a lease where the tenant is solely responsible for all of the costs relating to the asset being leased. Examples are any upgrades, utilities and insurance. On December 16, 2009, the County and the landlord extended the lease for a term of eight (8) years commencing on January 1, 2010 and ending on December 31, 2017. The rent was established at \$6,000 per month. Upon the first anniversary and each year thereafter, the rent will increase as determined by the previous year's rent based upon the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for New York, using 2010 as the base year, but in no event shall the rent be less than \$6,000 per month. The amount expended by the County for this lease for 2009 rent was \$85,871.

**F.** Citing a need for temporary office space for various County offices due to the relocation of the Southern Ocean County Resource Center, the County authorized and executed a lease agreement with the Mageo Company, LLC to lease Unit D in Building 2 in the office buildings commonly known as the Commons at Royce Run. The lease will run from December 15, 2006 through December 15, 2008 unless terminated sooner. The lease contains an option to rent the space for an additional year ending on December 15, 2009 upon notice to the landlord by the tenant within 90 days of the end of the term of the lease. In addition to a security deposit of \$3,850, rent was established at \$1,925 per month with annual increases of 5% each year. In addition to the monthly rent, the tenant is responsible for utilities, liability insurance and its share of the real estate taxes. The lease was ended at June 14, 2009. The amount expended by the County for this lease during the period under audit was \$12,252, which included the aforementioned additional costs.

**G.** By way of a resolution dated August 17, 2005, the County authorized and executed an agreement with the Ocean County Library Commission, the Township of Manchester and Commercial Net Lease Realty Services, Inc. for a portion of the premises known as Block 109, Lot 1 of the Township of Manchester also known as the Whiting Commons Shopping Center for the purpose of establishing a branch library facility within Manchester Township.

Commercial Net Lease Realty Services, Inc.'s rights under the agreement were assigned to NNN TRS, Inc., as successor by assignment. An amendment was made to the original lease on January 10, 2007 which was approved by resolution dated January 17, 2007. Said amendment provided for additional rent for the landlord's construction work in the amount of \$45,940 with half of that amount being due and payable on the rent commencement date, (the earlier of February 7, 2007 or opening day), and the balance being due six

**NOTE 13. LEASE COMMITMENTS (CONTINUED)**

months thereafter.

The original lease and its subsequent amendment thereto, provided for a minimum monthly rent of \$5,000. In addition to the minimum monthly rent, the tenant is responsible for taxes, insurance, common area maintenance and operating expenses as well as the additional rent for landlord's construction work referred to above.

The initial term of the lease is for ten (10) years with zero (0) options to extend the term of the lease.

In a resolution dated April 18, 2007, the County acknowledged the transfer of ownership of the Whiting Commons to Paramount Commons at Whiting, LLC who thereby acquired the landlord's interest in the lease agreement.

Payments under the lease agreement for 2009 amounted to \$60,000. The County received \$15,000 from Manchester Township as its share of the rent. Manchester's share of the rent was treated as miscellaneous revenue by the County.

**H.** On January 16, 2008 the Board of Chosen Freeholders adopted a resolution authorizing the Freeholder Director and Clerk of the Board to enter into a lease agreement with Andwin Realty Investors, LLC to lease Suite 2 of Building No. 1 of the Stafford Park Business Campus. The term of the lease is for twenty (20) years commencing on February 19, 2008 and ending on February 29, 2028 with an option to renew for an additional twenty (20) years. The rent was established at \$3,052 per month for the first year with 2.5% annual increases for years two (2) through ten (10). Both parties will mutually agree upon the rent for year eleven (11) one (1) year prior to the expiration of the 10<sup>th</sup> lease year. The agreed upon rent for year eleven (11) however, will not be less than \$3,453. Rents for years twelve (12) through twenty (20) will increase annually by 2.5% over the amount agreed upon for year eleven (11).

In addition to the fixed rent, the County is also responsible for its proportionate share of common area operating expenses, maintenance, repairs, insurance costs, real estate taxes and any other governmental charges. The amount expended by the County for this lease during the period under audit was \$46,285.

On May 20, 2009, the County entered into a lease agreement with Anderson Realty Investors, to lease Unit 5, Driftwood Plaza, of 511 Route 72, Manahawkin. The term of the lease is for ten (10) years commencing on May 26, 2009 and ending on May 31, 2019 with the option to extend the initial term for two five (5) year terms. The rent was established at \$3,000 per month for the first year with a 3% annual increase for years two (2) through ten (10). Both parties will mutually agree upon the rent for year eleven (11), one year prior to the expiration of the tenth (10<sup>th</sup>) lease year. The agreed upon rent for year eleven (11) however, will not be less than \$3,394. Rent for years twelve (12) through twenty (20) will increase annually by 2.5% over the amount agreed upon for year eleven (11).

In addition to the fixed rent, the County is also responsible for its proportionate share of common area operation expenses, maintenance, repair, insurance cost, real estate taxes and any other government charge. The amount expended by the County for this lease for 2009 rent was \$58,800.

**NOTE 14. THE OCEAN COUNTY UTILITIES AUTHORITY - DEFICIENCY ADVANCE CONTRACT**

Provisions of a deficiency advance contract (the "Contract") executed between the County and the Ocean County Utilities Authority (the "Authority") obligate the County to pay any principal and interest,

**NOTE 14. THE OCEAN COUNTY UTILITIES AUTHORITY - DEFICIENCY ADVANCE CONTRACT (CONTINUED)**

which may become due on outstanding project or permanent bonds of the Authority. Although the County's obligation pursuant to the Contract is a direct and general obligation, the Authority anticipates that its operating costs and the principal and interest and reserve requirements on its obligations will be paid from the revenue derived from service charges to customers using the Authority's system.

At December 31, 2009 the Authority's issued and outstanding debt principal was \$265,811,924, this number was abstracted from the audit of the Ocean County Utilities Authority.

**NOTE 15. OTHER POSTEMPLOYMENT BENEFITS**

Pursuant to a phase-in schedule provided by the Governmental Accounting Standards Board, ("GASB"), local units with revenues in excess of \$100,000,000 are required to implement the accounting and financial reporting requirements set forth in GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, beginning with calendar year 2007. The County of Ocean was one such local unit and as such, implemented the GASB 45 reporting requirements for the 2007 audit period.

The disclosure standards concern obligations of a local unit described as OPEB - "Other Postemployment Benefits." OPEB are non-pension benefits that a government has contractually or otherwise agreed to provide employees once they have retired. The most common OPEB are retirement health insurance coverage.

GASB 45 provides standards for calculating the OPEB cost liability being incurred by the local unit. The standards are similar to standards used for calculating pension contributions wherein an actuarially calculated amount based on the demographics of potential retirees, inflation and other factors that are a part of determining pension liabilities. The standards contain three key elements:

1. The calculation of an annual payment that reflects the current expense of paying the benefit for already retired employees, and a calculation of an amount that represents the future cost for those individuals (which may or may not be funded).
2. To recognize the costs being incurred today for payments that will be made in the future for today's employees eligible for the benefit.
3. To provide local officials, taxpayers and investors in the local units' debt obligations a more accurate picture of the potential liabilities facing the local unit.

New Jersey budget and financial reporting laws do not require local units to budget amounts that exceed their current cash cost or to reflect the long-term liability on their balance sheet. These practices are a feature of accrual accounting, not the modified cash basis used by local units. However, local units will have to calculate and disclose their liability if the liability is material to understanding the financial condition of the local unit. Ocean County's expenditures in 2009 for these types of benefits approximated 4% of current fund assets, which is considered to be material.

The disclosure requirements vary based on if the plan is a "cost-sharing plan" or a "sole or agent employer plan" and the number of affected employees and retirees. The County is a State Health Benefit Program Participant, which is a "cost-sharing plan." As a local unit that provides an OPEB and is a member of the State Health Benefits Program, (SHBP), the County can rely on calculations made by the

**NOTE 15.     OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

SHBP and the resulting reduced disclosure responsibility. Under the GASB standard, a “cost-sharing” plan (i.e., SHBP) calculates a liability for the entire membership pool in a manner similar to the way pension obligations are calculated by the Division of Pensions and Benefits.

The local unit will not have to engage an actuary; the calculations made by the SHBP actuary fulfill this requirement. The local unit meets the required disclosure by applying SHBP information to local conditions and guiding the reader to the SHBP for other information.

The following language was recommended by the State pertaining to the disclosure:

“The County of Ocean is a participant in the State of New Jersey Health Benefits Plan (SHBP). Under GASB 45, participants in a cost-sharing plan such as the New Jersey SHBP may rely on the Other Post Retirement Benefit Costs as identified by the State of New Jersey Postemployment Benefits Other Than Pension Actuarial Valuation dated July 1, 2007. As of December 31, 2009, the County of Ocean had 416 retirees receiving benefits.”

The SHBP is a multi-employer cost sharing plan. GASB 45 liabilities are calculated at the plan level not the individual employer level. Consequently, employers such as the County have limited disclosure requirements. The County is a part of this cost sharing plan and its liability is included in the plans total liability. The actuarial valuation may be obtained by writing to:

State of New Jersey  
Department of the Treasury  
Division of Pensions and Benefits  
50 West State Street  
Trenton, New Jersey 08625-0299

The number of eligible retirees and the annual amount of expenditures recognized by the County for postretirement healthcare for each of the last three years are as follows:

<u>Year</u>	<u># of Eligible Retirees</u>	<u>Amount Expended</u>
2009	416	\$ 4,872,630
2008	396	4,375,900
2007	359	4,186,446

**NOTE 16.     RISK MANAGEMENT**

The County of Ocean is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. For the foregoing purpose it has established various trust funds to finance its self-insured retention program.

Certain component units, whose operating results are not otherwise reported in the basic financial statements of the County, make contributions to the trust funds, along with the County, based on actuarial estimates of the amounts needed to pay current and prior year claims. Following is a list of the coverage and the component units, if any associated with that coverage.



**NOTE 16. RISK MANAGEMENT (CONTINUED)**

<u>Coverage's</u>	<u>Component Units</u>
Workers' Compensation	Board of Health Board of Social Services Library Commission Mosquito Commission Private Industry Council Vocational-Technical Schools
General Liability	Library Commission Mosquito Commission Private Industry Council
Automobile Liability	Library Commission Mosquito Commission Private Industry Council
Physical Damage	Library Commission Mosquito Commission Private Industry Council

The Actuarial Advantage, Inc. was engaged by the County to estimate their loss and loss adjustment expense reserves as of December 31, 2007 for their self-insured program. The County retains \$250,000 per occurrence for workers' compensation, general liability, automobile liability, public officials' liability and police professional liability coverages. The County has obtained reinsurance in the private insurance marketplace for workers compensation, general and auto liability losses in excess of \$250,000 per occurrence.

The County and the component unit participants in the self-insurance program make payments to the trust funds in accordance with the funding targets and timetable established by the review of Actuarial Advantages, Inc. The deposits in the trust funds at April 30, 2010, the most recent date for which information was available amounted to \$12,894,216, for the funding of self-insured retentions. At April 30, 2010, the determined worth of open claims for self-insured risks was \$6,125,771, based on the requirements of Government Accounting Standards Board 10, which stipulates that a liability for claims be disclosed, if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The County purchases an Excess Liability Policy for all coverages in excess of those provided through the application of the trust funds. The County is not able to estimate the possible losses related to these commercial coverages.

**NOTE 17. MORTGAGE RECEIVABLE**

The County is the recipient of Home Investment Partnerships Program funds (the "HOME Program") pursuant to the provisions of the National Affordable Housing Act of 1990 (the "Act"). In accordance with the Act, and in keeping with federal regulations implementing it as adopted by the U.S. Department of Housing and Urban Development ("HUD"), the County entered into an agreement on June 28, 1994 with Cox Cro Urban Renewal Associates, L.P. (the "Subrecipient"), a limited partnership, to provide \$556,000 in HOME Program funds financing for an affordable housing project owned by the Subrecipient, and located in Dover Township, Ocean County, New Jersey.

**NOTE 17. MORTGAGE RECEIVABLE (CONTINUED)**

The mortgage note, supporting the disbursement of the funds stipulated in the agreement, is dated June 28, 1994, in the sum of \$556,000, and bears interest at the rate of 7.52% to be compounded annually. All sums under the note, principal and interest are due June 28, 2044. In the event that the housing assisted with the HOME Program funds does not meet the affordability requirements of HUD regulations, the principal of the note must be repaid together with a prorated share of interest due based upon the date of repayment.

At December 31, 2009, principal and interest outstanding on the mortgage note amounted to \$1,712,592.

**NOTE 18. CONTRACTS PAYABLE**

The County has committed design and construction contracts outstanding at December 31, 2009 and 2008. These contracts are not accounted for separately. Contracts are encumbered at the time the bids are awarded. Outstanding contracts at year-end are reflected as encumbrances on the balance sheets of the respective funds of the County.

**NOTE 19. CONTINGENT LIABILITIES**

**State and Federal Financial Assistance**

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 financial assistance 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, 2009, the County estimates that no material liabilities will result from such audits.

**Pending Litigation**

County Counsel's letter to the auditor indicated the existence of material pending or threatened litigation, claims and assessments including unasserted claims and assessments that must be that must be disclosed in accordance with Statement of Financial Accounting Standards No. 5.

A class action lawsuit has been identified as material with a potential exposure to the County of \$4.5 million or more. This matter concerns the alleged violation of a class of inmates' civil rights pertaining to the Ocean County Jail's intake and booking procedures. The County is seeking a resolution of this matter through settlement negotiations. However, if settlement negotiations fail, the County intends to contest the case vigorously. Similar lawsuits have been filed against numerous other New Jersey Counties. To lessen the County's exposure, the Ocean County Jail changed its practices to eliminate the alleged violations.

**NOTE 20.     SUBSEQUENT EVENT - DEBT AUTHORIZED**

At the audit date the County had adopted the following ordinances in 2010 authorizing the issuance of additional debt:

<b><u>Ordinance Number</u></b>	<b><u>Project</u></b>	<b><u>Amount of Debt Authorized</u></b>
10-01	Phase I of a Project Consisting of the Reconstruction and Resurfacing of Certain County Roads, all in the County of Ocean	\$ 950,000
10-02	Acquisition of Title, Rights-of-Way and/or Easements of Certain Parcels of Land (or Parts Thereof) for Road, Bridge and/or Drainage System Improvements Along County Roads, Phase I, all in the County of Ocean	950,000
10-04	Installation of New and Upgraded Traffic Control Devices at Various Locations, all in the County of Ocean	1,140,000
10-06	Phase II of the Interchange 91 Project including Construction Design and Permitting, Located in Township of Brick County of Ocean	1,000,000
10-07	Ocean County College Infrastructure Improvements including Access Driveways, Roadways, Parking Lots, Stormwater Management Facilities and Utilities, Located in Township Toms River, County of Ocean	4,750,000
10-08	Construction of the Ocean County College/Kean University Gateway Building at Ocean County College, Located in Township of Toms River, County of Ocean	15,000,000
10-09	Phase II Reconstruction and Resurfacing of Certain County Roads, Reconstruction and Resurfacing of Pinewald Keswick Road (County Road 530) from Dover Road to Schoolhouse Road, Manchester Township, Church Road Widening at North Bay Avenue, Toms River Township, all in the County of Ocean	3,990,000
10-10	Phase II of Various Engineering, Road Bridge, Drainage and Dredging Improvements at Various Locations, all in the County of Ocean	2,470,000
10-11	Reconstruction and Design of Route 571 Bridge at Rova Farms, Jackson Township; Radio Road Bridge, Little Egg Harbor Township; Jamaica Boulevard Bridge, Berkeley Township; Morris Boulevard Bridge, Stafford Township, all in the County of Ocean	2,850,000

**NOTE 20.      SUBSEQUENT EVENT - DEBT AUTHORIZED (CONTINUED)**

<b><u>Ordinance Number</u></b>	<b><u>Project</u></b>	<b><u>Amount of Debt Authorized</u></b>
10-13	Replacement of Route 571 Bridge at Rova Farms, Jackson Township; Radio Road Bridge, Little Egg Harbor Township; Reconstruction Route 526 (Apple Street to Route 549), Lakewood Township; Morris Boulevard Bridge, Stafford Township; Reconstruction and Resurfacing Pinewald Keswick Road (Dover Road to Schoolhouse Road), Phase II, Manchester Township; New Connector Road (Route 9 to Route 571), Indian Head Road, Toms River Township; Traffic Control Devices Phase II; Reconstruction and Resurfacing Route 539 from Route 528 to Horizon Avenue, Plumsted and Jackson Townships; Reconstruction and Resurfacing of Route 528 (East Veterans Highway), Stacy Court to 1,200 Feet of Route 527, Jackson Township; Reconstruction and Resurfacing Route 530 (Dover Road) Garden State Parkway to Pinewald Keswick Road, Berkeley Township and South Toms River Borough; Reconstruction and Resurfacing of Certain County Roads, all in the County of Ocean	<u>6,744,000</u>  \$ <u>39,844,000</u>

## **APPENDIX C**

*An opinion in substantially the following form  
will be delivered at Closing, assuming no  
material changes in facts or law.*

\_\_\_\_\_, 2010

Board of Chosen Freeholders of the  
County of Ocean, New Jersey

Re:     \$\_\_\_\_\_ County of Ocean, New Jersey,  
          General Improvement Bonds, Series 2010

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the County of Ocean, New Jersey (the "County") of its General Improvement Bonds, Series 2010 in the aggregate principal amount of \$\_\_\_\_\_ (the "Bonds"). The Bonds are general obligations of the County and the full faith, credit and taxing power of the County is available to pay the principal of and interest on the Bonds. The Bonds are dated the date of delivery, mature on August 1 in each of the years and bear interest at the rates payable on February 1, 2011 and semiannually thereafter on the first day of August and February in each year until maturity as follows:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
2011			2021		
2012			2022		
2013			2023		
2014			2024		
2015			2025		
2016			2026		
2017			2027		
2018			2028		
2019			2029		
2020			2030		

The Bonds are subject to optional redemption prior to maturity, as provided in the hereinafter-defined Resolution.

The Bonds will be initially issued in book-entry form only in the form of one certificate for the aggregate principal amount of Bonds maturing in each year, registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. DTC will be responsible for maintaining the book-entry system for recording the interests of its participants or the transfers of such interests among such participants. Such participants shall be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of individual purchasers. Individual purchases may be made in the principal amount of \$5,000 or any multiple thereof through book-entries on the books and records of DTC and its participants.

The Bonds are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962, and the acts amendatory thereof and supplemental thereto (the "Act"), and the following bond ordinances of the County: Ordinance No. 2008-16 finally adopted May 21, 2008, Ordinance No. 2009-1, finally adopted March 4, 2009, Ordinance No. 2009-4 finally adopted March 4, 2009, Ordinance No. 2009-17 finally adopted June 3, 2009, Ordinance No. 2009-23 finally adopted September 2, 2009, Ordinance No. 2010-1 finally adopted March 3, 2010, Ordinance No. 2010-2 finally adopted March 3, 2010, Ordinance No. 2010-4 finally adopted March 3, 2010, Ordinance No. 2010-7 finally adopted April 2, 2010, Ordinance No. 2010-9 finally adopted April 2, 2010, Ordinance No. 2010-10 finally adopted April 2, 2010, Ordinance No. 2010-11 finally adopted April 2, 2010, Ordinance No. 2010-14 finally adopted May 19, 2010 and Ordinance No. 2010-15 finally adopted May 19, 2010 (collectively, the "Ordinances") and a resolution adopted by the County on July 7, 2010 (the "Resolution"). The Bonds are issued for the purpose of providing funds for the financing of certain capital improvements, as described in the Ordinances (collectively, the "Project"). The Project was authorized by the Ordinances.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Bonds, including (a) copies of the Ordinances and the Resolution; (b) such matters of law including, *inter alia*, the Act and the Internal Revenue Code of 1986, as amended (the "Code"); and (c) such other agreements, proceedings, certificates, records, approvals, resolutions and documents as to various matters with respect to the issuance of the Bonds as we have deemed necessary. We have further assumed and relied upon the genuineness, accuracy and completeness of all of the documents and other instruments which we have examined. As to questions of fact material to our opinion, we have relied upon the proceedings and other certifications of public officials executed and furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. The County is a body politic and corporate of the State of New Jersey, duly and validly organized and existing under the laws of the State of New Jersey and authorized to undertake the Project, to adopt the Ordinances and the Resolution, and to issue and deliver the Bonds.

2. The Bonds have been duly authorized, issued, executed and sold by the County; the Ordinances and the Resolution have been duly authorized and adopted by the County; and the Bonds, the Ordinances and the Resolution are legal, valid and binding obligations of the County enforceable in accordance with their respective terms.

3. Assuming continuing compliance by the County and Ocean County College with the provisions of the Code applicable to the Bonds, and subject to certain provisions of the Code, under laws, regulations, rulings and judicial decisions existing on the date of original issuance of the Bonds, interest received by a holder of the Bonds will be excludable from gross income for federal income tax purposes and will not be treated as a tax preference item for purposes of the alternative minimum tax imposed on individuals or corporations. However, interest on the Bonds may become taxable retroactively if certain requirements under the Code are not complied with.

4. Under the laws of the State of New Jersey as enacted and construed on the date hereof, interest on the Bonds and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act.

5. The power and obligation of the County to pay the Bonds is unlimited and the County is required to levy *ad valorem* taxes upon all the taxable real property within the County for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally, and by equitable principles, and the phrase "enforceable in accordance with their respective terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

Other than as set forth in Paragraphs 3 and 4 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Bonds.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Bonds.



*An opinion in substantially the following form  
will be delivered at Closing, assuming no  
material changes in facts or law.*

\_\_\_\_\_, 2010

Board of Chosen Freeholders of the  
County of Ocean, New Jersey

Re:   \$\_\_\_\_\_ County of Ocean, New Jersey,  
      General Improvement Bonds, Series 2010  
      Build America Bonds (Direct Payment)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the County of Ocean, New Jersey (the “County”) of its General Improvement Bonds, Series 2010 Build America Bonds (Direct Payment) in the aggregate principal amount of \$\_\_\_\_\_ (the “Bonds”). The Bonds are general obligations of the County and the full faith, credit and taxing power of the County is available to pay the principal of and interest on the Bonds. The Bonds are dated the date of delivery, mature on August 1 in each of the years and bear interest at the rates payable on February 1, 2011 and semiannually thereafter on the first day of August and February in each year until maturity as follows:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
2011			2021		
2012			2022		
2013			2023		
2014			2024		
2015			2025		
2016			2026		
2017			2027		
2018			2028		
2019			2029		
2020			2030		

The Bonds are subject to redemption prior to maturity, as provided in the hereinafter-defined Resolution.

The Bonds will be initially issued in book-entry form only in the form of one certificate for the aggregate principal amount of Bonds maturing in each year, registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. DTC will be responsible for maintaining the book-entry system for recording the interests of its participants or the transfers of such interests among such participants. Such participants shall be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of individual purchasers. Individual purchases may be made in the principal amount of \$5,000 or any multiple thereof through book-entries on the books and records of DTC and its participants.

The Bonds are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962, and the acts amendatory thereof and supplemental thereto (the "Act"), and the following bond ordinances of the County: Ordinance No. 2008-16 finally adopted May 21, 2008, Ordinance No. 2009-1, finally adopted March 4, 2009, Ordinance No. 2009-4 finally adopted March 4, 2009, Ordinance No. 2009-17 finally adopted June 3, 2009, Ordinance No. 2009-23 finally adopted September 2, 2009, Ordinance No. 2010-1 finally adopted March 3, 2010, Ordinance No. 2010-2 finally adopted March 3, 2010, Ordinance No. 2010-4 finally adopted March 3, 2010, Ordinance No. 2010-7 finally adopted April 2, 2010, Ordinance No. 2010-9 finally adopted April 2, 2010, Ordinance No. 2010-10 finally adopted April 2, 2010, Ordinance No. 2010-11 finally adopted April 2, 2010, Ordinance No. 2010-14 finally adopted May 19, 2010 and Ordinance No. 2010-15 finally adopted May 19, 2010 (collectively, the "Ordinances") and a resolution adopted by the County on July 7, 2010 (the "Resolution"). The Bonds are issued for the purpose of providing funds for the financing of certain capital improvements, as described in the Ordinances (collectively, the "Project"). The Project was authorized by the Ordinances.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Bonds, including (a) copies of the Ordinances and the Resolution; (b) such matters of law including, *inter alia*, the Act and the Internal Revenue Code of 1986, as amended (the "Code"); and (c) such other agreements, proceedings, certificates, records, approvals, resolutions and documents as to various matters with respect to the issuance of the Bonds as we have deemed necessary. We have further assumed and relied upon the genuineness, accuracy and completeness of all of the documents and other instruments which we have examined. As to questions of fact material to our opinion, we have relied upon the proceedings and other certifications of public officials executed and furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. The County is a body politic and corporate of the State of New Jersey, duly and validly organized and existing under the laws of the State of New Jersey and authorized to undertake the Project, to adopt the Ordinances and the Resolution, and to issue and deliver the Bonds.

2. The Bonds have been duly authorized, issued, executed and sold by the County; the Ordinances and the Resolution have been duly authorized and adopted by the County; and the Bonds, the Ordinances and the Resolution are legal, valid and binding obligations of the County enforceable in accordance with their respective terms.

3. Under the laws of the State of New Jersey as enacted and construed on the date hereof, interest on the Bonds and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act.

4. The power and obligation of the County to pay the Bonds is unlimited and the County is required to levy *ad valorem* taxes upon all the taxable real property within the County for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally, and by equitable principles, and the phrase "enforceable in accordance with their respective terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

Other than as set forth in Paragraph 3 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Bonds.

**IRS CIRCULAR 230 DISCLAIMER REGARDING THE BONDS. TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE INTERNAL REVENUE SERVICE, ANY TAX OPINIONS CONTAINED HEREIN WITH RESPECT TO THE BONDS IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING TAX-RELATED PENALTIES UNDER THE INTERNAL REVENUE CODE.**

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Bonds.

GLUCKWALRATH LLP

*An opinion in substantially the following form  
will be delivered at Closing, assuming no  
material changes in facts or law.*

\_\_\_\_\_, 2010

Board of Chosen Freeholders of the  
County of Ocean, New Jersey

Re:   \$\_\_\_\_\_ County of Ocean, New Jersey,  
      College Capital Improvement Bonds, Series 2010

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the County of Ocean, New Jersey (the "County") of its College Capital Improvement Bonds, Series 2010 (the "Bonds") in the aggregate principal amount of \$\_\_\_\_\_. The Bonds are general obligations of the County and the full faith, credit and taxing power of the County is available to pay the principal of and interest on the Bonds. The Bonds are dated the date of delivery, mature on August 1 in each of the years and bear interest at the rates payable on February 1, 2011 and semiannually thereafter on the first day of August and February in each year until maturity as follows:

<u>Year</u>	<u>Principal Amount</u>
2011	
2012	
2013	
2014	
2015	

The Bonds are not subject to optional redemption prior to maturity. Wells Fargo Bank, N.A., Toms River, New Jersey, serves as Paying Agent for the Bonds.

The Bonds will be initially issued in book-entry form only in the form of one certificate for the amount of Bonds maturing in each year, registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. DTC will be responsible for maintaining the book-entry system for recording the interests of its participants or the transfers of such interests among

such participants. Such participants shall be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of individual purchasers. Individual purchases may be made in the principal amount of \$5,000 or integral multiples thereof through book-entries on the books and records of DTC and its participants.

The Bonds are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962, and the acts amendatory thereof and supplemental thereto (the "Act"), Chapter 12 of the Laws of New Jersey of 1971, effective January 28, 1971, and the acts amendatory thereof and supplemental thereto (the "County College Bond Act"), a resolution adopted by the County on July 7, 2010 (the "Resolution") and Ordinance No. 2010-15 of the County, finally adopted on May 19, 2010 (the "Ordinance"). The Bonds are issued for the purpose of providing funds for the financing of certain capital improvements at Ocean County College, as described in the Ordinance (the "Project"). The Project was authorized by the Ordinance.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Bonds, including (a) copies of the Resolution and the Ordinance; (b) such matters of law, including, *inter alia*, the Act, the County College Bond Act and the Internal Revenue Code of 1986, as amended (the "Code"); and (c) such other agreements, proceedings, certificates, records, approvals, resolutions and documents as to various matters with respect to the issuance of the Bonds as we have deemed necessary. We have further assumed and relied upon the genuineness, accuracy and completeness of all of the documents and other instruments which we have examined. As to questions of fact material to our opinion, we have relied upon the proceedings and other certifications of public officials executed and furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. The County is a body politic and corporate of the State of New Jersey, duly and validly organized and existing under the laws of the State of New Jersey and authorized to undertake the financing of the Project, to adopt the Resolution and the Ordinance, and to issue and deliver the Bonds.
2. The Bonds have been duly authorized, issued, executed and sold by the County; the Resolution and the Ordinance have been duly authorized and adopted by the County; and the Bonds, the Resolution and the Ordinance are legal, valid and binding obligations of the County enforceable in accordance with their respective terms.
3. Assuming continuing compliance by the County and Ocean County College with the provisions of the Code applicable to the Bonds, and subject to certain provisions of the Code,

under laws, regulations, rulings and judicial decisions existing on the date of original issuance of the Bonds, interest received by a holder of the Bonds will be excludable from gross income for federal income tax purposes and will not be treated as a tax preference item for purposes of the alternative minimum tax imposed on individuals or corporations. However, interest on the Bonds may become taxable retroactively if certain requirements relating to arbitrage and arbitrage rebate under Section 148 of the Code are not complied with..

4. Under the laws of the State of New Jersey as enacted and construed on the date of original issuance of the Bonds, interest on the Bonds and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act.

5. The power and obligation of the County to pay the Bonds is unlimited, and the County shall be required to levy *ad valorem* taxes upon all taxable real property within the County for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally, and by equitable principles, and the phrase "enforceable in accordance with their respective terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

Other than as set forth in Paragraphs 3 and 4 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Bonds.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Bonds.

GLUCKWALRATH LLP

*An opinion in substantially the following form  
will be delivered at Closing, assuming no  
material changes in facts or law.*

\_\_\_\_\_, 2010

Board of Chosen Freeholders of the  
County of Ocean, New Jersey

Re: County of Ocean, New Jersey  
\$\_\_\_\_\_ General Obligation Refunding Bonds, Series 2010

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the County of Ocean, New Jersey (the "County") of \$\_\_\_\_\_ General Obligation Refunding Bonds, Series 2010 (the "Refunding Bonds"). The Refunding Bonds are general obligations of the County and the full faith, credit and taxing power of the County is available to pay the principal of and interest on the Refunding Bonds. The Refunding Bonds are dated the date of delivery, mature on August 1 in each of the years and bear interest at the rates payable on February 1, 2011 and semiannually thereafter on the first day of August and February in each year until maturity as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2011			2018		
2012			2019		
2013			2020		
2014			2021		
2015			2022		
2016			2023		
2017					

The Refunding Bonds are subject to optional redemption prior to maturity, as provided in the hereinafter-defined Resolution.

The Refunding Bonds will be initially issued in book-entry form only in the form of one certificate for the aggregate principal amount of Refunding Bonds of each series maturing in each year, registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Refunding Bonds. DTC will be responsible for maintaining the book-entry system for recording the interests of its participants or the transfers of such interests among such participants. Such participants shall be responsible for maintaining records regarding the beneficial ownership interests in the Refunding Bonds on behalf of individual purchasers. Individual purchases may be made in the principal amount of \$5,000 or any multiple thereof through book-entries on the books and records of DTC and its participants.

The Refunding Bonds are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962, and the acts amendatory thereof and supplemental thereto (the "Act"), a resolution adopted by the County on July 7, 2010 (the "Resolution") and a refunding bond ordinance of the County finally adopted by the County on June 2, 2010 (the "Ordinance"). The Refunding Bonds are issued for the purpose of providing funds to (i) refund a portion of the County's (A) General Improvement Bonds, Series 2001 maturing on August 1 of the years \_\_\_\_\_, (B) General Improvement Bonds, Series 2002 maturing on August 1 of the years \_\_\_\_\_; and (C) General Improvement Bonds, Series 2003 maturing on October 1 of the years \_\_\_\_\_ (collectively, the "Refunded Bonds") and (ii) pay costs of issuance of the Refunding Bonds, as described in the Ordinance and the Resolution (collectively, the "Project"). The Project was authorized by the Ordinance and the Resolution.

In connection with the issuance of the Refunding Bonds, the County has entered into an Escrow Deposit Agreement, dated \_\_\_\_\_, 2010 (the "Escrow Deposit Agreement"), with Wells Fargo Bank, N.A., as escrow agent (the "Escrow Agent"), pursuant to which a portion of the proceeds of the Refunding Bonds and other available moneys of the County will be deposited and held uninvested as cash or invested in direct and general obligations of, or obligations fully and unconditionally guaranteed by, the United States of America, the maturing principal of which and interest thereon shall be used to pay the interest on the Refunded Bonds until the respective redemption dates thereof and to pay the principal of and redemption premium on said redemption dates thereof. Holman & Frenia, P.C., certified public accountants, has, based on certain information provided to it, verified (i) the mathematical computation of the adequacy of the maturing principal of and interest on the investments purchased with the proceeds of the Refunding Bonds (and other available funds) to make payment of the principal or redemption price of and interest on the Refunded Bonds on the payment dates, and (ii) the calculations of the yield on the Refunding Bonds and the yield on the investments held under the Escrow Deposit Agreement and purchased with proceeds of the Refunding Bonds. We have relied upon the verification of the sufficiency of the amounts to be



held by the Escrow Agent and the yield calculations in concluding that the Refunding Bonds are not “arbitrage bonds” within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”).

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Refunding Bonds, including (a) copies of the Resolutions and the Ordinance; (b) such matters of law including, *inter alia*, the Act and the Code; and (c) such other agreements, proceedings, certificates, records, approvals, resolutions and documents as to various matters with respect to the issuance of the Refunding Bonds as we have deemed necessary. We have further assumed and relied upon the genuineness, accuracy and completeness of all of the documents and other instruments which we have examined. As to questions of fact material to our opinion, we have relied upon the proceedings and other certifications of public officials executed and furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. The County is a municipal corporation of the State of New Jersey, duly and validly organized and existing under the laws of the State of New Jersey and authorized to undertake the Project, to adopt the Resolutions and the Ordinance, and to issue and deliver the Refunding Bonds.

2. The Refunding Bonds have been duly authorized, issued, executed and sold by the County; the Resolutions and the Ordinance have been duly authorized and adopted by the County; and the Refunding Bonds, the Resolutions and the Ordinance are legal, valid and binding obligations of the County enforceable in accordance with their respective terms.

3. Assuming continuing compliance by the County with the provisions of the Code applicable to the Refunding Bonds, and subject to certain provisions of the Code, under laws, regulations, rulings and judicial decisions existing on the date of original issuance of the Refunding Bonds, interest received by a holder of the Refunding Bonds will be excludable from gross income for federal income tax purposes and will not be treated as a tax preference item for purposes of the alternative minimum tax imposed by Section 55 of the Code. However, interest on the Refunding Bonds may become taxable retroactively if certain requirements under the Code are not complied with. For certain corporate holders, interest on the Refunding Bonds will be taken into account in the calculation of such holders’ alternative minimum tax liability.

4. Under the laws of the State of New Jersey as enacted and construed on the date hereof, interest on the Refunding Bonds and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act.

5. The power and obligation of the County to pay the Refunding Bonds is unlimited and the County is required to levy *ad valorem* taxes upon all the taxable real property within the

Board of Chosen Freeholders of the  
County of Ocean, New Jersey  
\_\_\_\_\_, 2010

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County for the payment of the principal of and interest on the Refunding Bonds without limitation as to rate or amount.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally, and by equitable principles, and the phrase "enforceable in accordance with their respective terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

Other than as set forth in Paragraphs 3 and 4 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Refunding Bonds.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Refunding Bonds.

GLUCKWALRATH LLP

*An opinion in substantially the following form  
will be delivered at Closing, assuming no  
material changes in facts or law.*

\_\_\_\_\_, 2010

Board of Chosen Freeholders of the  
County of Ocean, New Jersey

Re:   \$\_\_\_\_\_ County of Ocean, New Jersey,  
      General Improvement Bonds (Ocean County College-Gateway Building Project),  
      Series 2010

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the County of Ocean, New Jersey (the "County") of its General Improvement Bonds (Ocean County College Gateway Building Project), Series 2010 (the "Bonds") in the aggregate principal amount of \$\_\_\_\_\_. The Bonds are general obligations of the County and the full faith, credit and taxing power of the County is available to pay the principal of and interest on the Bonds. The Bonds are dated the date of delivery, mature on August 1 in each of the years and bear interest at the rates payable on February 1, 2011 and semiannually thereafter on the first day of August and February in each year until maturity as follows:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
2011			2021		
2012			2022		
2013			2023		
2014			2024		
2015			2025		
2016			2026		
2017			2027		
2018			2028		
2019			2029		
2020			2030		

The Bonds are subject to optional redemption prior to maturity, as provided in the hereinafter-defined Resolution.

The Bonds will be initially issued in book-entry form only in the form of one certificate for the amount of Bonds maturing in each year, registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. DTC will be responsible for maintaining the book-entry system for recording the interests of its participants or the transfers of such interests among such participants. Such participants shall be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of individual purchasers. Individual purchases may be made in the principal amount of \$5,000 or integral multiples thereof through book-entries on the books and records of DTC and its participants.

The Bonds are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962, and the acts amendatory thereof and supplemental thereto (the "Act"), a resolution adopted by the County on July 7, 2010 (the "Resolution") and Ordinance No. 2010-8 of the County, finally adopted on April 2, 2010 (the "Ordinance"). The Bonds are issued for the purpose of providing funds to finance a portion of the cost of the construction of an approximately 75,000 square foot academic building on the campus of the Ocean County College, to be jointly owned by Ocean County College and Kean University Foundation, Inc. ("KUF"), a New Jersey nonprofit corporation whose income is exempt from taxation under Section 501(a) of the Code the Internal Revenue Code of 1986, as amended (the "Code"), as a result of being an organization described in Section 501(c)(3) of the Code, and jointly used by Ocean County College and Kean University (the "Project"). The Project was authorized by the Ordinance.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Bonds, including (a) copies of the Resolution and the Ordinance; (b) such matters of law, including, *inter alia*, the Act, the County College Bond Act and the Code, (c) such other agreements, proceedings, certificates, records, approvals, resolutions and documents as to various matters with respect to the issuance of the Bonds as we have deemed necessary, including an opinion of counsel to KUF concerning the status of KUF as a corporation described in Section 501(c)(3) of the Code, and the affect of the Project on that status. We have further assumed and relied upon the genuineness, accuracy and completeness of all of the documents and other instruments which we have examined. As to questions of fact material to our opinion, we have relied upon the proceedings and other certifications of public officials executed and furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. The County is a body politic and corporate of the State of New Jersey, duly and validly organized and existing under the laws of the State of New Jersey and authorized to undertake the financing of the Project, to adopt the Resolution and the Ordinance, and to issue and deliver the Bonds.

2. The Bonds have been duly authorized, issued, executed and sold by the County; the Resolution and the Ordinance have been duly authorized and adopted by the County; and the Bonds, the Resolution and the Ordinance are legal, valid and binding obligations of the County enforceable in accordance with their respective terms.

3. Assuming continuing compliance by the County, Ocean County College, KUF and Kean University with the provisions of the Code applicable to the Bonds, and subject to certain provisions of the Code, under laws, regulations, rulings and judicial decisions existing on the date of original issuance of the Bonds, interest received by a holder of the Bonds will be excludable from gross income for federal income tax purposes and will not be treated as a tax preference item for purposes of the alternative minimum tax imposed on individuals or corporations. However, interest on the Bonds may become taxable retroactively if certain requirements relating to arbitrage and arbitrage rebate under Section 148 of the Code are not complied with.

4. Under the laws of the State of New Jersey as enacted and construed on the date of original issuance of the Bonds, interest on the Bonds and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act.

5. The power and obligation of the County to pay the Bonds is unlimited, and the County shall be required to levy *ad valorem* taxes upon all taxable real property within the County for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally, and by equitable principles, and the phrase "enforceable in accordance with their respective terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

Other than as set forth in Paragraphs 3 and 4 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Bonds.

Board of Chosen Freeholders of the  
County of Ocean, New Jersey  
\_\_\_\_\_, 2010

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We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Bonds.

GLUCKWALRATH LLP

## **APPENDIX D**

(Form of Continuing Disclosure Certificate for the Bonds)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the County of Ocean, New Jersey (the "Issuer") in connection with the issuance by the Issuer of \$\_\_\_\_\_ principal amount of its General Improvement Bonds, Series 2010 (the "Bonds"). The Bonds are being issued pursuant to various Bond Ordinances (collectively, the "Ordinances") duly adopted by the Board of Chosen Freeholders of the Issuer (the "Board"), and a resolution duly adopted by the Board on July 7, 2010 (the "Resolution"). The Bonds are dated August \_\_, 2010 and shall mature on August 1 in the years 2011 through 2030, inclusive. The Issuer covenants and agrees as follows:

*Section 1.*        Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time ("Exchange Act").

*Section 2.*        Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any Bond, including holders of beneficial interests in the Bonds.

"Continuing Disclosure Information" shall mean: (i) any notice required to be filed with the Repositories pursuant to Section 4 hereof; and (ii) any notice of an event required to be filed with the Repositories pursuant to Section 3(c) hereof.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System ("EMMA"), an internet based filing system created and maintained by the MSRB in accordance with the SEC Release, pursuant to which issuers of tax-exempt bonds, including the Bonds, and other filers on behalf of the such issuers shall upload Continuing Disclosure Information to assist underwriters in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of New Jersey.



(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months after the end of its fiscal year, commencing with the report for the fiscal year ending December 31, 2010, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. The Issuer shall also provide, or cause the Dissemination Agent to provide, to the MSRB the Issuer's audited financial statements for the fiscal year ending December 31, 2009 within thirty (30) days after they become available. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the SEC.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for making available or providing the Annual Report, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

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

(ii) if applicable, if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting standards (GAAS) as from time to time in effect, and as prescribed by the Division of Local Government Services in the Department of Community Affairs of the State pursuant to Chapter 5 of Title 40A of the New Jersey Statutes. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. The financial information and operating data set forth in the Official Statement (including Appendix A thereto) dated July \_\_, 2010 prepared in connection with the sale of the Bonds, under the captions: "Tax Information", "Ocean County Leading Tax Ratables - 2010", "County of Ocean Statement of Statutory Debt Condition June 30, 2010", "List of Authorized Debt as of June 30, 2010", "Debt Ratios" and "County of Ocean Schedule of Bond and Note Maturities Outstanding as of June 30, 2010".

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7. modifications to rights of Bondholders;
8. optional, contingent or unscheduled Bond calls;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds; and
11. rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Bondholders of affected Bonds pursuant to the Resolution. Each notice required to be filed with the MSRB shall be in an electronic format as prescribed by the MSRB, and that all documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

*Section 6.* Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

*Section 7.* Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

*Section 8.* Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the

reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

*Section 9.*        Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

*Section 10.*        Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

*Section 11.*        Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities 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 reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or wilful misconduct. The obligations of the Issuer under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

*Section 12.*        Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and the Bondholders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: August \_\_, 2010

COUNTY OF OCEAN, NEW JERSEY

By: \_\_\_\_\_  
Julie N. Tarrant, County Comptroller

**EXHIBIT A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: County of Ocean, New Jersey

Name of Bond Issue: \$\_\_\_\_\_ General Improvement Bonds, Series 2010

Date of Issuance: August \_\_, 2010

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated \_\_\_\_\_, 2010. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.\_\_, 20\_\_.

Dated: \_\_\_\_\_ \_\_, 20\_\_

COUNTY OF OCEAN, NEW JERSEY

By: \_\_\_\_\_  
Name:  
Title:

(Form of Continuing Disclosure Certificate for the Bonds)

### CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the County of Ocean, New Jersey (the "Issuer") in connection with the issuance by the Issuer of \$\_\_\_\_\_ principal amount of its General Obligation Refunding Bonds, Series 2010 (the "Bonds"). The Bonds are being issued pursuant to a Refunding Bond Ordinance (the "Ordinance") duly adopted by the Board of Chosen Freeholders of the Issuer (the "Board") on June 2, 2010, and a resolution duly adopted by the Board on July 7, 2010 (the "Resolution"). The Bonds are dated August \_\_, 2010 and shall mature on August 1 in the years 2011 through 2023, inclusive. The Issuer covenants and agrees as follows:

*Section 1. Purpose of the Disclosure Certificate.* This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time ("Exchange Act").

*Section 2. Definitions.* In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any Bond, including holders of beneficial interests in the Bonds.

"Continuing Disclosure Information" shall mean: (i) any notice required to be filed with the Repositories pursuant to Section 4 hereof; and (ii) any notice of an event required to be filed with the Repositories pursuant to Section 3(c) hereof.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System ("EMMA"), an internet based filing system created and maintained by the MSRB in accordance with the SEC Release, pursuant to which issuers of tax-exempt bonds, including the Bonds, and other filers on behalf of the such issuers shall upload Continuing Disclosure Information to assist underwriters in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of New Jersey.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months after the end of its fiscal year, commencing with the report for the fiscal year ending December 31, 2010, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. The Issuer shall also provide, or cause the Dissemination Agent to provide, to the MSRB the Issuer's audited financial statements for the fiscal year ending December 31, 2009 within thirty (30) days after they become available. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the SEC.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for making available or providing the Annual Report, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

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

(ii) if applicable, if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting standards (GAAS) as from time to time in effect, and as prescribed by the Division of Local Government Services in the Department of Community Affairs of the State pursuant to Chapter 5 of Title 40A of the New Jersey Statutes. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. The financial information and operating data set forth in the Official Statement (including Appendix A thereto) dated July \_\_, 2010 prepared in connection with the sale of the Bonds, under the captions: "Tax Information", "Ocean County Leading Tax Ratables - 2010", "County of Ocean Statement of Statutory Debt Condition June 30, 2010", "List of Authorized Debt as of June 30, 2010", "Debt Ratios" and "County of Ocean Schedule of Bond and Note Maturities Outstanding as of June 30, 2010".

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7. modifications to rights of Bondholders;
8. optional, contingent or unscheduled Bond calls;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds; and
11. rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Bondholders of affected Bonds pursuant to the Resolution. Each notice required to be filed with the MSRB shall be in an electronic format as prescribed by the MSRB, and that all documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

*Section 6.* Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

*Section 7.* Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

*Section 8.* Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the

reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

*Section 9.*        Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

*Section 10.*        Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

*Section 11.*        Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities 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 reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or wilful misconduct. The obligations of the Issuer under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

*Section 12.*        Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and the Bondholders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: August \_\_, 2010

COUNTY OF OCEAN, NEW JERSEY

By: \_\_\_\_\_  
Julie N. Tarrant, County Comptroller



**EXHIBIT A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: County of Ocean, New Jersey

Name of Bond Issue: \$\_\_\_\_\_ General Obligation Refunding Bonds, Series 2010

Date of Issuance: August \_\_, 2010

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated \_\_\_\_\_, 2010. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.\_\_, 20\_\_.

Dated: \_\_\_\_\_ \_\_, 20\_\_

COUNTY OF OCEAN, NEW JERSEY

By: \_\_\_\_\_  
Name:  
Title:

(Form of Continuing Disclosure Certificate for the Bonds)

### CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the County of Ocean, New Jersey (the "Issuer") in connection with the issuance by the Issuer of \$\_\_\_\_\_ principal amount of its General Improvement Bonds (Ocean County College-Gateway Building Project), Series 2010 (the "Bonds"). The Bonds are being issued pursuant to a Bond Ordinance (the "Ordinance") duly adopted by the Board of Chosen Freeholders of the Issuer (the "Board") on April 2, 2010, and a resolution duly adopted by the Board on July 7, 2010 (the "Resolution"). The Bonds are dated August \_\_, 2010 and shall mature on August 1 in the years 2011 through 2030, inclusive. The Issuer covenants and agrees as follows:

*Section 1.*        Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time ("Exchange Act").

*Section 2.*        Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any Bond, including holders of beneficial interests in the Bonds.

"Continuing Disclosure Information" shall mean: (i) any notice required to be filed with the Repositories pursuant to Section 4 hereof; and (ii) any notice of an event required to be filed with the Repositories pursuant to Section 3(c) hereof.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System ("EMMA"), an internet based filing system created and maintained by the MSRB in accordance with the SEC Release, pursuant to which issuers of tax-exempt bonds, including the Bonds, and other filers on behalf of the such issuers shall upload Continuing Disclosure Information to assist underwriters in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of New Jersey.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months after the end of its fiscal year, commencing with the report for the fiscal year ending December 31, 2010, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. The Issuer shall also provide, or cause the Dissemination Agent to provide, to the MSRB the Issuer's audited financial statements for the fiscal year ending December 31, 2009 within thirty (30) days after they become available. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the SEC.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for making available or providing the Annual Report, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

- (i) determine each year prior to the date for making available or providing the Annual Report the name and address of each Repository, if any; and
- (ii) if applicable, if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting standards (GAAS) as from time to time in effect, and as prescribed by the Division of Local Government Services in the Department of Community Affairs of the State pursuant to Chapter 5 of Title 40A of the New Jersey Statutes. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. The financial information and operating data set forth in the Official Statement (including Appendix A thereto) dated July \_\_, 2010 prepared in connection with the sale of the Bonds, under the captions: "Tax Information", "Ocean County Leading Tax Ratables - 2010", "County of Ocean Statement of Statutory Debt Condition June 30, 2010", "List of Authorized Debt as of June 30, 2010", "Debt Ratios" and "County of Ocean Schedule of Bond and Note Maturities Outstanding as of June 30, 2010".

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7. modifications to rights of Bondholders;
8. optional, contingent or unscheduled Bond calls;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds; and
11. rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Bondholders of affected Bonds pursuant to the Resolution. Each notice required to be filed with the MSRB shall be in an electronic format as prescribed by the MSRB, and that all documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

*Section 6.* Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

*Section 7.* Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

*Section 8.* Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles,

on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

*Section 9.*        Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

*Section 10.*       Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

*Section 11.*       Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities 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 reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or wilful misconduct. The obligations of the Issuer under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

*Section 12.*       Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and the Bondholders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: August \_\_, 2010

COUNTY OF OCEAN, NEW JERSEY

By: \_\_\_\_\_  
Julie N. Tarrant, County Comptroller

**EXHIBIT A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: County of Ocean, New Jersey

Name of Bond Issue: \$\_\_\_\_\_ General Improvement Bonds (Ocean County College-Gateway Building Project), Series 2010

Date of Issuance: August \_\_, 2010

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated \_\_\_\_\_, 2010. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.\_\_, 20\_\_.

Dated: \_\_\_\_\_ \_\_, 20\_\_

COUNTY OF OCEAN, NEW JERSEY

By: \_\_\_\_\_  
Name:  
Title:

(Form of Continuing Disclosure Certificate for the Bonds)

### CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the County of Ocean, New Jersey (the "Issuer") in connection with the issuance by the Issuer of \$\_\_\_\_\_ principal amount of its College Capital Improvement Bonds, Series 2010 (the "Bonds"). The Bonds are being issued pursuant to a Bond Ordinance (the "Ordinance") duly adopted by the Board of Chosen Freeholders of the Issuer (the "Board") on \_\_\_\_\_, 2010, and a resolution duly adopted by the Board on July 7, 2010 (the "Resolution"). The Bonds are dated August \_\_, 2010 and shall mature on August 1 in the years 2011 through 2015, inclusive. The Issuer covenants and agrees as follows:

*Section 1.*        Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time ("Exchange Act").

*Section 2.*        Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any Bond, including holders of beneficial interests in the Bonds.

"Continuing Disclosure Information" shall mean: (i) any notice required to be filed with the Repositories pursuant to Section 4 hereof; and (ii) any notice of an event required to be filed with the Repositories pursuant to Section 3(c) hereof.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System ("EMMA"), an internet based filing system created and maintained by the MSRB in accordance with the SEC Release, pursuant to which issuers of tax-exempt bonds, including the Bonds, and other filers on behalf of the such issuers shall upload Continuing Disclosure Information to assist underwriters in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of New Jersey.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months after the end of its fiscal year, commencing with the report for the fiscal year ending December 31, 2010, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. The Issuer shall also provide, or cause the Dissemination Agent to provide, to the MSRB the Issuer's audited financial statements for the fiscal year ending December 31, 2009 within thirty (30) days after they become available. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the SEC.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for making available or providing the Annual Report, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

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

(ii) if applicable, if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting standards (GAAS) as from time to time in effect, and as prescribed by the Division of Local Government Services in the Department of Community Affairs of the State pursuant to Chapter 5 of Title 40A of the New Jersey Statutes. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. The financial information and operating data set forth in the Official Statement (including Appendix A thereto) dated July \_\_, 2010 prepared in connection with the sale of the Bonds, under the captions: "Tax Information", "Ocean County Leading Tax Ratables - 2010", "County of Ocean Statement of Statutory Debt Condition June 30, 2010", "List of Authorized Debt as of June 30, 2010", "Debt Ratios" and "County of Ocean Schedule of Bond and Note Maturities Outstanding as of June 30, 2010".

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;



5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7. modifications to rights of Bondholders;
8. optional, contingent or unscheduled Bond calls;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds; and
11. rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Bondholders of affected Bonds pursuant to the Resolution. Each notice required to be filed with the MSRB shall be in an electronic format as prescribed by the MSRB, and that all documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

*Section 6.* Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

*Section 7.* Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

*Section 8.* Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the

reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

*Section 9.*        Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

*Section 10.*        Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

*Section 11.*        Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities 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 reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or wilful misconduct. The obligations of the Issuer under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

*Section 12.*        Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and the Bondholders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: August \_\_, 2010

COUNTY OF OCEAN, NEW JERSEY

By: \_\_\_\_\_  
Julie N. Tarrant, County Comptroller

**EXHIBIT A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: County of Ocean, New Jersey

Name of Bond Issue: \$\_\_\_\_\_ College Capital Improvement Bonds, Series 2010

Date of Issuance: August \_\_, 2010

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated \_\_\_\_\_, 2010. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.\_\_, 20\_\_.

Dated: \_\_\_\_\_ \_\_, 20\_\_

COUNTY OF OCEAN, NEW JERSEY

By: \_\_\_\_\_  
Name:  
Title: